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## Authorities Budget Office Policy Guidance



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**No.** 18-01

**Date Issued:** March 22, 2018  
**Supercedes:** New

**Subject:** Preferred Source Procurement

**Statutory Citation:** Section 162 of New York State Finance Law

**Provision:** New York State's Preferred Source Program (Program), established under Section 162 of the New York State Finance Law (Law), grants "preferred source" status to veterans, not-for-profit organizations that serve and employ people who are blind and severely disabled, and the correctional industries program to the department of corrections and community supervision (Corcraft).

Section 162(4) of State Finance Law requires public authorities and public benefit corporations, including those public benefit corporations that meet the definition of a state or local authority, as defined by Title 1 Section 2 of Public Authorities Law, to purchase certain approved products and services from preferred sources if available. Purchases from preferred sources take precedence over all other sources of supply and competitive procurement methods.

**Authorities Budget Office Policy Guidance:** The Authorities Budget Office (ABO) is committed to promoting good corporate governance, including sound financial management and procurement practices. As such, it is expected that all public authorities seek to purchase commodities and services from preferred sources first if a preferred source offering meets the authority's needs for form, function, and utility. The intent of the Program is to advance social and economic opportunities for these groups. The advantage to procuring from Preferred Sources is that the public authority does not need to follow the competitive bid process.

*New York State has three Preferred Source organizations:*

1. [New York State Department of Correctional Services Division of Industries - Corcraft](#), provides employment opportunities for state inmates.
2. [New York State Preferred Source Program for People Who Are Blind \(NYSPSP\)](#), provides employment opportunities for New Yorkers who are blind and visually impaired.
3. [New York State Industries for the Disabled](#), provides employment opportunities for both New Yorkers who are disabled and who are veterans.

More information for purchasing from a Preferred Source can be found on the [New York State Office of General Services' website](#).