



TIP
Training &
Information Program

Mastering Your Preferred Source Service Application & OGS Form 3



Reference Guide



Frequently Asked Questions and A How To Guide to Help Complete Your Application

Understanding Form 1

“Purchasing Agency Statement of Work for Preferred Sources”

Read Form 1 in its entirety. An additional Scope of Work (SOW) may have been submitted

Check on the following:

- Are there mandated staffing hours?
- Is anything mandated by the customer to fulfill scope requirements?
- Identify all direct and indirect labor personnel, including non-working supervision.
- Are there any specific requirements that could drive up your costs, i.e., uniforms, parking, technology, period/project work, i.e., stripping waxing and windows, policing grounds, snow removal, background checks, etc.?
- Are you required to supply all materials and equipment?

Identify labor hours:

If there are *NO* mandated staffing hours/labor requirements, use industry standards to determine appropriate staffing levels for your *Direct Labor*. Large scale office space with common areas can range from 4,200 – 5,000 sq. ft. cleaned per man hour. Smaller spaces can range 2,000 – 3,500 square foot cleaned per man hour.

Example:

- Building is 90,000 sq. ft. (large scale) 90,000 divided by 5,000 = 18 hours of daily cleaning
- 18 hours x 5 days per week = 90 hours per week
- 90 hours x 50 weeks per year = 4,500 direct labor hours annually
- It is up to you, as the employer, whether or not to use full-time or part-time employees, and exactly how to staff the 4,500 hours.
- Supervision can “average” 10% of direct labor hours and is considered to be *Indirect Labor*

Please note – you will also need to identify *Disabled and Non-Disabled Labor* status as well as *full-time and part-time* status for costing and reporting purposes. This will be fundamental to completing Form 3, and completing your mandated Quarterly Employment Reports (QER).

Completing Form 2

“Preferred Source Facilitating Entity Service Application”

Purchasing Agency Information:

Must match the information included on Form 1

Prevailing Wage Information: (If applicable)

PRC# must match Form 1

Approved Preferred Source Services:

Be sure to select NYSID approved services

Select ALL services being performed.

Response to Purchasing Agent Statement of Work:

Write in “see attached scope of work”

Deliverables:

Summary of services being performed

Job Titles:

Be sure to identify all job titles exactly how they appear on job description and Form 3

Include copies of all job descriptions

Timeline for completion:

Frequency services will be performed.

Work location:

Must match the location identified on Form 1 and include the FULL ADDRESS where services are being performed

Contract term:

Enter proposed term from Form 1
Must Match information on Form 1

Proposed Price:

Enter total from Form 3 once completed, this information must match

Be sure to enter full contract amount, annual amount, and how services will be invoiced.

i.e: monthly amount, per piece amount, per hour, etc.

Special requirements:

Enter any information in the SOW that impacts cost.

i.e. Uniforms, background checks, ID badges, parking passes, etc.

Signatures:

Member and Partner (if applicable) must sign before returning to NYSID. Electronic signatures are acceptable.

Examples of completed Forms 1, 2, and job descriptions available on pages 21- 31 of this reference guide.

Completing Form 3 “Service Cost Summary”

Enter Project Information:

Contact information = customer information

Project name must include full address

Enter this once and it will carry over on all pages of Form 3.

Should match all information entered on Forms 1 and 2

Project Information	Purchasing Agency Name	NYS Department of XYZ
	Contact Name	John Smith
	Contact Email	jsmith@NYS.com
	Contact Phone Number	555-555-5555
	Contact Street Address	1234 Washington Avenue
	City, State, Zip Code	Albany NY 12203
	Project Name	Services at Building A -1234 Washington Avenue
	Proposed Start Date	01/01/19

Application Date: Most recently submitted Form 3.

Application Date	REVISED 10/4/18
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Direct labor:

Employees working to fulfill contract specification completed using information from your staffing plan or mandated staffing hours. Includes disabled and non-disabled labor

FTEs and percentages will automatically populate in Form 3 based on the information entered.

Direct Labor Workforce Affirmation:

Must click small box in corner for drop down options to complete.

This is signed by NYSID staff.

Disabled Labor Ratio and FTEs	Total Direct Disabled/Blind Labor Hours	2,784.61	DIRECT LABOR WORKFORCE AFFIRMATION (Please select from the drop-down box below)	
	Total All Direct Labor Hours	3,634.04		
	Disabled/Blind Labor Ratio: Percentage Disabled Labor Hours (Total Disabled Direct Labor / Total All Direct Labor Hours)	76.6257%		The total direct labor workforce involved in this application is comprised of more than 10 FTEs. A minimum of 75% of these employees are blind, severely disabled or visually impaired.
	FTEs (Direct Disabled Labor)	1.4280		
	FTEs (Total Direct Labor)	1.8636		
I do so affirm the accuracy of the disabled direct labor ratio selected above.		Type or Print Name: <u> NYSID Staff </u>		
		Signature: _____		

Entering Wage Information:

Prevailing Wage Contract:

Review Prevailing Wage schedule assigned to your contract (if applicable). This is also known as the PRC#. Please note you may need employee dates of hire. On some Prevailing Wage Schedules wages are determined based on length of service.

Non Prevailing Wage Contract:

Enter applicable minimum or agency wages.

Example:

Disabled/Blind Labor Job Title	Estimated Number of Employees	Number of Hours	Hourly Wage	Total	
Custodian 1 1/1/2018 - 6/30/2018	1.00	400.00	\$ 11.70	\$	4,680.00
Custodian 1 7/1/2018 - 12/31/2018	1.00	400.00	\$ 12.00	\$	4,800.00
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
				\$	-
Disabled/Blind Labor Total	Total FTE	Total Hours	Total Annual Hours	Total Wages	Direct Disabled Wages Total
	0.4103	800.00	1950	\$ 9,480.00	\$ 9,480.00

For costing purposes, you may use a blended wage for Prevailing Wage and Supplemental Benefits if the rates are forecasted.

Example:

Determine the contract term you are costing and dates (prevailing / supplemental) wages are in effect. For example 1/1/2019 rate is \$12.45 per hour, and 4/1/2019 rate is \$12.70 per hour. Costing term is 1/1/2019 – 12/31/2019.

Wage x time frame months = total (do this for each time frame)

Take total then divide by 12 to find the average for the year

Prevailing Wage & Supplemental Blended Calculation					
Time Frames	Wage	Months	Total for time frame	Average for the Year	
1/1/2019 - 3/31/2019	\$12.45	3	\$37.35		
4/1/2019 - 12/31/19	\$12.70	9	\$114.30		
			-		
			151.7	\$12.64	
Full Time Supplemental				Average for the Year	
1/1/2019 - 6/30/2019	\$7.13	6	\$42.78		
7/1/2019 - 12/31/2019	\$7.25	6	\$43.50		
			86.28	\$7.19	
Part Time Supplemental				Average for the Year	
1/1/2019 - 6/30/2019	\$1.14	6	\$6.84		
7/1/2019 - 12/31/2019	\$1.19	6	\$7.14		
			13.98	\$1.17	

Determining an Employee's Paid Time Off (PTO):

Refer back to the applicable prevailing wage schedule and to the staffing plan that was created.

1. Take the first employee on your staffing plan (i.e. Employee A)
2. Take the annual hours (i.e. 17.5 hours per week, $3.5 \times 5 \times 50 = 875$).
3. Divide annual hours by 2080 (this is equal to a full-time employee, as per article 9).

➤ $875/2080 = .420$ or 42%

This is Employee A's Pro-Rata percentage.

Refer back to the Prevailing Wage Schedule to determine what PTO the employee is entitled to. (i.e. 10 holidays, 15 vacation, 3 sick days and 2 personal days)

- Total days entitles per schedule is 30 days x 8 hours = 240. Take 240 hours and multiply by the employee's pro rata percentage ($240 \times 42\% = 101$ hours rounded up). Employee A is entitled to 101hours PTO. Continue this formula for the remaining employees to determine the annual number PTO hours to add into your cost for this contract.

For a better understanding of pro-rating PTO and reading applicable prevailing wage schedules, it is suggested you attend one of NYSID's TIP sessions presented by NYS DOL, or contact your NYSID Account Representative and/or Contract Specialist.

Other methods can be used as long as they are accompanied by an explanation.

Disabled/Blind Labor Job Title	Estimated Number of Employees	Number of Hours	Hourly Wage	Total
Custodian 1	1.00	875.00	\$ 13.76	\$ 12,040.00
Custodian 1 PTO (30 days = 10 holidays, 15 vacation, 3 sick, 2 personal) Pro-Rata example $875/2080 = 42.07\%$ 30 days x 8/hrs = 240 hours x 42.07% = 100.96	1.00	100.96	\$ 13.76	\$ 1,389.21

Indirect labor:

Management, oversight and titles not directly related to the performance of direct labor.

Examples:

Non-Working Supervisors, Job Coaches, Project Managers etc.

All Job titles included on Form 2 must be accompanied with job descriptions. Any titles listed on Form 3 must match those included on Form 2.

Indirect Non-Disabled Labor Job Title	Estimated Number of Employees	Number of Hours	Hourly Wage	Total	
Project Manager	1.00	420.00	\$ 20.00	\$ 8,400.00	
Senior Crew Leader	1.00	208.00	\$ 16.00	\$ 3,328.00	
				\$ -	
Indirect Non-Disabled Labor Total	Total FTE	Total Hours		Total Wages	Indirect Non-Disabled Wages
	0.3221	628.00		\$ 11,728.00	\$11,728.00

Fringe Benefits:

AKA Payroll Taxes – Excluding Article 9 Supplemental Benefits.

i.e. FICA, Workers Comp, Disability, State Unemployment Insurance (SUI), etc.

Fringe Benefits (Excluding Article 9 Supplemental Benefits)				
Benefit Type	Rate	Disabled/ Blind Labor Total	Non-Disabled/ Sighted Labor Total	Total
Workers Compensation	0.0412	\$1,786.69	\$1,029.84	\$2,816.53
FICA	0.0765	\$3,317.52	\$1,912.21	\$5,229.72
Medical Insurance	0.2515		\$2,949.59	\$2,949.59
Life Insurance	0.0023		\$26.97	\$26.97
Disability	0.0126	\$546.41	\$314.95	\$861.37
Unemployment Insurance	0.0128	\$555.09	\$319.95	\$875.04
FMLA	0.0126	\$546.41	\$314.95	\$861.37
Total Fringe Benefits (Excluding Article 9 Supplemental Benefits)		\$6,752.12	\$6,868.47	\$13,620.59

Indirect Labor Only: Medical, Life Insurance, Dental, etc.

Your agencies Payroll, Human Resource, and/or Finance Departments should be able to provide you with this information.

Article 9 Supplemental Benefits: (if applicable)

Supplemental Benefits can be paid in cash or as a benefit.

If paid in cash, you can cost this in the first section of form 3, either as a separate line item or included in the wages. If being paid as a benefit place in the Article 9 section of Form 3 to ensure taxes are calculated appropriately.

Prevailing Wage Schedule will determine whether supplemental benefits are compensated for “Hours Paid” or “Hours Worked.”

SUPPLEMENTAL BENEFITS

Per hour:

\$ 2.00

Review Prevailing Wage schedule assigned to your contract (if applicable). This is also known as the PRC#. Supplemental Benefits on Prevailing Wage Schedule could vary based on hours worked or length of service.

For costing purposes, you may use a model that records the average length of service of workers performing on these contracts within your agency.

You may also use a blended rate for costing purposes. This can be determined by the contract term you are costing and the dates supplemental benefits are in effect.

Example

Article 9 Supplemental Benefits- Paid in CASH & Subject to Payroll Taxes					
Employee/Job Title	# of Hours	Supplemental Benefit Rate	Disabled/ Blind Labor Total	Non-Disabled/ Sighted Labor Total	
Disabled/ Blind Direct	2,525.00	\$ 2.00	\$ 5,050.00		Total
Disabled/ Blind Direct			\$ -		
Non- Disabled/ Sighted Direct	790.00	\$ 2.00		\$ 1,580.00	
Non- Disabled/ Sighted Direct				\$ -	
Total Supplemental Benefits			\$ 5,050.00	\$ 1,580.00	\$6,630.00

Insurance Costs:

All insurance costs must have valid mathematical calculations. Back up may be required.

Generally *Comprehensive General Liability* (AKA CGL) is generally calculated as a percentage of WAGES and Article 9 Supplemental (if applicable) (be sure this is not wages & payroll taxes) Ranges vary from 1.5% - 5%

Summary Total Other Insurance			
Insurance	Insurance Type	Cost	Total Insurance
	Comprehensive General Liability- Option A	5% of Wages and Article 9 Supplemental	\$ 3,418.12
			\$ 3,418.12

Equipment Amortization Costs:

Equipment necessary to perform contract, amortized by useful life.

- Please refer back to the SOW for specific equipment requirements.
- Ascertain the useful life of all major equipment being used on this contract. Will you be vacuuming daily? How long does the average vacuum last?
- Costing is done based on an annual amount and should be allotted only for the time it is used at the location being serviced. If equipment is shared between sites the cost should be pro-rated and allocated per contract.
- Equipment that is necessary to perform the work and cannot be kept on site should follow the same costing mechanism.

Equipment Amortization Costs	Description	Original Cost	Useful Life/Years	Prorated/ Annual Cost	
	Minuteman FR20-115 20" Single speed buffer	\$750.00	5	\$150.00	
	16 Gallon Shop Vacuum 6.5 Peak HP	\$159.00	2	\$79.50	
	Contico Maid Cart 184 GY	\$183.95	3	\$61.32	
	Hoover backpack vacuum- \$ 101.72 X 2	\$203.44	2	\$101.72	
	Global Industries 20" Walk Behind Auto Scrubber	\$1,499.00	5	\$299.80	
Subtotal			\$692.34	Total Equipment Amortization	
				\$692.34	

Equipment Operating Costs:

Gas, Oil, and or Maintenance costs

- Do any of these vehicles or equipment use gas, require maintenance, etc.?
- Does your equipment (i.e. scanner) require maintenance?
- Does your supervisor travel to the jobsite daily? Does your agency provide transportation for staff?

This is where you would place costs incorporated with the upkeep of those items and/or list mileage for transportation to the jobsite.

- *Please note:* If you are amortizing vehicles and adding costs for gas, maintenance, or auto insurance you cannot also charge the current IRS reimbursement rate (2019 rate = \$0.585 per mile).

All costs must be accompanied with appropriate back up. For mileage a google maps or MapQuest print out with directions to and from the site will suffice.

Equipment Operating Costs	Description	Quantity	Price	Total Cost		
	Mileage roundtrip 26.8 mi per day x 5 days per week	134	\$ 0.585	\$ 78.39		
	Subtotal			\$ 78.39	Total Equipment Operating Cost	
					\$ 78.39	

Backup for these costs must be provided. Unsure what to provide? Refer to pages 40-46 of this reference guide. Still unsure? Contact your NYSID Account Representative and/or Contract Specialist.

Supplies and Non-Amortized Equipment:

Supplies allocated and used on this contract

Determining Supplies and Non Amortized Equipment:

- If no historical data is available (brand new contract), this could be around 5-10% of your overall cost. 10% is seen on more trafficked areas such as schools and public buildings.
- If this is a contract for previously performed services, compile old invoices or orders to see what was used at the site to determine actual costs.

Example

Supplies and Non-Amortized Equipment	Description	Quantity	Price	Total Cost	
		Bowl Brush	12.00	\$ 6.10	\$ 73.20
	Prolink Jumbo Roll Toilet Paper	100.00	\$ 36.31	\$ 3,631.00	
	Prolink Green Certified Natural Roll Towel	100.00	\$ 30.97	\$ 3,097.00	
	True Seven (Neutral Cleaner)	48.00	\$ 33.48	\$ 1,607.04	
	30x37 clear coreless bags (500)	30.00	\$ 24.95	\$ 748.50	
	24x24 clear coreless bags	100.00	\$ 13.37	\$ 1,337.00	
	40x48 clear bags	50.00	\$ 32.52	\$ 1,626.00	
	Buckeye Star Spray Glass cleaner	12.00	\$ 15.11	\$ 181.32	
	Stainless steel Cleaner (12cans)	6.00	\$ 58.00	\$ 348.00	
	Purell Hand sanitizer refill bags (3 bags per case)	21.00	\$ 61.75	\$ 1,296.75	
	Vinyl Gloves powder free	24.00	\$ 38.01	\$ 912.24	
	Clario Foaming hand soap refill	36.00	\$ 49.96	\$ 1,798.56	
	Buckeye Leamon Quat Disinfectant Cleaner	32.00	\$ 11.14	\$ 356.48	
	Standard Dust mop Pro- Link (4)	4.00	\$ 14.29	\$ 57.16	
	Sanitary Napkin Bags	7.00	\$ 21.50	\$ 150.50	
	Tampex Tampons 500/cs	4.00	\$ 68.50	\$ 274.00	
	Looped Mop heads	20.00	\$ 6.50	\$ 130.00	
	Micro Fiber Clothes 12ct	30.00	\$ 21.00	\$ 630.00	
	Scrub Pads 12 pads per case	5.00	\$ 39.84	\$ 199.20	
	Comet (6 pk)	20.00	\$ 6.78	\$ 135.60	
	Prolink Premium Urinal Screen (12/cs)	75.00	\$ 2.34	\$ 175.50	
	Brush and Bonnet Cleaner 4/cs	10.00	\$ 116.00	\$ 1,160.00	
	Buckeye Rip saw	2.00	\$ 70.40	\$ 140.80	
	Liquimax floor wax (5 gal)	4.00	\$ 82.20	\$ 328.80	
	Dust Mop Handle (4)	4.00	\$ 38.28	\$ 153.12	
	Dust Mop Frame	1.00	\$ 17.80	\$ 17.80	
	Mop Handles	4.00	\$ 96.00	\$ 384.00	
	Subtotal			\$ 20,949.57	Total Supplies and Non-Amortized Equipment
					\$ 20,949.57

Other Costs:

These costs usually consist of uniforms, background checks, and other special requirements related to the contract.

Any costs not able to be listed previously on Form 3

Other Costs	Description	Quantity	Price	Total Cost	
		Applicant Criminal Background Check	6.00	\$135.00	\$810.00
	Uniforms - see attached back up			\$4,694.76	
	Subtotal			\$5,504.76	Total Other Cost
					\$5,504.76

Backup for "Other costs" must be provided. Unsure what to provide? Refer to pages 45-50 of this reference guide. Still unsure? Contact your NYSID Account Representative and/or Contract Specialist.

Contract Subtotal:

Will be your Subtotal without Overhead and Fees

Contract Subtotal	
\$	112,626.18

Overhead and Fees:

Agency Overhead. Must stay consistent on each NYSID application.

Example: Member

Overhead and Fees	Description	Rate %	Total Cost	
	Administrative Overhead (Contract Subtotal x OH%)	16.00%	\$18,020.19	
	Subtotal With Overhead		\$130,646.36	
	Preferred Source Fee	4.00%	\$5,225.85	
	Subtotal With Overhead and Fees		\$139,872.22	Overhead and Fees Total
				\$139,872.22

If this is a Corporate Partnership the financial arrangement established in your Corporate Partner Binding Agreement should be reflected on Form 3.

The two most common ways of incorporating this cost on Form 3 are the following:

Contract Subtotal	
\$	112,626.18

Example: Corporate Partner / Member

Separate line item after your Overhead calculation

Overhead and Fees	Description	Rate %	Total Cost	
	Administrative Overhead (Contract Subtotal x OH%)	16.00%	\$18,020.19	
	Subtotal With Overhead		\$130,646.36	
	Member Agency (if Applicable) - Corporate Partnerships ONLY (Contract Subtotal x Member Agency Fee)	3.50%	\$3,941.92	
	Preferred Source Fee	4.00%	\$5,383.53	
	Subtotal With Overhead and Fees		\$139,971.81	Overhead and Fees Total
				\$139,971.81

Example Corporate Partner / Member

Member Agency fee can also be added to Admin Overhead
 16.00% + 3.5% = 19.5%

Contract Subtotal	
\$	112,626.18

Overhead and Fees	Description	Rate %	Total Cost	
	Administrative Overhead	19.5%	\$ 21,962.11	
	Subtotal With Overhead		\$ 134,588.29	
	Preferred Source Fee	4.00%	\$ 5,383.53	
	Subtotal With Overhead and Fees		\$ 139,971.81	Overhead and Fees Total
				\$ 139,971.81

Alternate methods are acceptable and can be discussed with your NYSID Account Representative and/or Contract Specialist.

Contract Total will include full 5 year term value

Contract Total	
\$	699,859.06

Options for Extension and Cost Escalator:

Multiplied by the number of years in the contract. Provide extensions and the annual/monthly amount. This information should match information listed on Form 2.

Options for Extension	Term			
	Initial Contract Term (In Years)	5		
	Options for Extensions	Term	Frequency	Annual Total
				\$ 139,971.81
Cost Escalator (If applicable)	Description	Amount	Frequency	Monthly Total
	PW	TBD	Per DOL publication	\$ 11,664.32

Examples of a completed Form 3 on page 33 of this reference guide.

PLEASE BE SURE TO CHECK THAT ALL FORMULAS IN FORM 3 CALCULATE CORRECTLY!

Market Price:

All pricing on Preferred Source contracts must be within 15% of prevailing market.

To determine if pricing is within market for **janitorial** services:

Take the square footage of the facility and divide it into the overall annual contract price and compare to similar services provided to non-NYSID customers.

To determine if pricing is within market for **all other NYSID Approved** services:

Compare to similar services and pricing provided to non-NYSID customers, if available.

NYSID resources are available at any time for assistance with market information.

What do I do if my price is NOT within market?

Is there anything driving costs, such as location, type of facility, frequency of tasks, special requirements, condition of items to be scanned, etc., please remember to elaborate (Special Requirement Section form 2). This may be a justification of costs. Refer back to NYSID to discuss.

Labor: if there are no mandated staffing hours, are you over staffed? Did you over-estimate the amount of time needed to fulfill the SOW?

Are you using full-time employees when you could be using part-time? For NYC contracts, are you using experienced employees vs. new hires?

Can you remove or reduce any costs you incorporated earlier?

Contact your NYSID Account Representative and/or Contract Specialist for assistance.



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