

Supplies Manufactured and Services Performed by Persons with Disabilities (UniqueSource)



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Welcome!

The purpose of this course is to provide procurement professionals, as well as other Commonwealth employees with an overview of the statutory requirement to purchase materials manufactured and serviced performed by persons with disabilities.



- **Topics:**

- Commonwealth Procurement Code, Section 520
- UniqueSource Overview
- DGS-UniqueSource Operational Agreement
- DGS Requirements Contract
- Other Requirements Contracts that Overlap and/or Conflict with the UniqueSource Contract



Commonwealth Procurement Code, Section 520



- Section 520 governs Commonwealth purchasing of materials manufactured and services performed by persons with disabilities
- It provides the framework for the Commonwealth purchasing program to benefit persons with disabilities
- DGS is to designate a ***central*** nonprofit agency to:
 - Market and sell materials and services to Commonwealth agencies, and
 - Facilitate orders on behalf of ***nonprofit agencies that employ persons with disabilities***



- The nonprofit agency that employs persons with disabilities must be capable of meeting the Commonwealth agency specification
- No competitive bidding is required
- DGS is to establish the fair market price (“FMP”) for all materials manufactured and services performed by persons with disabilities
- Persons with disabilities must make an ***appreciable contribution*** in the manufacturing of a supply and the performance of a service. It is the responsibility of DGS to ensure that persons with disabilities are making an appreciable contribution.



- DGS, with assistance from the purchasing agency, must conduct annual compliance reviews for purchase orders/contracts exceeding \$300,000. The designated **central** nonprofit agency and **nonprofit agency that employs persons with disabilities** must be given written notice of any deficiencies. The deficiencies must be corrected within 45 days of notice, or there may be penalties.
- Section 520 gives DGS the authority to establish the guidelines, policies, and procedures for doing business with the central nonprofit agency



UniqueSource Overview



- DGS designated UniqueSource (formerly PIBH) as the **central** nonprofit agency to market and sell materials and services to Commonwealth agencies, and facilitate program orders on behalf of **nonprofit agencies that employ persons with disabilities** (hereinafter referred to as “UniqueSource Member Agencies”)
- UniqueSource is a non-profit corporation organized and incorporated in the Commonwealth of Pennsylvania in *1956. UniqueSource was formed as the marketing arm for community rehabilitation programs, to sell the materials and services provided by persons with disabilities throughout Pennsylvania.

* In January 2014, PIBH changed their vendor name to UniqueSource Products & Services (UniqueSource)



- UniqueSource currently has approximately 75± member agencies that employ the persons with disabilities who manufacture the materials and/or perform the services
- UniqueSource member agencies are non-profit corporations across Pennsylvania operating community rehabilitation programs serving people with disabilities. They are designed to provide meaningful employment, training, and job placements for individuals with visual, physical or mental disabilities.



DGS-UniqueSource Operational Agreement



- DGS and UniqueSource entered into an operational agreement that defines the operational procedures for DGS and UniqueSource to follow in the Commonwealth's procurement of materials and services
- The agreement continues until one party gives the other party 60 days written notice of termination (or until termination for default)



- **Fair Market Price (“FMP”)**

DGS has the discretion to determine fair market prices for materials and services by any one, or a combination of, the following methods:

1. Cost model methodology;
2. Market research;
3. Consideration of the current price of the materials or services; or
4. Soliciting competitive bids on the open market and establishing the low bid/quote price as the fair market price unless:
 - the low bid/quote is not responsive,
 - the low bidder is not a responsible bidder,
 - the price is unreasonably low and DGS considers the price to be a “low ball” bid/quote, or
 - only one unreasonably high bid/quote is received and DGS considers the price to be a “high ball” bid/quote



- **Carve-Out List**

- DGS created the [UniqueSource Carve-Out List](#) which references specific materials and services that have been set aside for procurement from UniqueSource member agencies if the member agencies can provide the materials or services at the DGS-established FMP
- To be included on the carve-out list, a material or service must pass DGS review analyzing each UniqueSource member agency's capability and capacity to manufacture the specified materials or perform the specified services
- If a material or service is included on the carve-out list, the purchasing agency must give UniqueSource the opportunity to provide the material or service before utilizing a different procurement method. UniqueSource must meet the agency's specifications and provide the material or service at a DGS-established FMP.



- **Confidential Information**

- Only DGS has the authority to review certain confidential contract information, including the identities and specific disabilities of contract workers
- If a Commonwealth agency suspects contract irregularities, it must report the information to the DGS Program Manager for follow-up



- **Disputes**

- The agreement gives UniqueSource the option to file a dispute that includes an exchange of communications between the parties. UniqueSource may dispute the following determinations: fair market price, appreciable contribution, price adjustments, carve-outs, the reasonableness of contract requirements in a particular Commonwealth procurement, and any other Commonwealth determination that UniqueSource asserts was improper.
- UniqueSource files the dispute notice with the DGS Chief Procurement Officer (“CPO”) within seven days of the date of the determination under dispute. The CPO shall provide a written determination within 15 days of receipt of UniqueSource’s written dispute unless both parties agree to an extension.



- **Disputes (Cont'd)**

- UniqueSource may not file an official protest until the CPO has issued a written determination in any dispute under the UniqueSource contract. The statutory clock for filing an official protest does not begin until after the CPO makes a final decision on the dispute.



- **Annual Price Adjustments**

- For UniqueSource catalog items, UniqueSource and/or DGS may make written request to the other party for adjustment in prices annually. The price adjustment shall be based on the percentage change in the Consumer Price Index-All Urban Consumers (“CPI-U”), Producer Price Index (“PPI”), and/or Employment Cost Index (“ECI”), whichever is most applicable to the type of material/service.



- **Annual Price Adjustments (Cont'd)**

- For service purchase orders, UniqueSource and/or the purchasing agency may make written request to the other party for adjustment in prices annually. The price adjustment shall be based on the percentage change in the Consumer Price Index-All Urban Consumers (“CPI-U”), Producer Price Index (“PPI”), and/or Employment Cost Index (“ECI”), whichever is most applicable to the type of service.
 - If the percentage change in the PPI, ECI or CPI-U exceeds 4% during any one-year period, and a party wants to adjust the price in accordance with the PPI, ECI or CPI-U change, the requesting party shall submit documentation to the other party to justify their request for a price adjustment. If the documentation is not acceptable to the receiving party, the receiving party shall ask the DGS Program Manager to establish a new fair market price for the upcoming year.



Statewide Requirements Contract



- The DGS Requirements Contract covers the Commonwealth agencies' actual purchasing requirements for materials manufactured and services performed by persons with disabilities, as required by Section 520 of the Commonwealth Procurement Code and the DGS-UniqueSource Operational Agreement
- The contract terminates in the same manner as the operational agreement: 60 days after one party gives the other party written notice of termination (or until termination for default)
- Contract includes both materials and services
- Agencies are not permitted to purchase, and UniqueSource is not permitted to sell to the Commonwealth, any materials or services until after DGS establishes the FMP



- No minimum order
- P-card enabled
- Agencies are to include a price adjustment clause in any UniqueSource service purchase order to allow UniqueSource and/or the purchasing agency to request an annual price adjustment (increase/decrease), in accordance to the DGS-UniqueSource Operational Agreement
- After DGS determines that UniqueSource is making an appreciable contribution, the materials and/or services are added to the DGS contract for ***“Supplies Manufactured and Services Performed by Persons with Disabilities”***



• Performance Issues

- For any performance issues with UniqueSource materials, the purchasing agency shall notify the DGS Program Manager of the deficiencies
- For any performance issues with UniqueSource services, the purchasing agency shall notify UniqueSource and the UniqueSource Member Agency in writing of the deficiencies. UniqueSource and the UniqueSource member agency shall be given 45 days to correct any deficiencies; however, UniqueSource and the UniqueSource Member Agency should take immediate steps to correct the deficiencies.
 - Purchasing agency should review the issue with their legal counsel prior to releasing any written notification to UniqueSource. (The DGS Program Manager is to be copied on the initial written notification to UniqueSource and any correspondence thereafter until the issue is resolved.)
 - Prior to terminating any UniqueSource purchase orders due to performance issues, the purchasing agency should review the issue with the DGS Program Manager



Contracts that Overlap and/or Conflict with the UniqueSource Contract



- There are other DGS requirements contracts that include materials and/or services that are comparable to UniqueSource materials and/or services
 - Carpet and Carpet Installation
 - Catering Services (boxed lunches and cold buffets)
 - Document Shredding
 - Flash Drives
 - Janitorial Supplies
 - MRO (safety vests, safety hard hats and tools – shovels, rakes, hoes)
 - Office Supplies

- Agencies are required to purchase the UniqueSource materials and/or services, if the UniqueSource materials and/or services meet the agencies need



- There are also several UniqueSource materials and/or services available for purchase on other DGS requirements contracts
 - Carpet and Carpet Installation
 - Office Supplies
- Commonwealth agencies are not to order UniqueSource materials and services directly from UniqueSource if the UniqueSource material or service is available for purchase on another contract. The purchasing agency must order the UniqueSource material and/or service from the applicable contract.



Summary



- **Summary**

- Commonwealth agencies are required by law to purchase certain materials manufactured and services performed by persons with disabilities in accordance with the purchasing agency's specification and at a DGS-established FMP
- DGS created the [UniqueSource Carve-Out List](#) which references specific materials and services that have been set aside for procurement from UniqueSource member agencies. Agencies should familiarize themselves with the carve-out list.
 - If a material or service is included on the carve-out list, the purchasing agency must give UniqueSource the opportunity to provide the material or service before utilizing a different procurement method. UniqueSource must meet the purchasing agency's specifications and provide the material or service at a DGS-established FMP.



DGS Contact Person



If you have any questions regarding the UniqueSource program, you may contact the DGS Program Manager at 717-787-7324, or email the GS-UniqueSource resource account at ra-UniqueSource@pa.gov



Knowledge Check



1. The Commonwealth purchase agency must write their specification to meet UniqueSource capabilities.

True

False



2. The Commonwealth must purchase UniqueSource materials and services at whatever price is quoted by UniqueSource.

True

False



3. Commonwealth agencies may not review certain confidential contract information, including the identities and specific disabilities of contract workers.

True

False



4. If a material or service is included on the UniqueSource carve-out list, the purchasing agency must give UniqueSource the opportunity to provide the material or service before utilizing a different procurement method.

True

False



Select the link below to complete an online survey.

<https://www.surveymonkey.com/s/6M59935>



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You will receive credit for completing this course within 24 hours. Please select the “Log Off” button in the lower right corner to close this course.

Thank you!

