# Legislation Details (With Text)

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| **File #:** | Res 1739-2013 | **Version:** | * | **Name:** | Adopting the rule amendment of the Procurement Policy Board to raise the micropurchase limit to $20,000. |
| **Type:** | Resolution | | | **Status:** | Adopted |
| | | | | **In control:** | Committee on Contracts |
| **On agenda:** | 4/25/2013 | | | | |
| **Enactment date:** | | | | **Enactment #:** | |

**Title:** Resolution adopting the rule amendment of the Procurement Policy Board to raise the micropurchase limit to $20,000.

**Sponsors:**

**Indexes:**

**Attachments:** 1. Committee Report 4/30/13, 2. Hearing Transcript 4/30/13, 3. Committee Report 6/11/13, 4. Hearing Testimony 6/11/13, 5. Hearing Transcript 6/11/13, 6. Hearing Transcript - Stated Meeting 6-12-13

| Date | Ver. | Action By | Action | Result |
|---|---|---|---|---|
| 4/25/2013 | * | City Council | Referred to Comm by Council | |
| 4/25/2013 | * | City Council | Introduced by Council | |
| 4/30/2013 | * | Committee on Contracts | Hearing Held by Committee | |
| 4/30/2013 | * | Committee on Contracts | Laid Over by Committee | |
| 6/11/2013 | * | Committee on Contracts | Hearing Held by Committee | |
| 6/11/2013 | * | Committee on Contracts | Approved by Committee | Pass |
| 6/12/2013 | * | City Council | Approved, by Council | Pass |

Res. No. 1739

Resolution adopting the rule amendment of the Procurement Policy Board to raise the micropurchase limit to $20,000.

By Council Members Mealy, Wills, Cabrera, Dickens, James, Koo, Williams, Jackson and Gennaro

Whereas, It has been ten years since the micropurchase limit has been increased for the City of New York; and

Whereas, On April 8, 2013, the Procurement Policy Board ("PPB") adopted a rule amendment raising the micropurchase limit under Section 3-08 of the PPB Rules, for which no competition is required, from five thousand dollars ($5,000) to twenty thousand dollars ($20,000); and

Whereas, Raising the micropurchase limit will significantly reduce processing time for relatively small



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procurements and allow agencies to process these procurements in a more efficient and flexible manner; and

Whereas, As indicated by the Procurement Policy Board, raising the micropurchase limit will also increase the ability of New York City agencies to meet the goals set under the Minority and Women Owned Enterprise ("MWBE") Program for the proportion of City contracts that are awarded to certified MWBE firms; and

Whereas, Section 314 of the New York City Charter requires concurrent action by the Council of the City of New York and the PPB to establish dollar limits for such small purchases; and

Whereas, A copy of the adopted PPB rule amendment is attached hereto and incorporated herein; now, therefore, be it

Resolved, That the Council of the City of New York adopts the rule amendment of the Procurement Policy Board to raise the micropurchase limit to $20,000.

**Section 1. Section 3-08 of Chapter 3 of Title 9 of the Rules of the City of New York is amended as follows:**

§3-08 Small Purchases

(a) Definition. Small purchases are those procurements in value of not more than $100,000. This shall be known as the small purchase limit.

(b) Application. A procurement shall not be artificially divided in order to meet the requirements of this section. Changes to and/or renewals of small purchases shall not bring the total value of the procurement to an amount greater than the small purchase limits.

(c) Scope.

(1) Competition Objective.

(i) Public notice of solicitation and award, presolicitation review report, Recommendation for Award, vendor protests, written notice to the low bidder or offeror of non-responsiveness, VENDEX Questionnaire (unless the aggregate value of purchases, franchises, and concessions awarded to that vendor including this one during the immediately preceding twelve-month period equals or exceeds $100,000), and public hearing shall not be required for small purchases awarded pursuant to this section.

(ii) Micropurchases. For procurements the value of which is [$5,000] $20,000 or less, no competition is required except that in making purchases below this limit, Contracting Officers shall ensure that the noncompetitive price is reasonable and that purchases are distributed appropriately among responsible vendors, including



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M/WBE vendors. Documentation of such purchases shall identify the vendor the item was purchased from, the item purchased, and the amount paid.

(iii) For procurements in value over [$5,000] $20,000 through the small purchase limits, at least five vendors shall be solicited at random from the appropriate citywide small purchases bidders list established by the CCPO for the particular goods, services, construction, or construction-related services being purchased, except where the bidders list consists of fewer than five vendors, in which case all vendors on the list shall be solicited. Agencies may additionally employ any small purchase technique sanctioned by DSBS that is not otherwise in violation of these Rules. The agency may solicit additional vendors but only with the approval of the CCPO. Responsive bids or offers shall be obtained from at least two vendors. For purposes of this section, a response of "no bid" is not a responsive bid. If only one responsive bid or offer is received in response to a solicitation, an award may be made to that vendor if the Contracting Officer determines that the price submitted is fair and reasonable and that other vendors had reasonable opportunity to respond.

(2) Solicitation Methods and Use.

[(i) Agencies shall use the following solicitation methods for] For small purchases valued at more than [$5,000] $20,000, agencies shall use [:

(A) for small purchases of goods valued at not more than $25,000, an oral or written solicitation describing the requirements, or

(B) for small purchases of goods valued at more than $25,000, a written solicitation describing the requirements, and

(C) for small purchases of services,] a written solicitation describing the requirements[.

(ii) An oral or written solicitation for a small purchase], which shall contain, at a minimum:
[(A)](i) a description of the item or service requested;
[(B)](ii) time, date, place, and form of requested response;
[(C)](iii) basis for award; and
[(D)](iv) name and telephone number of the Contracting Officer to whom inquiries may be directed.

(d) Award. Small purchases valued at over [$5,000] $20,000 shall be awarded to the lowest responsive and responsible bidder or to the responsive and responsible offeror that has made the most advantageous offer. After such determination has been made and all necessary approvals have been obtained, the Contracting Officer shall issue a purchase order or contract, as appropriate, to the successful bidder or offeror.