



[Home](#)

[Contact Us](#)

[PSG  
Search](#)

[Site Map](#)

[Procurement Services Home Page](#) | [Commodities](#) | [Information Technology](#) | [Services](#) | [Telecommunications](#)

[Technology Home Page](#) | [Simplified Guide](#) | [Definitions](#) | [Important Facts](#)  
[Guidelines for Specific Contracts](#) | [Product Ordering](#) | [Purchase Orders](#) | [Public Officers Law](#)  
[Additional References](#) | [Feedback Form](#)

[Technology Contracts](#) | [IT Services Contracts](#) | [Telecom Contracts](#)

## "IT PROCUREMENT MADE SIMPLE"

### I. BACKGROUND:

For several years now, the Office of General Services (OGS) has developed many new technology contracts to meet customer needs in the ever changing information technology (IT) environment. Contract usage guidelines have undergone an evolutionary process with each new procurement initiative. Today, there are different guidelines for each group of contracts, usually resulting in the agency program and purchasing staff being confused about how to purchase technology solutions using OGS contracts.

### II. PURPOSE:

This "IT Procurement Made Simple" guide is intended to provide state agency technology and purchasing staff with a simple, easy to understand overview and reference tool to simplify the maze of contract usage guidelines.

This guide is not intended as a replacement for OGS, Office for Technology (OFT) and/or Office of the State Comptroller (OSC) guidelines or specific guidelines in specific contracts. It is intended to be a useful "quick reference tool" to facilitate State agency IT purchasing efforts.

Terminology used in this guide is consistent with the definitions on this web site (see Definitions).

### III. GUIDING PRINCIPLES

OGS technology contracts are usually IDIQ (Indefinite Delivery, Indefinite Quantity) contracts, which means OGS cannot make the guarantees that a vendor might otherwise require to be able to offer its very best pricing. Authorized Users must do their part to ensure that they are getting the best deal possible. Examples include consolidation of purchases across the agency; placing large volume orders, aggregating purchases across several agencies (or through OFT), trading in old equipment, obtaining competition among resellers where possible or taking advantage of "year-end" or "quarter end" deals when negotiating.

### IV. HOW TO PROCESS A REQUIREMENT FOR TECHNOLOGY

1. Determine the estimated dollar value of the requirement relative to Office for Technology review guidelines. State agencies must have OFT approval of their intents to purchase regardless of whether they are open market purchases or off of OGS contracts if the value is >\$50,000 for hardware or service and >\$20,000 for software.
2. If single or sole source, prepare an appropriate justification for the Procurement Record *and* negotiate a best and final deal with the single/sole source contractor.
3. If the requirement is competitive and exceeds the contract purchasing procedure

thresholds or is covered by back-drop contracts, proceed as follows:

- a. If the product/service is covered by backdrop contracts with a formal mini-bid process (IT Services and PBX Systems only), proceed in accordance with the mini-bid process.
- b. If the product is available from multiple contracts, do an informal best and final negotiation with relevant contractors and alternate channel participants. Document for the Procurement Record the reasons why any particular contract supplier was not solicited.

## V. OVERVIEW OF IT CONTRACT AREAS AND REQUIREMENTS FOR STATE AGENCIES:

NOTE: Several of the contracts below contain what is commonly referred to as the "20% Rule." The 20% rule applies to technology contracts that include training and services in addition to the particular equipment or software provided for in the contract. As an example, for Networking Hardware and Software, agencies may obtain, without competition or prior OSC approval, services up to 20% of the value of the hardware and software and first year's maintenance being purchased. Above 20%, agencies are required to obtain competition for services by utilizing the OGS IT Services contracts (refer to item 5 below). However, if the required services are only available on a single or sole source basis, OSC will permit agencies to procure those services off of the particular OGS contract, provided prior approval is obtained from OSC. Special exemption from advertising in the Contract Reporter is not required if the purchase is off an OGS contract and OSC has approved the purchase in advance.

### 1. Microcomputers/PCs/, Printers, Software, Networking Hardware and Software, Assistive Technology, Interactive Voice Response Systems (IVR), and Video Conferencing Systems:

For purchases over \$50,000, agencies are required to obtain pricing from at least three contractors or develop a single or sole source justification (or follow the agency's pre-approved plan for the procurement of PCs, for example, if previously filed with OSC), develop a procurement record and place the order on file with the Office of the State Comptroller (OSC). There is no OSC pre-approval requirement. The 20% rule above applies to training and services under these contracts.

Software:

In addition to the above guidelines, there are two alternative ways for agencies to acquire software.

1. Via the Software Catalogue Contract with ASAP. This contract allows agencies to acquire software from a variety of software developers without conducting a separate procurement. This contract is useful when Agencies require software for specialized applications that do not require Agency wide implementation.
2. Through utilization of Negotiated Software contracts with software developers. The above guidelines for software pertain to this vehicle. A complete listing of Software Developers on New York State contract is available on the OGS web-site. The 20% rule above applies to services and training based on total value of the purchase and maintenance for one year.

### 2. Electronic Key Systems and Digital Centrex Systems:

Agencies must obtain a best and final offer among the three firms that hold the limited multiple award contracts. Competition is required above \$50,000. Award is best value, but best value in this case is usually lowest cost. No OSC pre-approval is required.

### 3. Cabling, Purchase and Installation:

State agencies are required to notify OGS of its plans for cabling installations and work with OGS on implementation for any dollar amount where OGS owns and operates the building, or where OGS

provides telephone services. No OSC pre-approval is required.

#### 4. PBX Installations:

PBX contracts require a formal mini-bid process above \$15,000 and require OSC pre-approval above \$15,000.

#### 5. IT Services

The IT Services backdrop Contracts provide agencies with a wide variety of pre-qualified contractors from among which agencies may acquire IT services ranging from small tasks to projects covering a complete system life cycle on a best value basis. State agencies must obtain OSC pre-approval for awards above 15,000..

The IT Services program has the following distinct procurement options. They are:

##### "Formal Mini-Bid":

This process refers to the method used to acquire services (Consulting, Systems Integration, Training or On-Going Services, Maintenance & Support) that exceed the dollar limits for "Discretionary" Purchases (as outlined below) and are not for just staff augmentation (See Fast Track" Procurements below). The Authorized User's requirements are set forth in a document referred to as a Project Definition (PD) or a Request for Training Services (RTS). The qualified Backdrop Contractors submit "best & final" bids for the Category(ies) of Expertise and Types of Services defined in the PD or RTS. The Authorized User will evaluate the bids based on the evaluation criteria established in the PD or RTS and select the contractor(s) whose Proposal represents the "best value" among the responsive and responsible bidders. Work awarded through the mini-bid process may survive the expiration of the backdrop Contract.

##### "Fast Track" Procurements:

This process is a streamlined mini-bid process used to acquire Consulting Services for the various Categories of Expertise as defined in the backdrop contracts when there is a need to augment the State workforce for specified periods of time (six months, one year, up to eighteen months) based on Hourly rates.

##### Discretionary Buying Thresholds:

This process is used when the anticipated cost for IT Services is less than \$50,000.00. The Authorized User may bypass a formal competitive process and choose one of the two following options. State agencies must obtain the prior approval of the Office of the State Comptroller for requirements exceeding \$15,000:

1. Solicit bids from a *minimum of three* Contractors under the applicable Services and categories.
2. *Buy Direct* if soliciting from NYS Certified SBE (small business enterprise) or M/WBE (minority or woman-owned business enterprise).