

Procurement FAQs Bureau of Contracts Goods & Services Team 2026 Fall Conference



New York State Comptroller
THOMAS P. DINAPOLI



Goods & Services Team: Agenda

- Introduction
- Order of Purchasing Priority
- Discussion of Award Methodologies
 - Preferred Sources
 - OGS Centralized Contracts
 - Discretionary Selections
 - Formal Competitive Procurements
 - Contract Reporter Exemption Requests
- Conclusion
- Questions



Order of Purchasing Priority

Where should I start when I need to make a purchase?

- Preferred Source offerings (SFL Article 11, §162)
- Office of General Services (OGS) centralized commodity contracts
- Discretionary
- Formal Competitive Procurements
- Sole Source, Single Source and Emergency Procurements



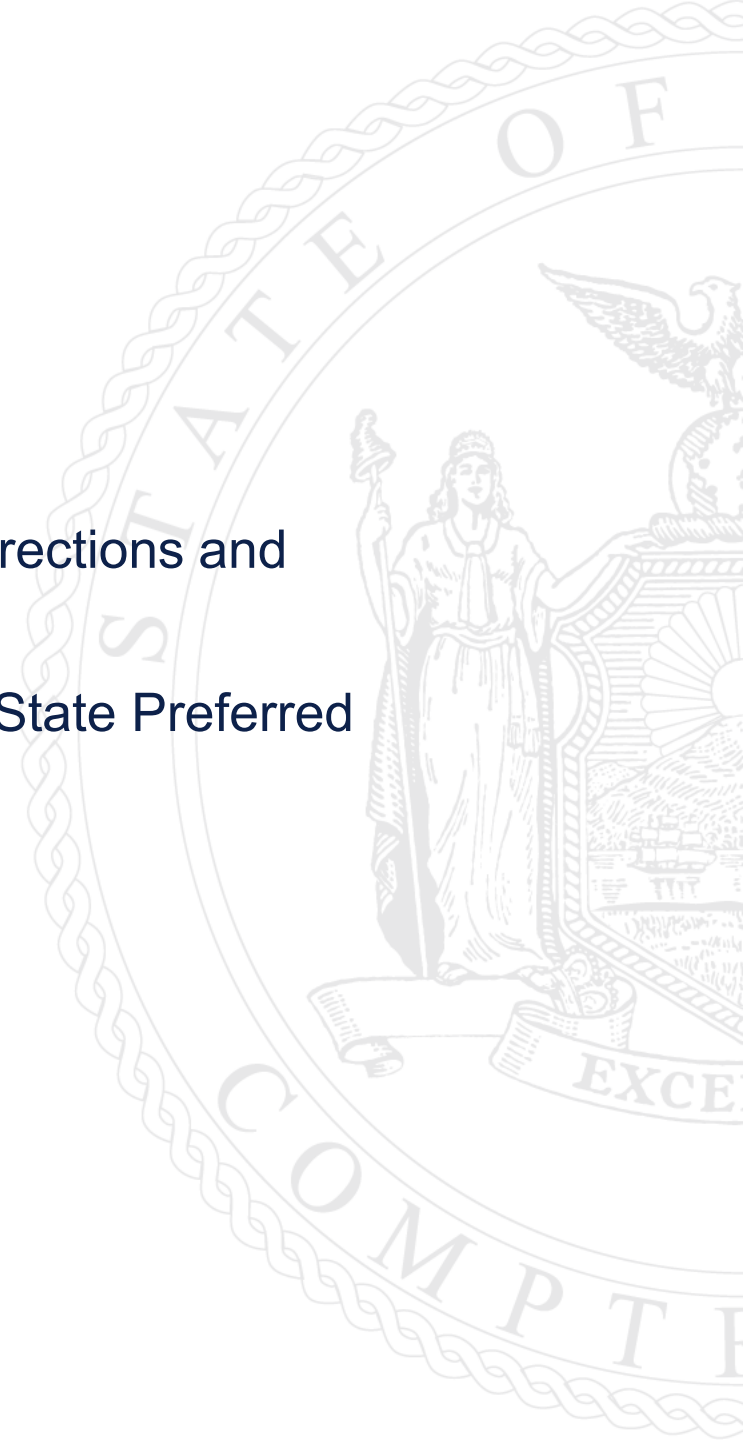
Topic 1

Preferred Sources

Preferred Sources

Who are the Preferred Source Providers?

- Corcraft: Correctional Industries Program of the Department of Corrections and Community Supervision
- National Industries for the Blind NY (NIBNY): previously New York State Preferred Source Program for People Who are Blind (NYSPSP)
- New York State Industries for the Disabled, Inc. (NYSID)



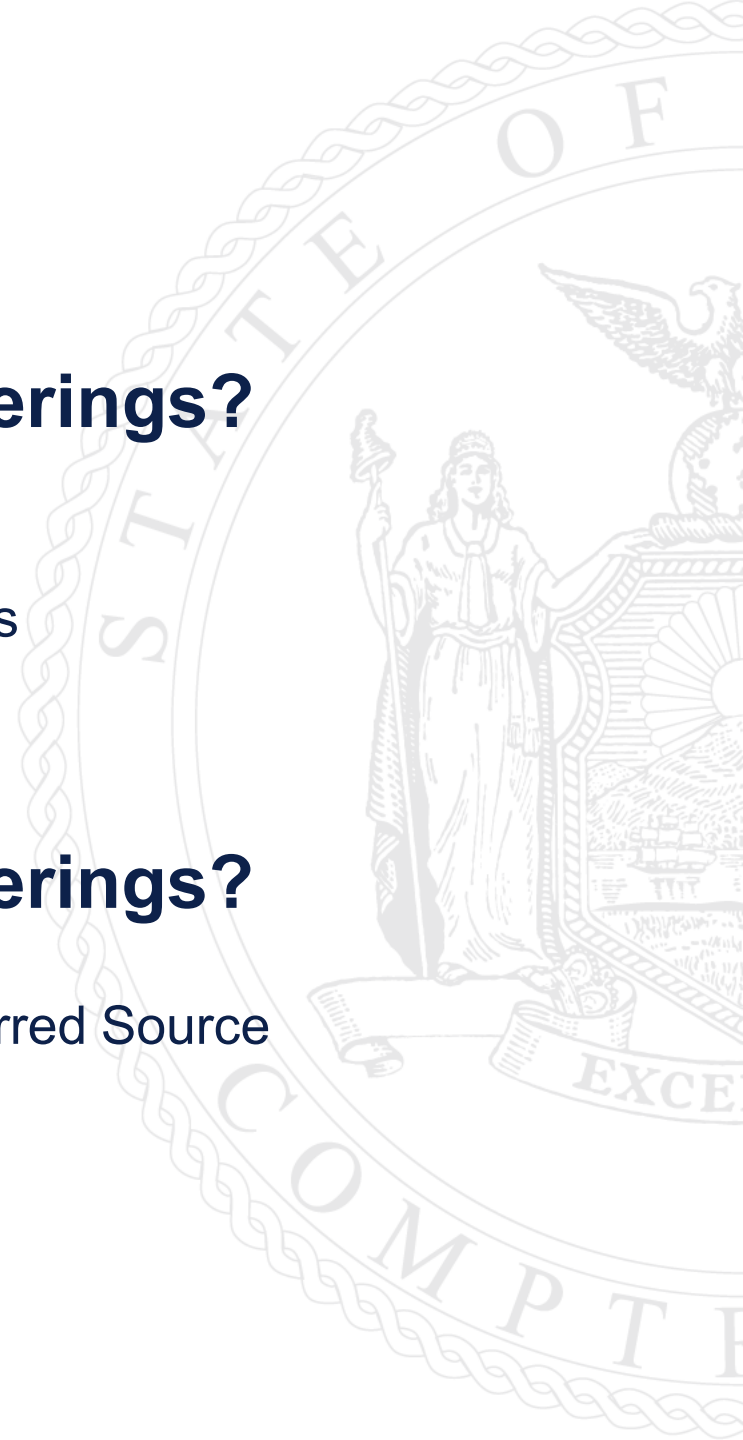
Preferred Sources

What are some common Preferred Source offerings?

- **Services:** janitorial services, grounds keeping, laundry, data entry
- **Commodities:** office furniture, cleaning supplies, signage, uniforms
- [List of Preferred Source offerings](#)

What are some common Preferred Source offerings?

- New services and products are often added; check the list of Preferred Source offerings before each new procurement



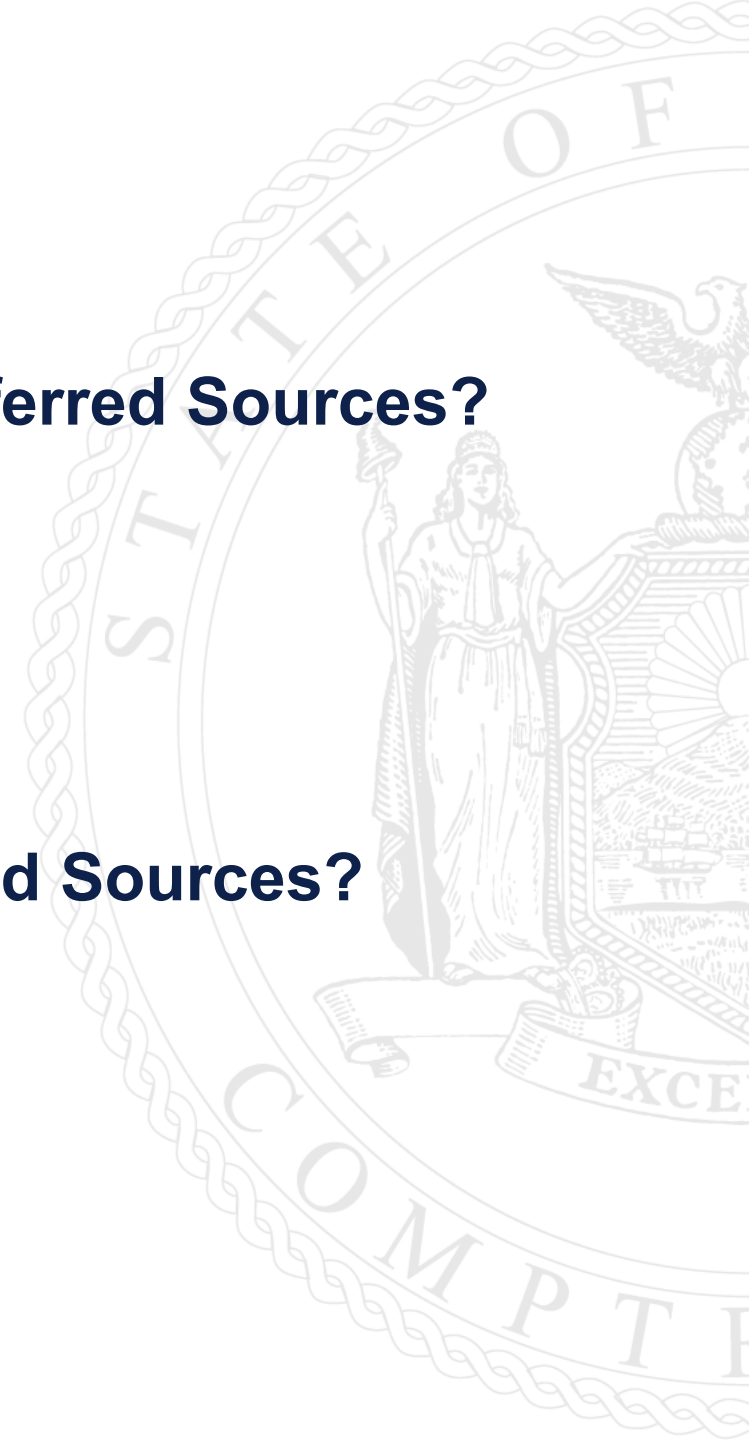
Preferred Sources

What if a commodity is available from multiple Preferred Sources?

- Follow Preferred Source order of priority:
 - Corcraft
 - NIBNY
 - NYSID

What if a service is available from multiple Preferred Sources?

- Price is the determining factor.



Preferred Sources

What is the process for procuring from a Preferred Source?

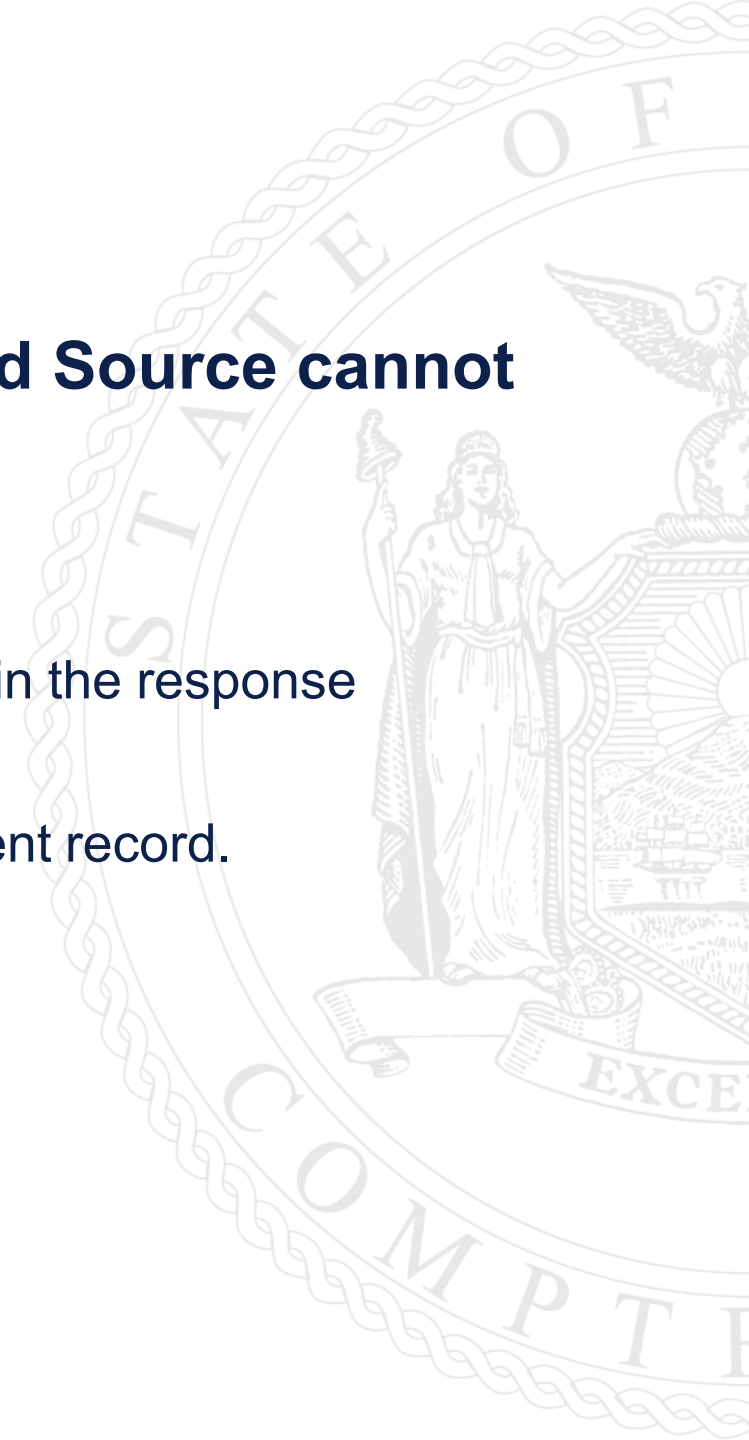
[Preferred Source Guidelines](#)

1. Agency determines need.
2. Review list of Preferred Source offerings for goods or services that meet form, function, utility.
3. If available from Preferred Source:
 - a) Commodity: Complete purchase through facilitating entity.
 - b) Service: Notify the Preferred Source or facilitating entity of the need for the service.

Preferred Sources

What if I don't hear back in 10 days, or the Preferred Source cannot provide the commodity or service?

- Proceed with next step in order of purchasing priority.
- If Preferred Source is unavailable or cannot perform the work, retain the response and submit with procurement record.
- If no response, retain proof of notification to submit with procurement record.



Preferred Sources

Do Preferred Source purchases need to be advertised?

- No, Preferred Source contracts do not need to be advertised.
- There are only three Preferred Sources, and offerings are publicly listed.



Preferred Sources

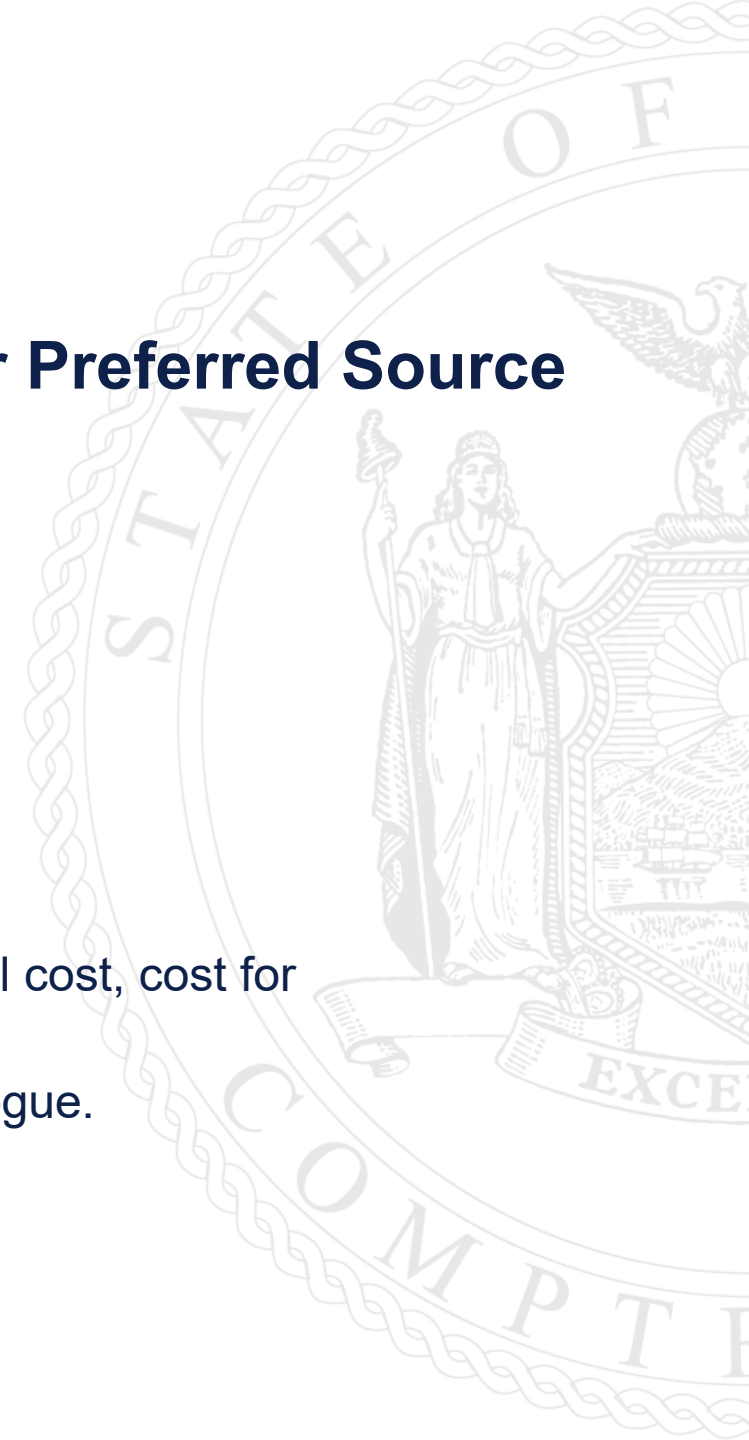
If a Preferred Source's price is higher than the open market, can we purchase using the open market instead?

- No, State Finance Law requires using a Preferred Source first if it meets the agency's form, function, and utility.
- Corcraft: consult with Corcraft on any pricing issues; if issue is not resolved, purchaser may formally appeal purchase price if it unreasonably exceeds fair market price.
- NYSID and NIBNY: for transactions over \$100,000, OGS price concurrence is required.

Preferred Sources

What documentation must be submitted to OSC for Preferred Source purchases? (Part 1)

- Procurement Record Checklist
- Stand-alone purchase order or fully executed contract document
- Appendix A
- Price justification
 - Services over \$100,000: OGS Price Approval Letter
 - Under \$100,000 or OGS: agency provides price justification (historical cost, cost for similar approved contracts, discount from price list, etc.).
 - Commodities: price must match Corcraft, NIBNY, or the NYSID catalogue.
- Pre-encumbrance



Preferred Sources

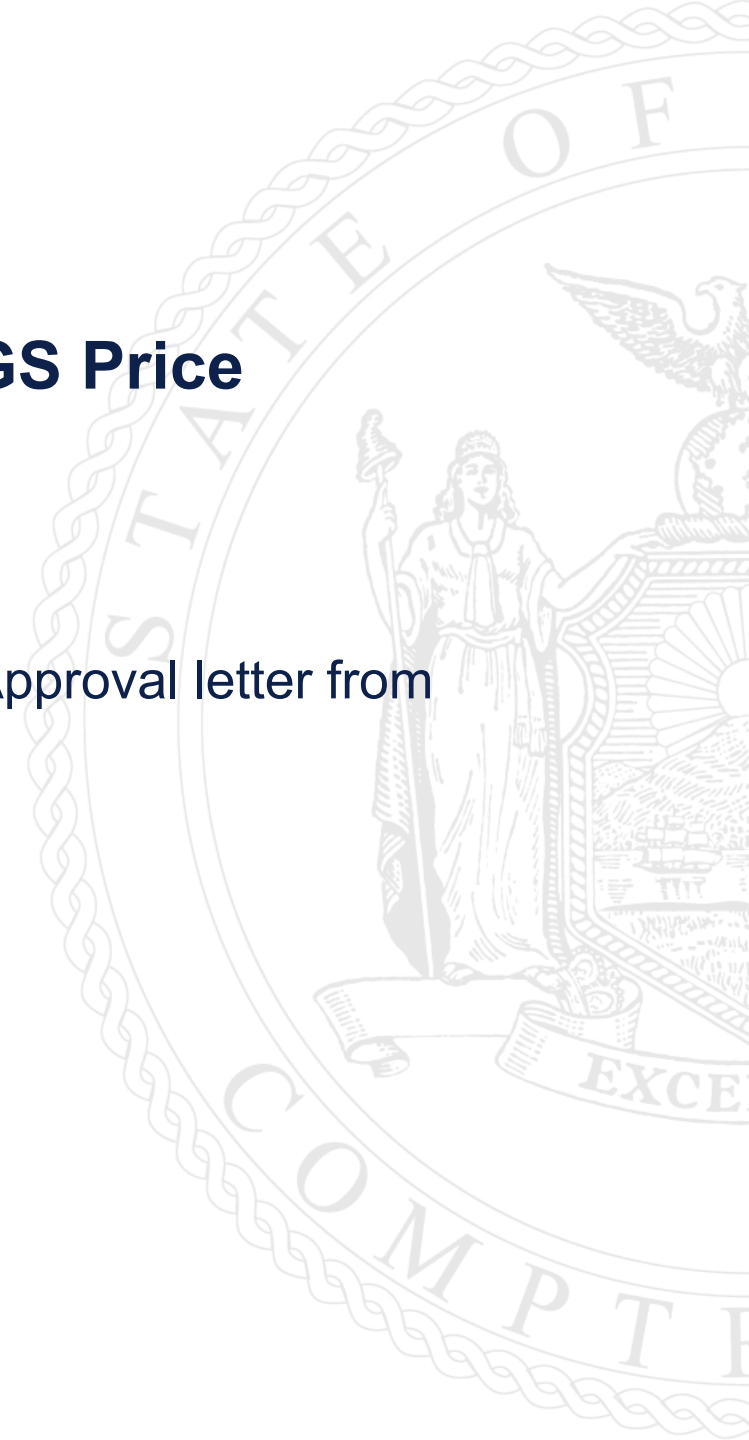
What documentation must be submitted to OSC for Preferred Source purchases? (Part 2)

- Attorney General approval (if applicable)
- [OGS Preferred Source Forms](#)
 - Form 1: Statement of Work
 - Form 2: Facilitating Agency Service Application
 - Form 3: Cost Summary
 - Form 4: Purchasing Agency Acceptance
- Division of Budget approval (B-1184)
- Vendor Responsibility documentation: not required for Preferred Sources but needed for subcontractors receiving over \$100,000 unless they are also exempt entities.

Preferred Sources

Do price increases need to be anticipated in the OGS Price Approval?

- Yes, the OGS Price Approval must allow for the rate escalations.
- If it was not allowed for, an agency can request an updated Price Approval letter from OGS.



Topic 2

OGS Centralized Contracts

OGS Centralized Contracts

Why do I have to use an OGS Centralized Contract?

- State finance law establishes the order of purchasing priority. If the commodity or service is not available from a preferred source, then OGS centralized Contracts has the next status in the purchasing hierarchy.

[Guide to Financial Operations \(GFO\) XI.8.A Centralized Contracts](#)

What are OGS Centralized Contracts used for?

- Established commodities, services and technology contracts
- Created by OGS for use by Authorized Users
- Required by executive agencies unless the item, service or technology does not meet its form, function and utility

OGS Centralized Contracts

What is an OC?

[GFO XI.8.A Centralized Contracts](#)

An OC transaction is a mechanism to allow an agency to gain OSC approval for purchases from OGS Centralized Contracts exceeding the OSC approval threshold (\$200,000).

- Must contain OC prefix unless otherwise specified
- Need to follow the OGS Centralized Contract's How to Use Guide
- Explain vendor selection
- Shall demonstrate price reasonableness
- Will be for a time period authorized under the Centralized Contract's terms & conditions

OGS Centralized Contracts

What happens if my initial purchase is approaching \$200,000?

- When the reasonably expected aggregate amount has the potential to exceed \$200,000, the transaction must be submitted for OSC approval.

Can my transaction start prior to the RFQ / Bid due date?

- No. RFQs must be issued, quotes received, and selection made prior to initiating services.
- To ensure a fair, open and transparent selection process, all applicable vendors must have an opportunity to quote on a project and have their quote evaluated before the work begins.

OGS Centralized Contracts

Where do I find specific OGS centralized contracts?

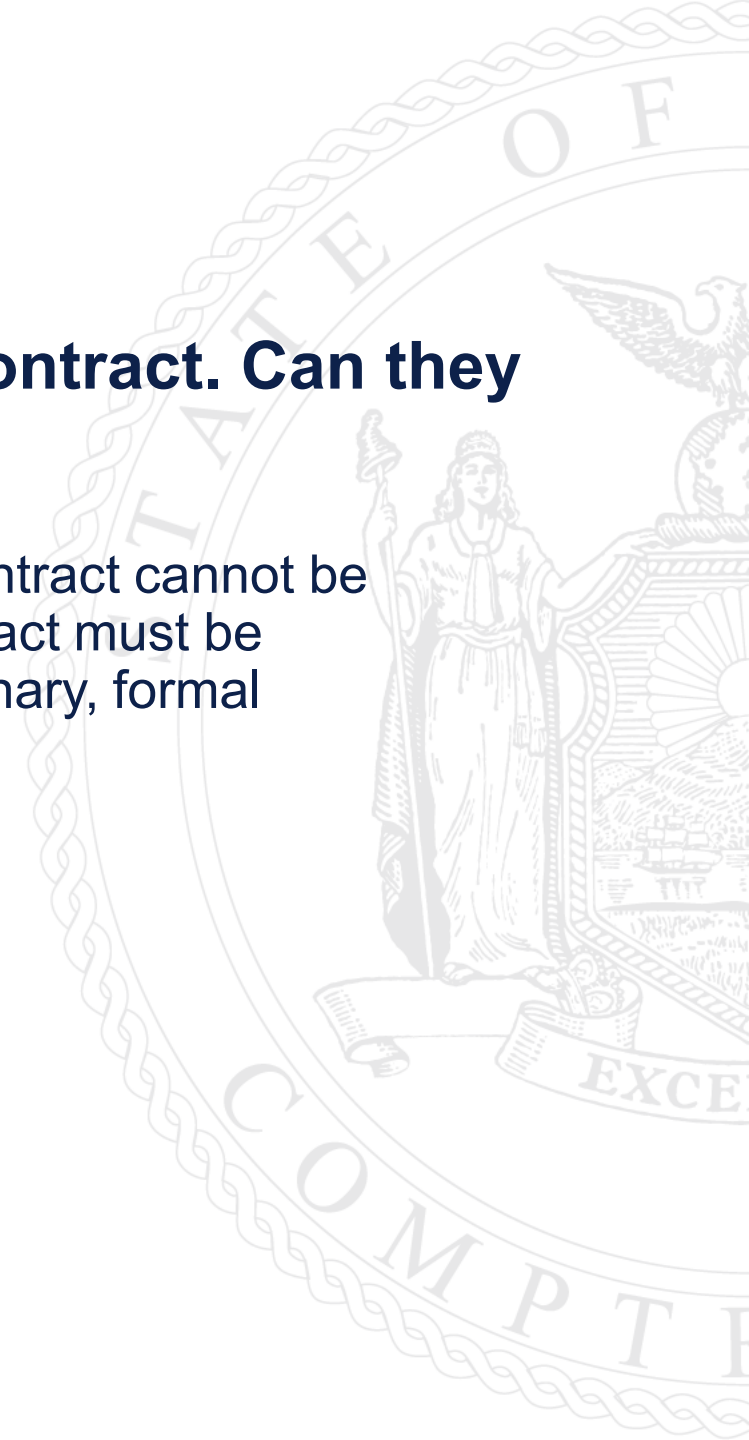
- The following link lists all available OGS Centralized Contracts.
[Search OGS Centralized Contracts](#)
- If you are unsure if your required item is available, OGS Procurement Services at customer.services@ogs.ny.gov can help you find the right contract.



OGS Centralized Contracts

Our agency needs items that are not on the OGS contract. Can they be included in the OC?

- No. Goods and services that are not included in the centralized contract cannot be purchased from the statewide contract. Items that are not on-contract must be purchased using an alternate procurement methodology (discretionary, formal competition, etc.).



OGS Centralized Contracts

An OGS vendor on Award 22802 gave me a sole source letter. Are there any other steps needed for approval?

- Yes. The IT Manufacturer Umbrella's How to Use Guide describes the procedures an Authorized User must follow when there are no authorized resellers for a particular product.
- Authorized Users must canvass all manufacturers and resellers in the contract lot(s) to ensure there are no other equivalent items available that may meet an agency's business need.

OGS Centralized Contracts

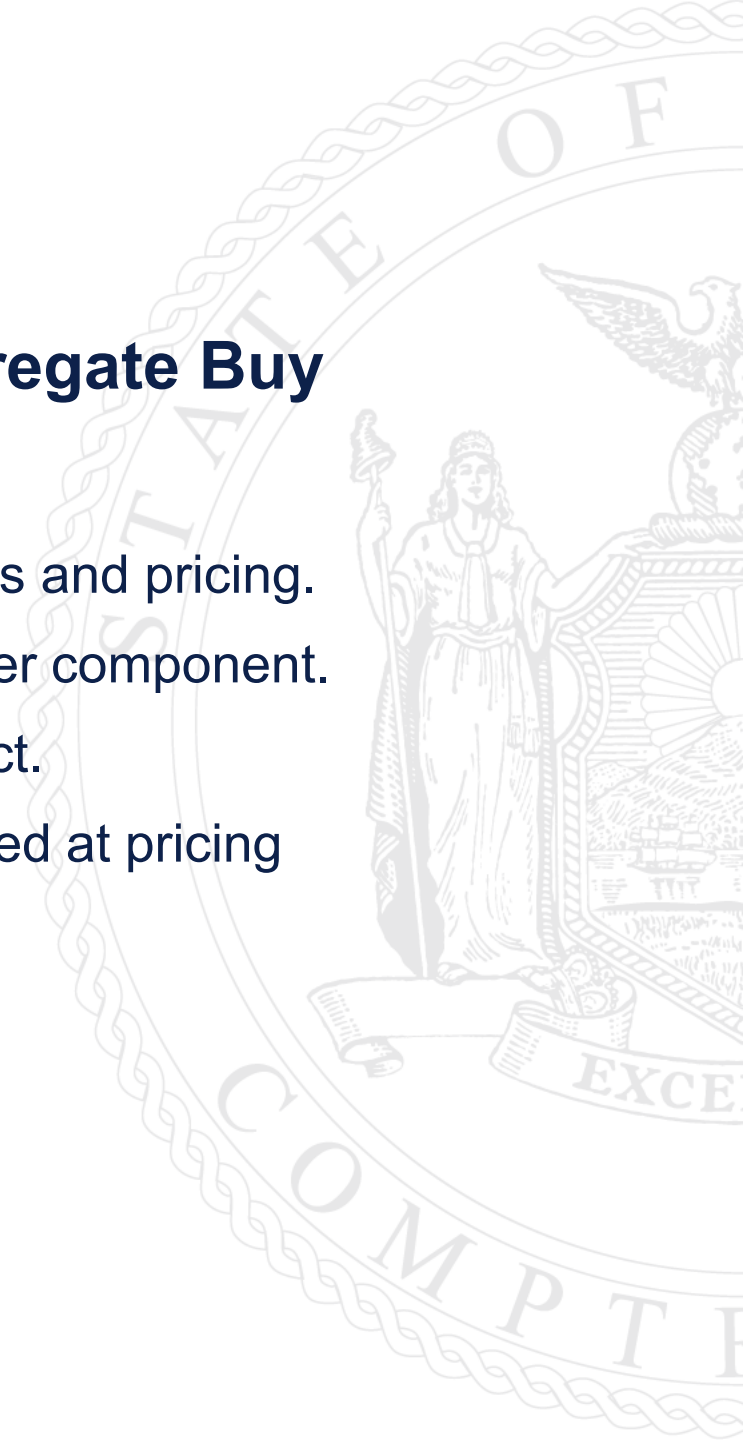
A few weeks have passed since bids for our RFQ were received. Because of inflation the vendor says their price has gone up. Can we give the vendor a CPI increase from their quoted price?

- No. Quoted prices must remain firm for the period described in the RFQ, Centralized Contract or State Finance Law.
- Bid pricing may never surpass the not-to-exceed (NTE) OGS contract price.
- Authorized Users are always encouraged to negotiate lower pricing with the awarded contractor.

OGS Centralized Contracts

Why can't I accept a lump sum quote from the Aggregate Buy technology contract?

- Aggregate Buy quotes must be broken down by the individual SKUs and pricing.
- Vendor quotes must include pricing for each laptop, desktop or other component.
- Authorized Users must verify that all proposed items are on contract.
- Authorized Users must validate that each component was not quoted at pricing above the NTE contract price.



OGS Centralized Contracts

Is it allowed to purchase additional quantities from my RFQ or Mini-bid?

- Maybe. Some OGS contracts do allow the purchase of additional quantities. Please verify that additional quantities are specifically allowed in the Centralized Contract, RFQ, and/or mini-bid.
- If allowed, please do not submit your additional purchase from an RFQ or mini-bid with a new OC transaction number. The transaction should be submitted as an amendment to the original OSC approved OC.
- Only include the value of the additional items.

OGS Centralized Contracts

What Documents should I include in my OC Procurement Record?

- Any documentation required by the How to Use Guide including:
 - Solicitation email alerting vendors to the opportunity
 - Blank RFQ
 - Scope with Financial Response information (SKU, Lot #, QTY)
 - Summary of vendor bids
 - Awarded vendor's bid
 - Price justification when competition is limited
 - Award/non-award letters
 - No-bid responses
 - Confirmation that no debriefs are outstanding
 - Confirmation that no protests have been received, or that any protests received have been decided with a copy of the protest and the agency determination

OGS Centralized Contracts

Should I write a cover letter for my submission, and, if so, what should be contained in a memo?

- Detail the OGS Award and OGS Contract numbers
- Describe what is being procured
- Show the math explaining how the total OC amount was calculated
- Summarize the procurement process
- When competition is limited, explain how the rates were determined to be reasonable and summarize how the Authorized User attempted to negotiate better pricing for New York State
- Confirm all parties have been notified whether they have been selected or not, confirm any debrief requests have been satisfied, confirm the agency has not received any protests, or that any protests received have been decided with a copy of the protest and the agency determination
- Detail any unusual or unforeseen circumstances

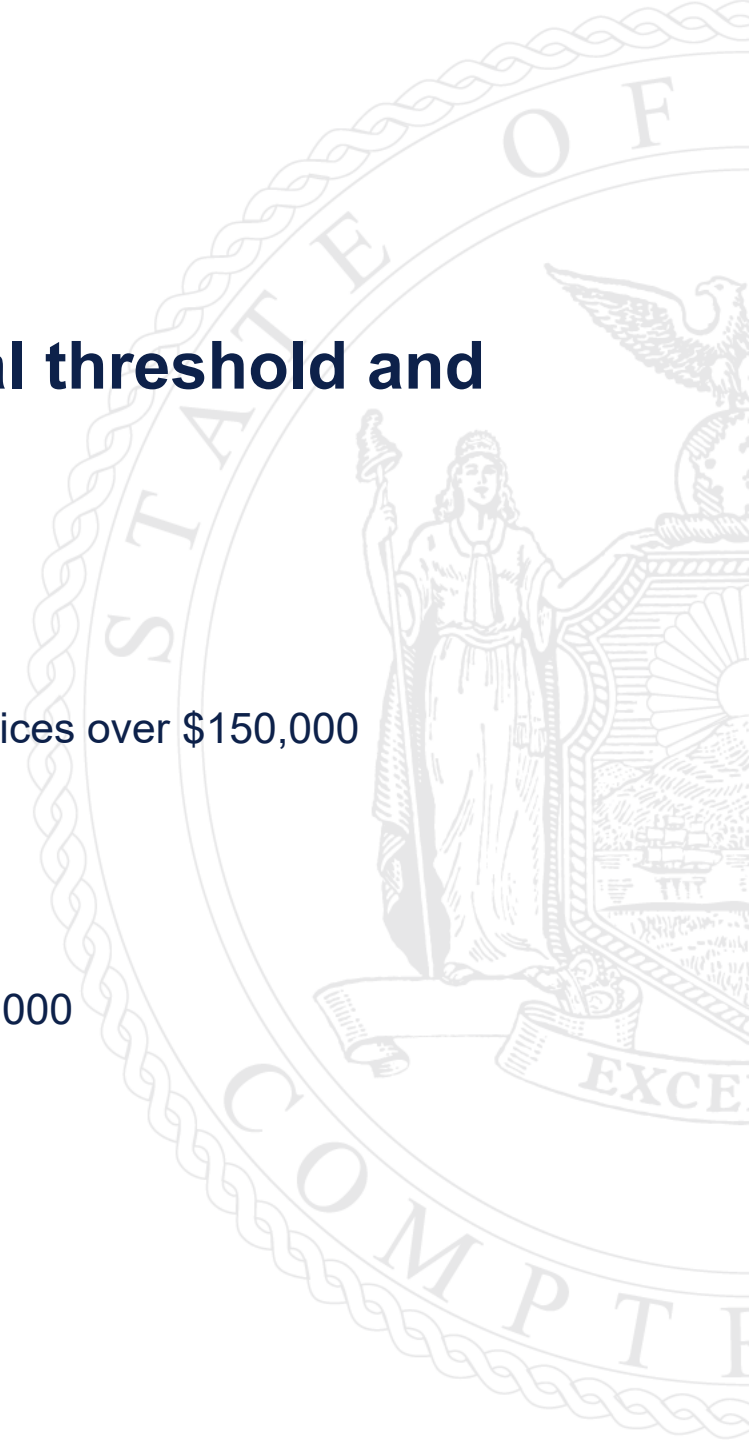
Topic 3

Discretionary Selections

Discretionary Selections

Tell me the differences between OSC's pre-approval threshold and the discretionary thresholds.

- OSC Contract Approval Thresholds:
 - State Agency contracts over \$50,000
 - OGS contracts over \$85,000, except OGS contracts for commodities and services over \$150,000
 - Agency transactions processed by the BSC over \$150,000
 - OGS Centralized Contracts over \$125,000
 - Agency purchases from OGS Centralized Contracts over \$200,000
 - SUNY contracts for commodities, services, construction and printing over \$75,000
 - SUNY Hospital contracts for commodities and services over \$150,000
 - SUCF contracts and leases over \$75,000
 - CUNY & CUCF (CON) contracts over \$150,000



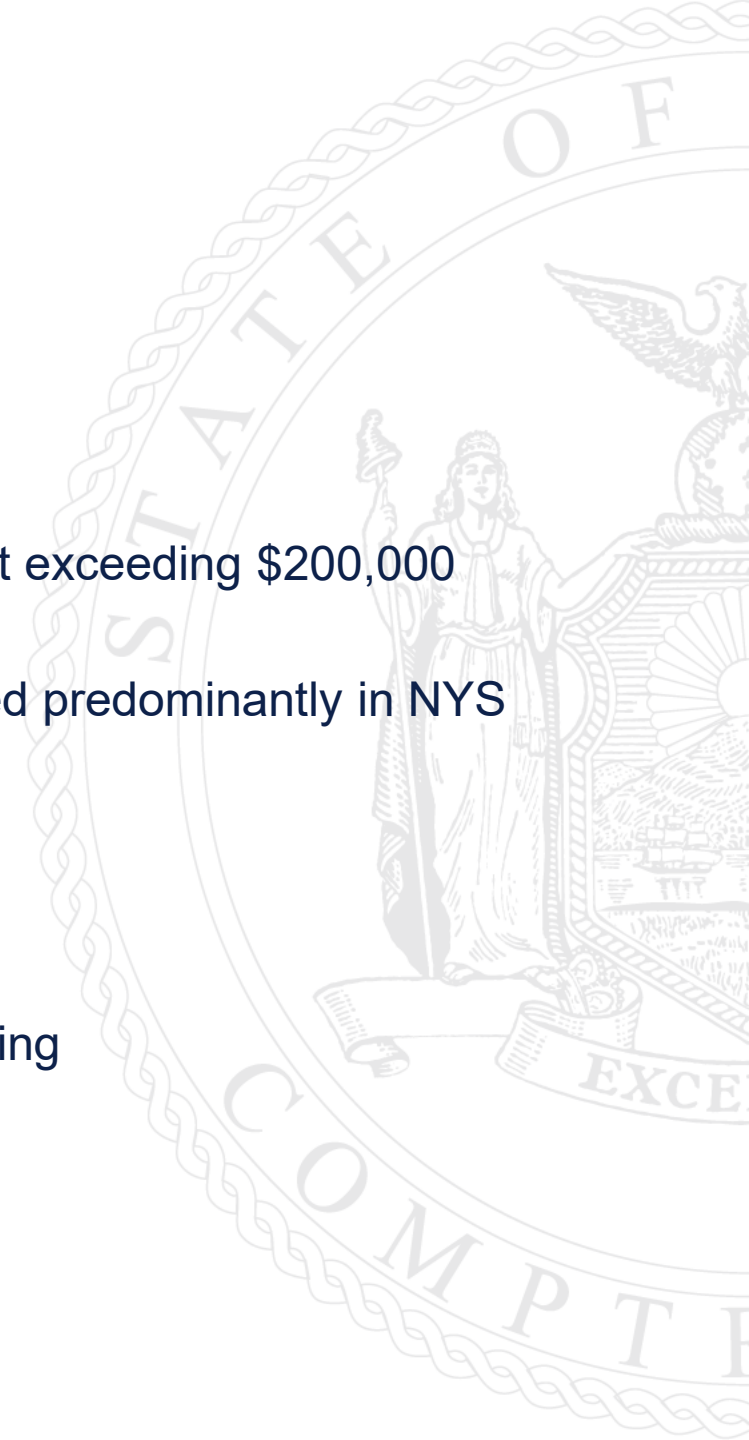
Discretionary Selections

NYS Agriculture

- SFL Article 11, §163(6)(e)
- Certain agricultural commodities grown, produced or harvested in NYS not exceeding \$200,000
- Food, including milk, milk products, animals or plant fiber products
- Textile products manufactured from animal or plant fiber grown or produced predominantly in NYS

NYS Small Businesses

- SFL Article 11, §163(6)(e)
- Small business concerns services, commodities or technology not exceeding \$500,000
- Business resides in New York State
- Independently owned and operated



Discretionary Selections

Recycled or Remanufactured

- SFL Article 11, §163(6)(e)
- Recycled or remanufactured commodities or technology not exceeding \$500,000
- Specified minimum percentage by weight of post-consumer material
- Restored to its original performance standards and function

MWBE

- NYS Executive Law, Article 15-A
- Minority or Women-Owned Business Enterprises (MWBEs) not exceeding \$1,500,000
- NYS Empire State Development (ESD) certified
- [NYS Directory of Certified Firms](#)



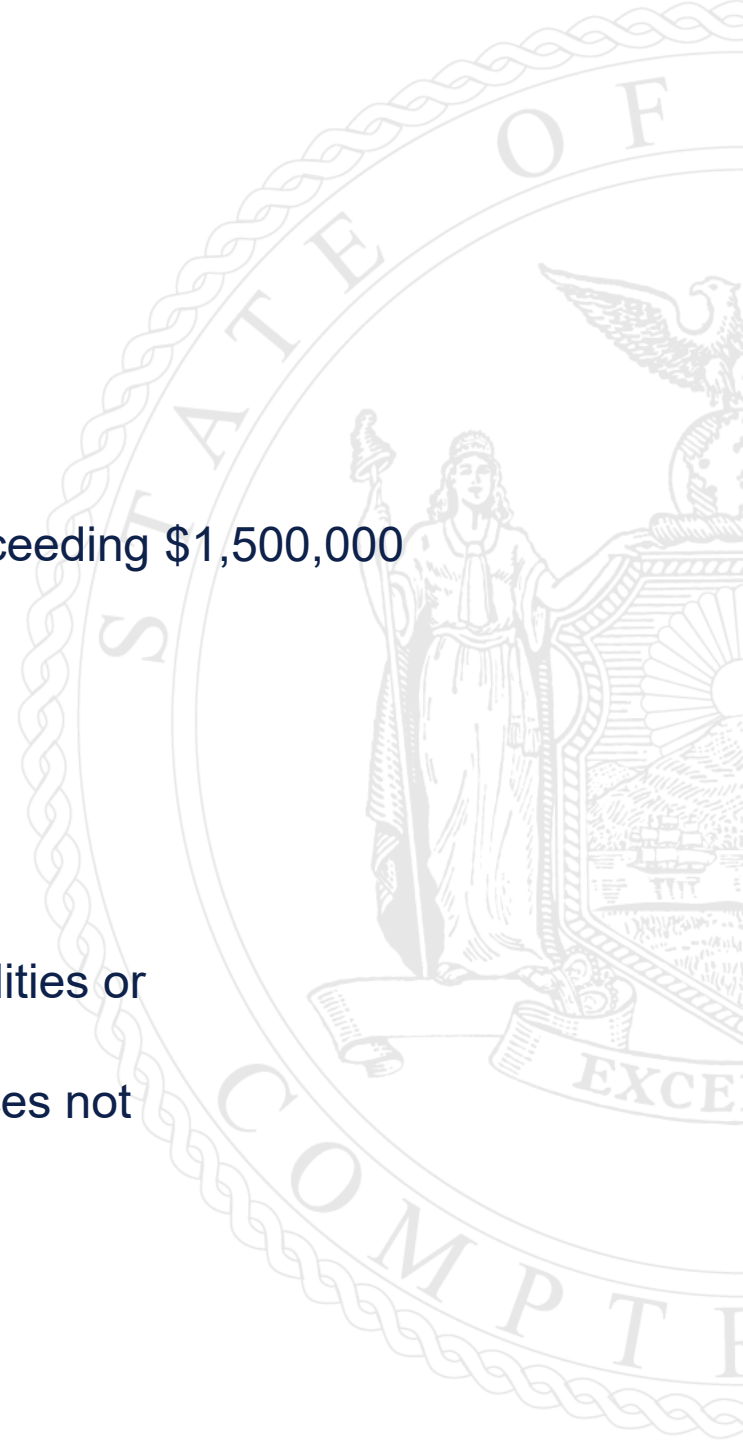
Discretionary Selections

SDVOB

- NYS Veterans' Services Law, Article 3
- Certified Service-Disabled Veteran-Owned Businesses (SVD OBs) not exceeding \$1,500,000
- [SDVOB Directory](#)

Other Informal Selection Thresholds

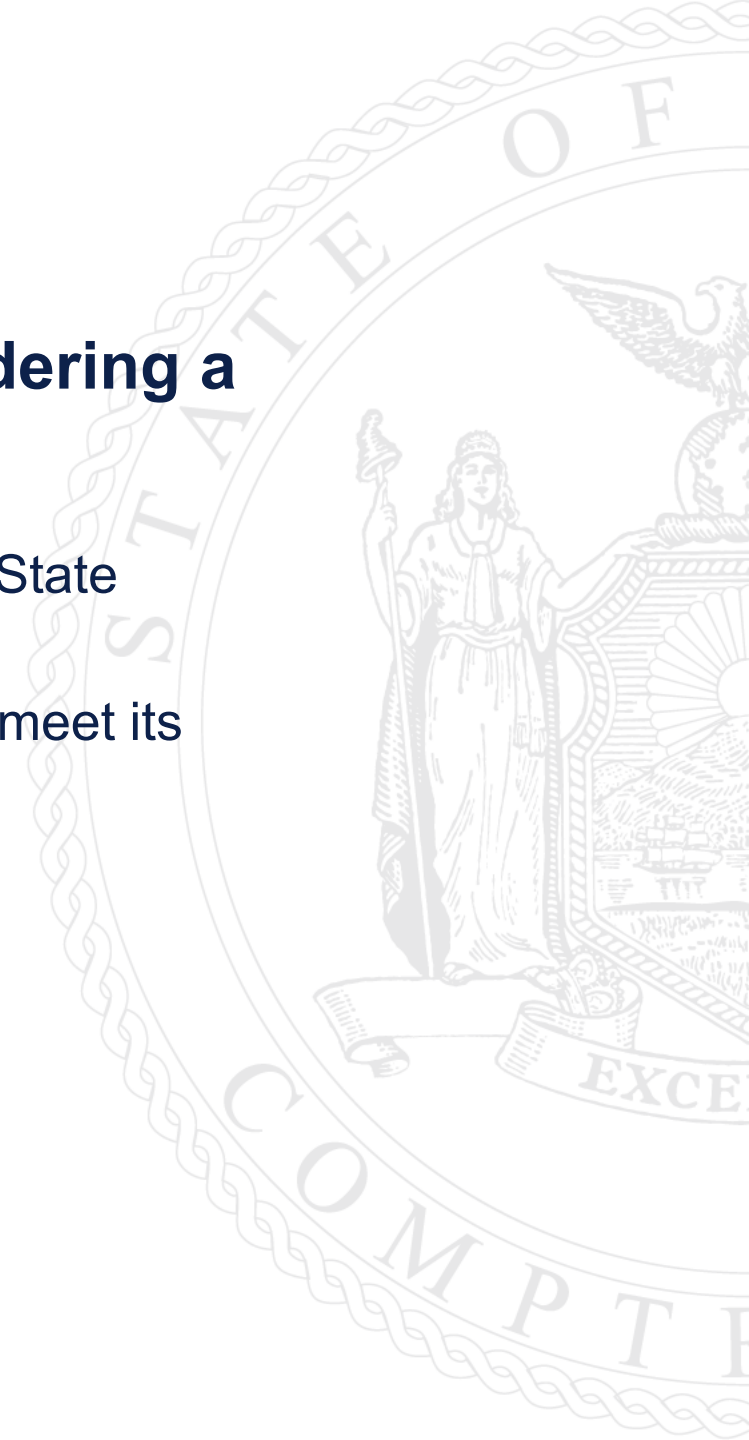
- State Agencies not exceeding \$150,000
- OGS Business Service Center Customer Agency transactions of commodities or services processed by the BSC not exceeding \$150,000
- SUNY, SUNY CF, CUNY & CUNY CF purchases of commodities or services not exceeding \$150,000
- CUNY construction contacts not exceeding \$20,000



Discretionary Selections

Are there things I should keep in mind when considering a discretionary procurement?

- Yes. For purchases up to the discretionary buying threshold, each State agency must:
 - Ensure that the commodities, services or technology acquired meet its form, function and utility needs
 - Document and justify the selection of the vendor
 - Document and justify the reasonableness of the price; and
 - Ensure that the State buys from responsible vendors.



Discretionary Selections

What are the steps in a Discretionary Procurement?

- Document business need
- Develop a solicitation list for the desired opportunity type
 - Minority or Women-Owned Business Enterprises (MWBE) Directory
 - Service-Disabled Veteran-Owned Business (SDVOB) Directory
 - New York State Contract Reporter, if over \$150,000
 - Open Book
 - Google searches / trade publications
 - Previous solicitation lists, bidders and incumbent vendor(s)
- Obtain quotes from interested parties
- Review for responsiveness
- Perform vendor responsibility review



Discretionary Selections

Do MWBE procurements need to be advertised, and do they need OSC approval?

- Per Economic Development Law, agencies must advertise for purchases equal to or greater than \$150,000.
- Purchases up to the discretionary threshold are not subject to formal competitive bidding requirements.
- Transactions in the amount of \$150,000, or more, are subject to advertising requirements. This means that an MWBE discretionary procurement in the amount of \$150,000 or more needs to be advertised in the New York State Contract Reporter even though competitive bidding is not required.
- Transactions exceeding an agency's OSC pre-approval threshold require OSC approval.

Resources

- Economic Development Law Article 4C
- State Finance Law §163

Discretionary Selections: Common Advertising Pitfalls

Are there any best practices for advertising discretionary purchases?

- The opportunity should describe the business need, rather than advertising for a specific vendor or specific vendor's product.
- Advertisements must create an opportunity and encourage competition.
- Advertisements must be placed prior to the bid due date and contract start date.
- Choose the correct “Opportunity Type”.
- When advertising for discretionary purchases, it is important to be clear about who is eligible to bid on these services (MWBES, SDVOBs, small business, general, etc.).
- The language should clearly indicate what product or service the entity is procuring and who is able to bid on the commodities or services.
- If a specific product is referenced, “or equal” language must be included to inform bidders that equivalent alternatives will be considered.

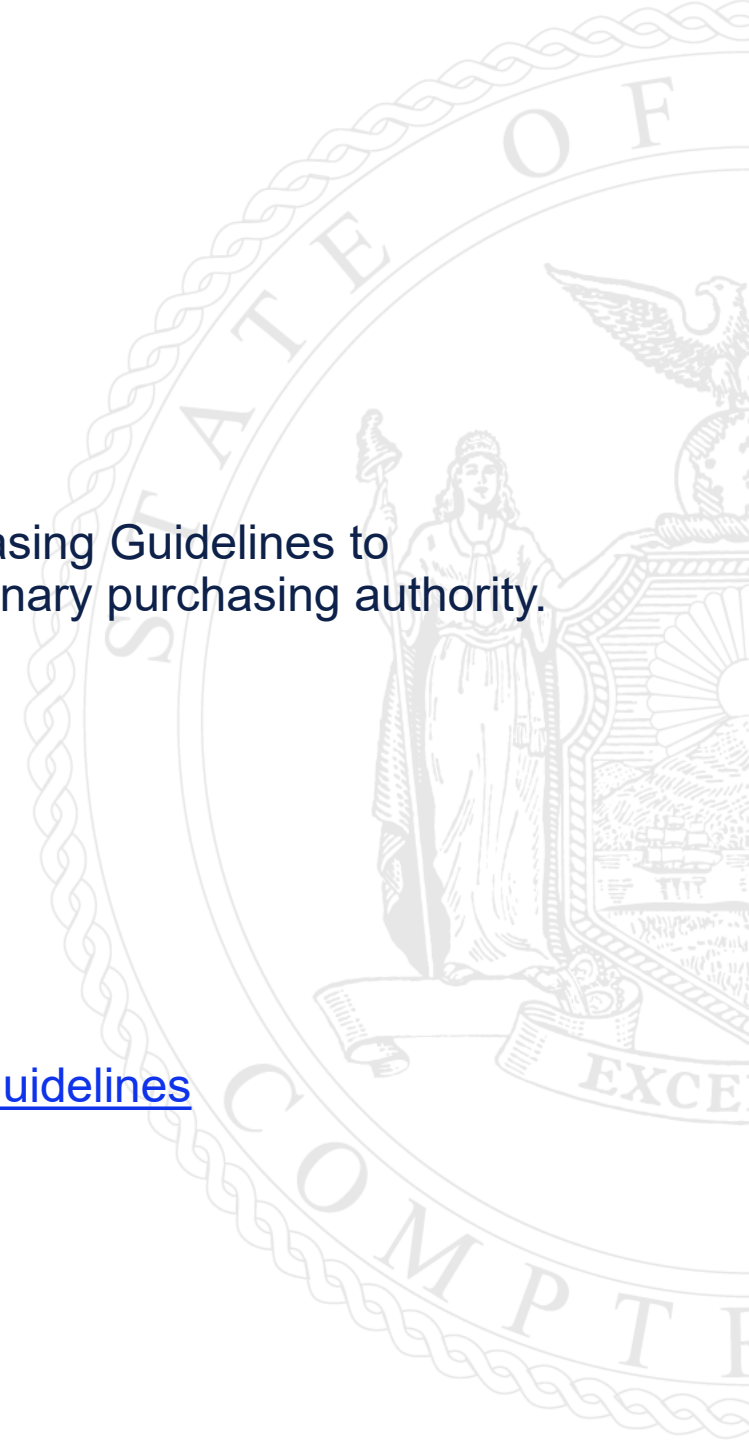
Discretionary Selections

Advertising Requirements

- Several recommended examples are available in the Discretionary Purchasing Guidelines to advertise a procurement opportunity when the agency will use its discretionary purchasing authority.

Resources

- Office of General Services:
- [New York State Procurement Council Bulletin: Discretionary Purchasing Guidelines](#)
- State Finance Law §163



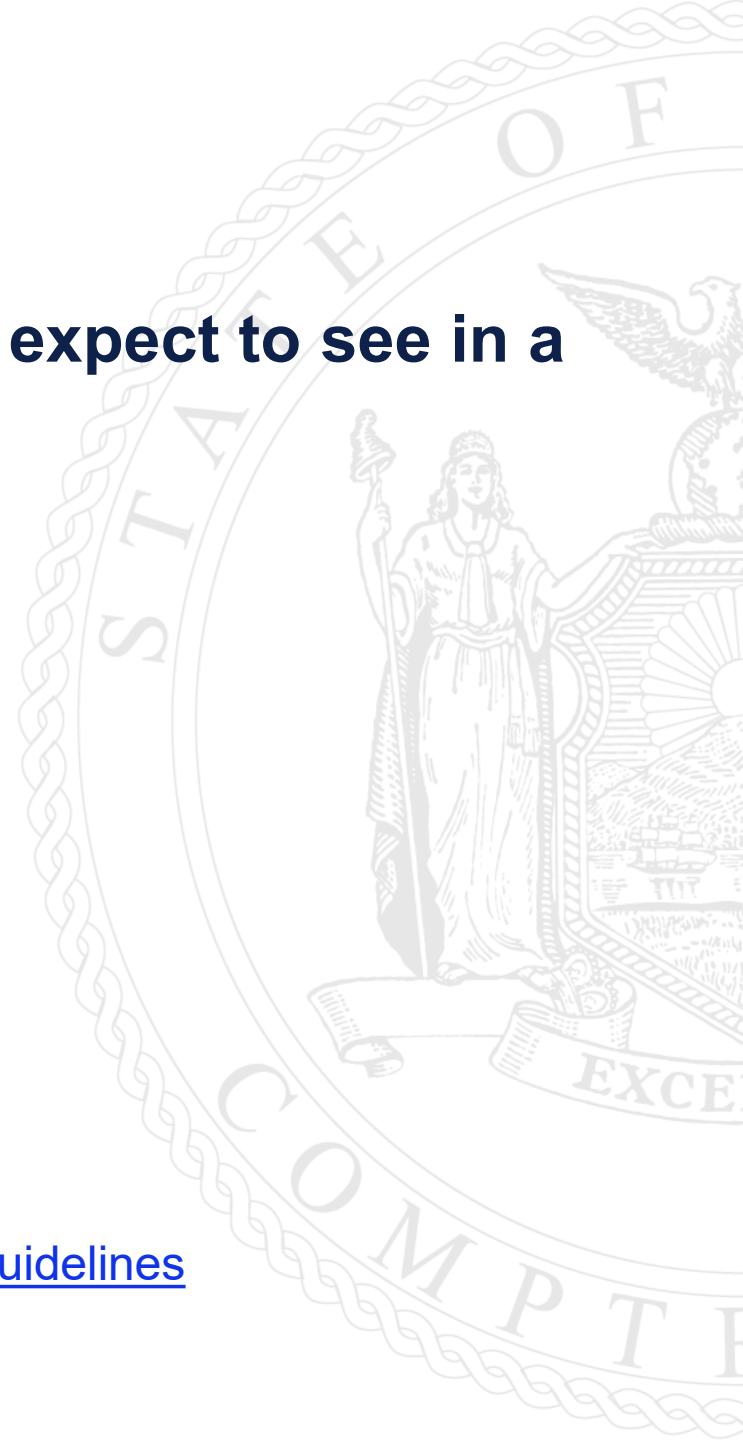
Discretionary Selections

What documentation and/or justification does OSC expect to see in a discretionary procurement record?

- Procurement Record Checklist
- Contract Reporter advertisement, if applicable
- Contract or Stand-alone PO
- Justification of vendor selection (quotes)
- Price reasonableness
- Vendor Responsibility Documentation
- Notice of award/non-award

Resources

- [New York State Procurement Guidelines](#)
- [New York State Procurement Council Bulletin: Discretionary Purchasing Guidelines](#)



Topic 4

Formal Competitive Procurements

Formal Competitive Procurements

What is a formal competitive procurement?

- A procurement awarded through a low bid or best value solicitation. Competition in the procurement process serves both State Agencies and potential bidders by ensuring that the procurement process produces an optimal solution at a reasonable price and allowing qualified vendors an opportunity to obtain State business.
 - Invitation for Bid (IFB): A competitive solicitation used when the award is based on the lowest price from a responsive and responsible bidder.
 - Request for Proposals (RFP): A competitive solicitation used for services or technology where the award is based on a combination of price and technical merits, otherwise known as "best value."

Formal Competitive Procurements

Are procurements below \$150K no longer subject to a formal competitive procurement process due to the increased \$150,000 advertising threshold, but will still be subject to OSC approval?

- Yes, as the threshold for OSC approval of most State agency contracts is \$50,000 (SFL 112), there will be instances where a State agency needs to seek OSC approval for a discretionary purchase (since the discretionary purchasing threshold is now \$150,000 for most State agencies - SFL 163(6)).
- Procurements by state agencies greater than \$150,000 shall be advertised in the Contract Reporter (Economic Development Law Article 4-C) and are subject to the formal bidding requirements (State Finance Law Section 163).

Formal Competitive Procurements

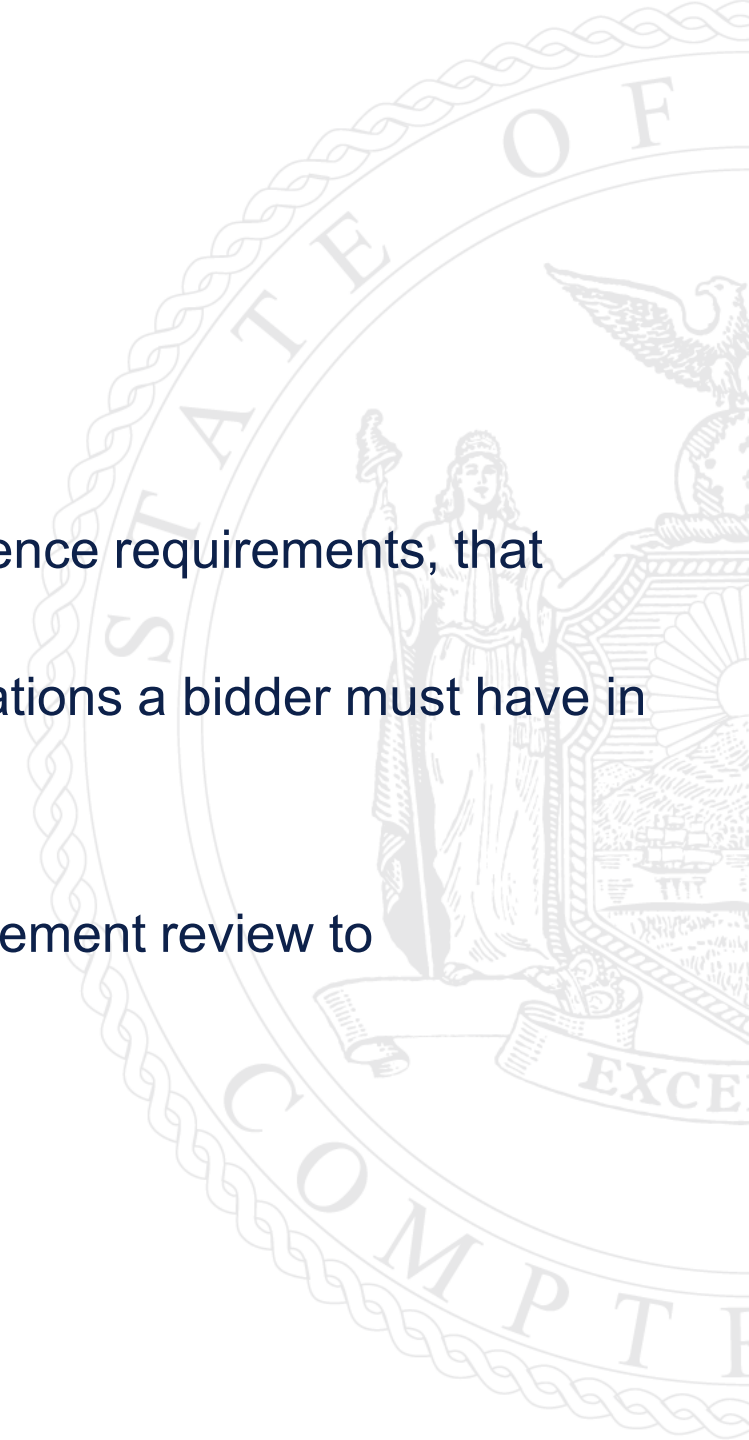
What are the best practices for requesting formal bids?

- Solicitation instructions should be clear and inform the potential bidder of how to prepare and submit a submission, the contract period/term and any extensions or renewals, the price structure, (hourly, per item, per carton, square foot, deliverable, etc.), the Agency's bid protest / dispute resolution policy (if applicable), performance requirements, contract monitoring, and termination rights.
- All optional requirements must be bid and evaluated to be included in the contract.

Formal Competitive Procurements

What are mandatory requirements?

- Requirements set forth in the solicitation, such as minimum experience requirements, that must be met in order for a bidder to be found responsive.
- Mandatory minimum requirements represent the minimum qualifications a bidder must have in order to be responsive, and are determined on a pass/fail basis.
- Mandatory requirements can be reviewed by a single evaluator.
- Include in the procurement record the results of the pass/fail requirement review to demonstrate that the bidders meet all mandatory requirements.



Formal Competitive Procurements

If an evaluator misses a vendor presentation and is unable to score that vendor's presentation, should that evaluator's scores be excluded from all evaluations?

- Yes. The evaluation process must apply the criteria set forth in the solicitation to ensure bids are evaluated objectively, fairly, equally, and uniformly, and result in the best value to the State while promoting fairness in contracting with the business community. The evaluation plan should describe the steps that agency will take should this occur.

Formal Competitive Procurements

How does OSC recommend shortlisting language be structured? Particularly in situations where a large number of vendors respond and it is not practical to invite all vendors to present, but the intent is to limit presentations to a small, manageable number.

- Short-listing should factor in cost.
- A predetermined set number of points for the presentation/interview/demonstration may be added to the initial technical score.
- Any bidder who achieves the highest initial score plus bidders whose initial scores are within the predetermined number of presentation points of the highest initial score, are susceptible to award and should be included in the shortlist.
- If rescoring is allowed, a full rescoring of the technical evaluation should be avoided. Evaluation process must define how vendors will be shortlisted, including specific details on available points, points to be rescored, etc.
- If the low-cost vendor does not make the shortlist, cost can be rescored among the shortlisted vendors.
- An agency may pre-determine and document in the Procurement Record that shortlisting where rescoring will occur will not be utilized unless more than XX number of proposals are received.

Formal Competitive Procurements

What if fewer than three bids are received?

- Conduct an independent review of the solicitation to determine if it contained restrictive, unclear, and/or ambiguous content which would limit competition.
- Determine if sufficient time was provided to enable proper preparation and submission of responses.
- Determine if any other reason may have inhibited responses.
- Canvass non-bidders to determine why they did not bid.

We only received one bid. Do I have to evaluate it?

- Yes. Per Section 6.2.3 of the Procurement Guidelines, prior to the proposal due date, agencies must create and finalize the instruments that will be used to evaluate a vendor's technical and financial proposals. That plan, which had to be finalized before the proposal due date, must be followed, regardless of the number of bids received.

Formal Competitive Procurements

What is the best way to provide OSC with cost justification?

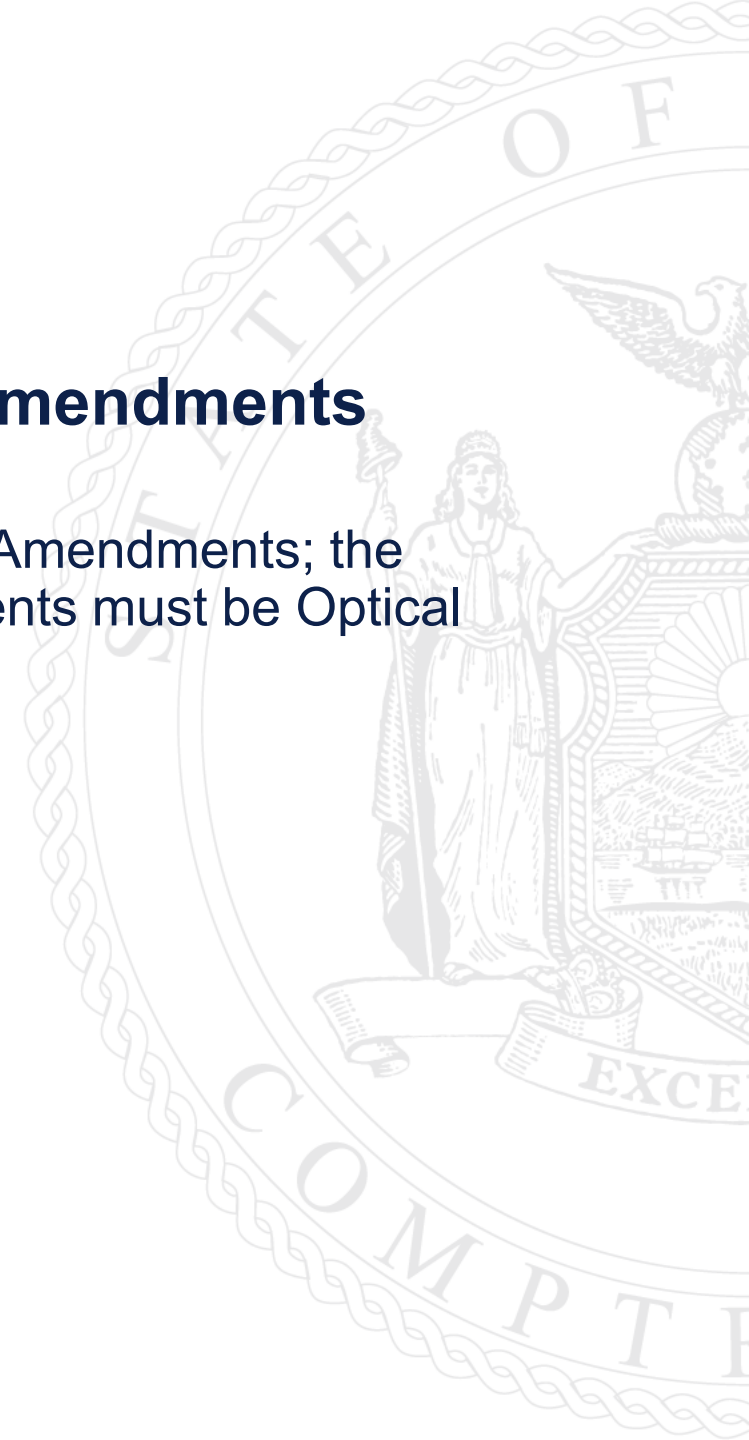
- Purchases made by other state agencies
- Purchases made by other states
- Purchases made by similar facilities
- Discount from list prices
- OGS pricing
- Historical cost
- Manufacturers published price list
- Cost comparisons to similar projects, etc.
- Similar average costs in a region



Formal Competitive Procurements

GFO XI.2.E Submission of Agency Contracts and Amendments

- The Documentation Order Guides for Procurement Contracts and Amendments; the documents are sorted into their appropriate category. PDF documents must be Optical Character Recognition (OCR) searchable.
 - Transaction Identifying Documents
 - Contract
 - Procurement Documents
 - Vendor Responsibility



Formal Competitive Procurements

Full Procurement Record Essentials

- **Transaction Identifying Documents**

- Cover Letter
- Procurement Record Checklist
- OSC Non-Approval Letter (if applicable)

- **Contract**

- OCR Formatted Agreement (including all appendixes, exhibits and attachments)

- **Vendor Responsibility**

- Vendor Responsibility Profile
- Certified Vendor Responsibility Questionnaire
- Workers Compensation & Disability Benefit Insurance Coverage

- **Procurement Documents**

- Contract Reporter Advertisement
- List of Solicited Potential Bidders
- Solicitation
- Certified Bid Tabulation
- Winning Bid(s)/Proposal(s), All Cost Proposals/Quotes & Rejected Bid(s)/Proposal(s)
- Q&A and Solicitation Addendums (if applicable)
- Bid/Proposal Evaluation Document & Score Sheets
- Debriefings/Protest Documents
- Award/Non-Award Letters
- Mandatory Letters of Intent (if applicable)
- Reasonableness of Price Justification (if fewer than 3 bids are received)
- Approved Division of Budget B1184 & IT-PTP Approval by NYS Office of Information Technology Services, as applicable
- All Other Statutorily Required Documents, as applicable

Formal Competitive Procurements

How should I submit the procurement record for a multi-award?

- **Primary Contract:**

- Complete Procurement Record
- Procurement Record Checklist
- Cover Letter
- Contract
- Vendor Proposal
- Solicitation Documents
- Selection Methodology Documents
- Non-Award Letters
- Rejected/Disqualified/Non-Awarded Proposals

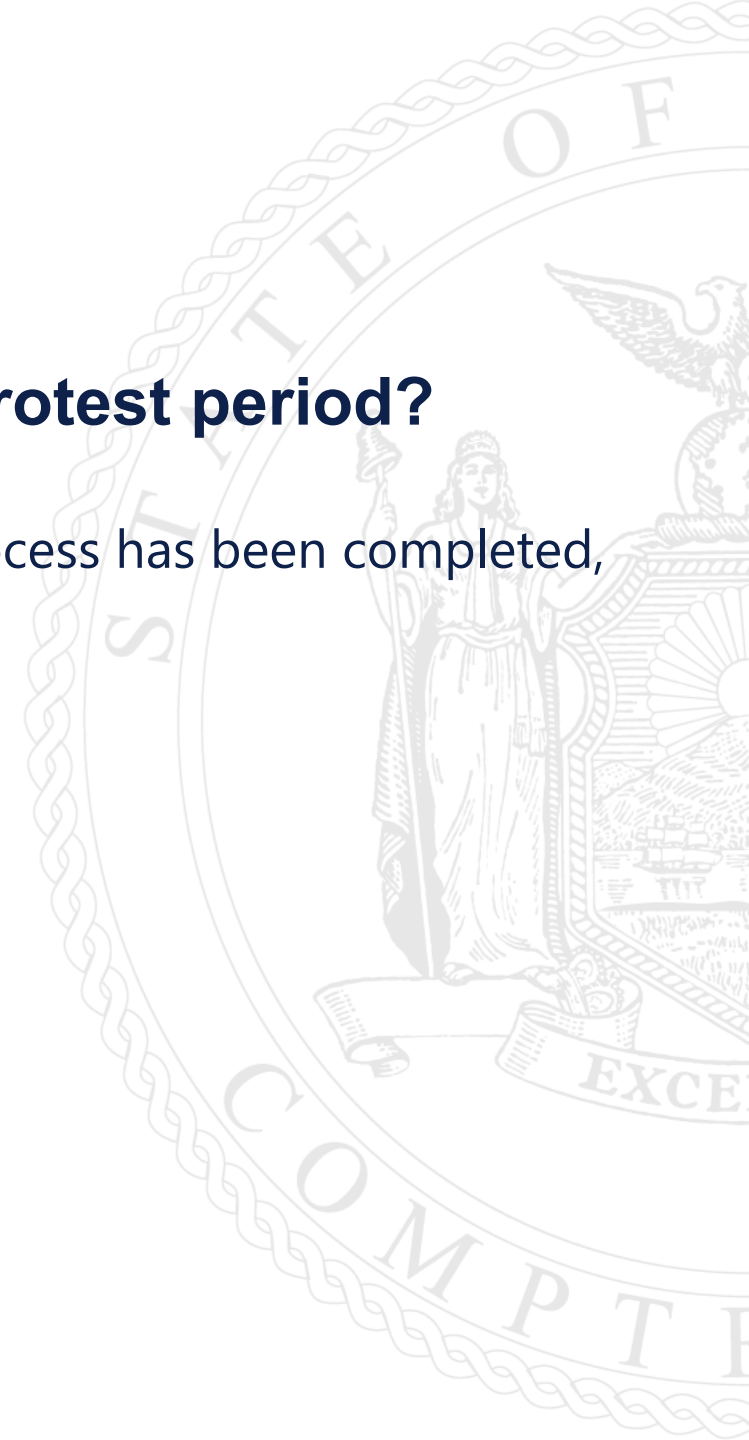
- **Additional Contracts:**

- Contract
- Vendor Proposal
- Award Letter
- Vendor Responsibility Profile/Questionnaire
- Workers Compensation/Disability Benefit Coverage
- All Other Documents Related to Specific Vendor

Formal Competitive Procurements

Why can't OSC hold onto the contract during the protest period?

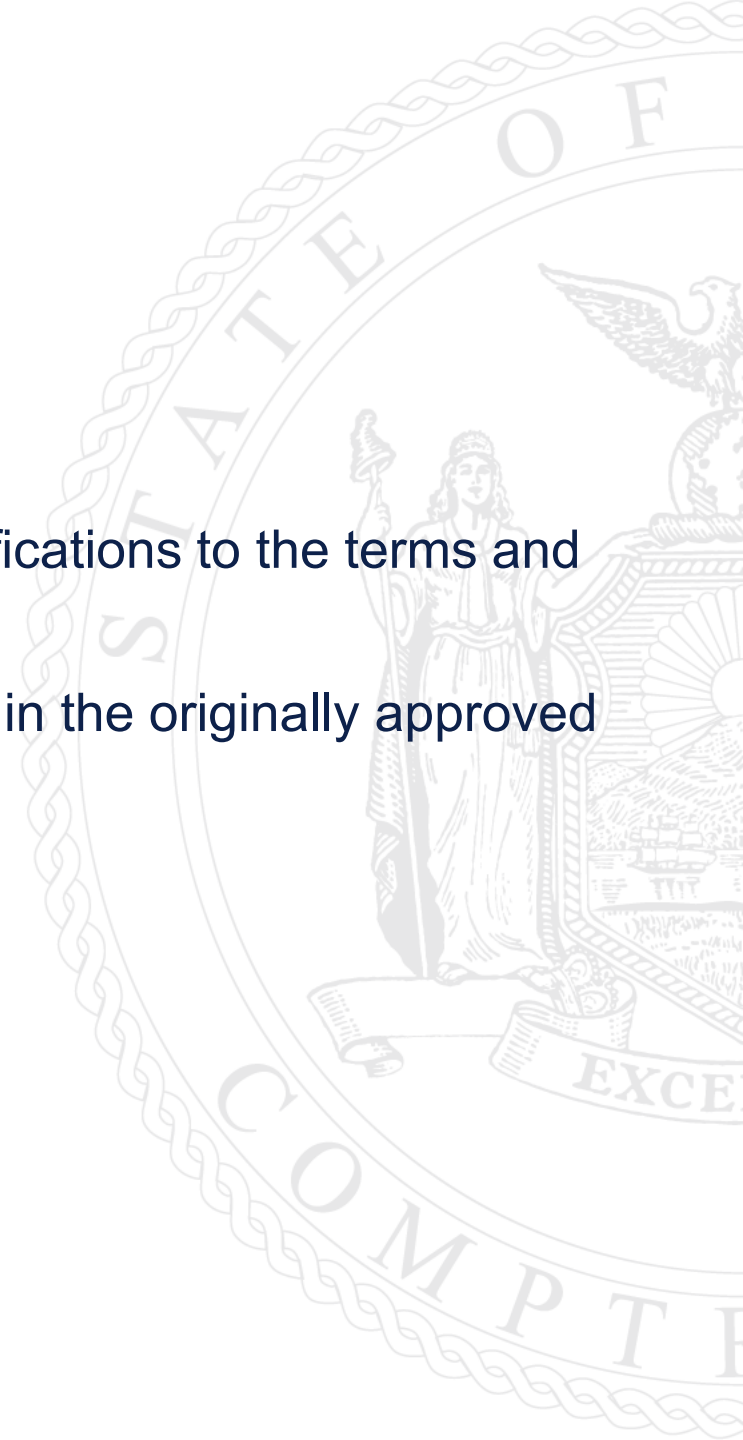
- The contract is not ready for OSC review until the procurement process has been completed, which includes resolution of all agency level protests.



Formal Competitive Procurements

Do amendments require AG approval?

- If an amendment has additional terms and conditions (or any modifications to the terms and conditions of the original agreement) AG approval is required.
- If the amendment is making a change that was already anticipated in the originally approved contract, AG approval may not be required.



Formal Competitive Procurements

Questions OSC frequently asks:

- Given the discrepancy in cost/bid proposals, is (agency) confident that (vendor) can fulfill the contract obligations at the prices bid?
- The Procurement Record Checklist requested that you confirm there were no protests or debriefings, however it was not dated or signed (or it was dated prior to the close of the debrief period). Please confirm that as of today's date there were no protests or debriefings.

Topic 5
Contract Reporter
Exemption Request

Contract Reporter Exemption Request

When is it appropriate to request an exemption from advertising?

- A Contract Reporter Exemption Request (CRER) may be submitted when all other procurement methods are not appropriate, and a competitive process is not feasible.

The three conditions under which a CRER may be submitted are:

- Emergency
- Sole Source
- Single Source

Contract Reporter Exemption Request

State Finance Law § 163(1)(g), (h)

- Sole source" means a procurement in which only one offerer is capable of supplying the required commodities or services.
- "Single source" means a procurement in which although two or more offerers can supply the required commodities or services, the commissioner or state agency, upon written findings setting forth the **material and substantial reasons** therefor, may award a contract or non-technical amendment to a contract to one offerer over the other. The commissioner or state agency **shall document in the procurement record** the circumstances leading to the selection of the vendor, including the **alternatives considered**, the **rationale for selecting the specific vendor** and the basis upon which it determined the **cost was reasonable**.

Contract Reporter Exemption Request

State Finance Law § 163(10)(b)(ii)

- The term of a single source procurement contract shall be limited to the minimum period of time necessary to ameliorate the circumstances which created the material and substantial reasons for the single source award. Not later than 30 days after the contract award, state agencies shall, for all single source procurement contracts, make available for public inspection on the agency website, a summary of the circumstances and material and substantial reasons why a competitive procurement is not feasible.

Contract Reporter Exemption Request

State Finance Law § 163(10)(b)(i)

- Single or sole source procurements for services or commodities, or procurements made to meet emergencies arising from unforeseen causes, may be made without a formal competitive process and shall only be made under unusual circumstances and shall include a determination by the commissioner or the state agency that the specifications or requirements for said purchase have been designed in a fair and equitable manner.

Thank you.



New York State Comptroller
THOMAS P. DiNAPOLI

