

STEWARDSHIP ACT AMENDMENTS

State of New York | Executive Chamber
David A. Paterson | Governor

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GOVERNOR PATERSON AND LEGISLATIVE LEADERS ANNOUNCE AGREEMENT ON LEGISLATION TO IMPROVE THE TRANSPARENCY AND COMPETITIVENESS OF STATE PROCUREMENT PRACTICES

Amendments to Act will Enable Small and Women and Minority Owned Businesses to Compete for State Contracts

Procurement Opportunities Newsletter to be Published Online Daily, Free of Charge

Governor David A. Paterson today joined State legislative leaders to announce an agreement on legislation which provides for major improvements and strategic changes to the 1995 Procurement Stewardship Act. These improvements will modernize the Act's requirements for the benefit of State agencies, local governments and the business community.

The Procurement Stewardship Act sets out the public procurement infrastructure for State agencies to competitively bid and contract for commodities, services and technology so that they can effectively and efficiently carry out their missions and provide essential services to the citizens of New York.

"This legislation will make procurement opportunities more accessible for all New Yorkers, especially small and women and minority owned businesses," said Governor David Paterson. "Ensuring that our small businesses have the resources to be competitive with larger companies is a significant step in the overall economic development of our State. I am also pleased that with this legislation, procurement opportunities will be made more readily available through the Internet."

First and foremost, the bill supports more transparent and competitive State procurement practices by requiring agencies to better justify their approach when not using a standard competitive procurement, and to make public on their agency's website the reasons for contracting directly with a specific business. Agencies will also be responsible to publish information on winning bidders, and the Office of General Services (OGS) will make public its reasons for selections on centralized contracts.

Provisions of the bill also embrace the digital economy by clarifying that procurements can be conducted through the use of the Internet and other electronic tools. These changes open the procurement process to more businesses, and thereby increase competition. To enhance awareness of business opportunities, the Department of Economic Development will now publish the procurement opportunities newsletter on a daily basis and make it available, free of charge, on the Internet. In addition, the State's Procurement Council will study and report on possible approaches to developing an e-Procurement system for New York.

The legislation also recognizes the importance of streamlining the public procurement process, while simultaneously supporting social and economic goals of the State. To that end, the ability for the State to purchase from small business will now be enhanced by new provisions which encourage regional contracts, and open the State's centralized contracts for continuous recruitment.

Municipalities will also benefit from the legislation because they will continue to be able to utilize the centralized contracts let by OGS and they will now have the right to purchase State surplus property before such property is made available for sale to the public on E-Bay. The State's business partners will benefit as well, as the bill requires a more open process for debriefing losing bidders, and clarifies the standard under which State agencies may use their discretionary purchasing authority.

Senate Majority Leader Joseph L. Bruno said: "The Senate has made it a priority to strengthen transparency in government by putting more information about State and local spending, as well as certain contract information, on the Internet. This procurement reform legislation will not only be a step towards more openness, but will benefit small businesses and women and minority-owned businesses by giving them greater access to State contracts, and, as a result, will help our economy and create new jobs."

Assembly Speaker Sheldon Silver said: "By reforming the State's procurement law, New York will have a more competitive business environment and small and minority and women-owned businesses (MWBEs) will have a better chance to obtain government contracts. The Procurement Stewardship Act will also make changes necessary to optimize public procurements and facilitate delivery of top-quality commodities, services and technology at reasonable cost – all to meet the evolving needs of State agencies, local governments and the business community."

Senate Minority Leader Malcolm A. Smith said: "This legislation will go along way towards creating procurement opportunities for small, women-and-minority-owned businesses which the Senate Democratic Conference has long championed. Governor Paterson should be applauded for providing legislation that will clarify the procurement process and put small business owners in a stronger position to do business in this state. It will also open new business opportunities over the Internet and other avenues by ensuring that our state's small businesses have the resources to compete with anyone."

Senator Antonie Thompson, Co-Chair of the MWBE Democratic Senate Committee said: "I am thankful for Governor Paterson's leadership in helping to reduce the historic gaps that exists for minority and women-owned businesses in New York State. This new legislation is a bold step forward."

Assemblywoman RoAnn Destito, Chair of the Assembly Governmental Operations Committee: "Job creation and growing our small and MWBEs are among the keys to successful economic development in New York State. Our procurement reform package will greatly assist small businesses and MWBEs by enabling them to compete for the State's centralized contract business – a huge market. The creation of regional contracts will quickly benefit small businesses and MWBEs, because they will now be competitive with larger suppliers even when they cannot serve the entire State."

Commissioner John C. Egan of OGS said: "Each year OGS administers more than 2500 centralized contracts - ranging from the purchase of green cleaning products and office supplies to school buses and snow plows - with a combined value of more than \$5 billion. The reforms agreed to by Governor Paterson and the legislative leaders allow OGS to continue putting policy into practice. The increased opportunity for small businesses to secure a State contract offers the potential to add employees and expand their business enterprise while at the same time increasing competition and reducing costs for taxpayers."

The current Act is set to expire on June 30, 2008. This legislation extends the Act for four years and continues authority for OGS to bid and award centralized contracts, under which State agencies, local governments and other authorized entities purchase an estimated \$5.3 billion in commodities, services and technology.

The amendments originate from several public hearings conducted by the State Assembly in 2005 and 2008. The hearings addressed concerns of vendors, including specifically New York State small businesses and MWBEs. Additions to the legislation reflect testimony received and feedback provided at the hearings. OGS also conducted a number of public forums across the State in 2005 to address procurement concerns.