

## Procurement Policy Board

### Notice of Public Hearing and Opportunity to Comment on Proposed Rules

**What are we proposing?** The Procurement Policy Board (PPB) is proposing changes to the PPB Rules related to certain requirements for sole source procurements for goods, services, and construction.

**When and where is the hearing?** The PPB will hold a public hearing on the proposed rule. The public hearing will take place February 26, 2024, at 11:00 a.m. The hearing will be at 255 Greenwich St, 9th Floor in the Borough of Manhattan.

The public may also access and participate in the hearing via Internet or telephone.

- To join the public hearing via Internet, please follow the meeting link:  
[https://teams.microsoft.com/l/meetup-join/19%3ameeting\\_YmMzYjU3YzQtMWRkNy00YmExLTIjNjYtZGU2YWU3YTlhMjI2%40thread.v2/0?context=%7b%22Tid%22%3a%2232f56fc7-5f81-4e22-a95b-15da66513bef%22%2c%22Oid%22%3a%22621b8a51-443c-4130-b552-152802b014b0%22%7d](https://teams.microsoft.com/l/meetup-join/19%3ameeting_YmMzYjU3YzQtMWRkNy00YmExLTIjNjYtZGU2YWU3YTlhMjI2%40thread.v2/0?context=%7b%22Tid%22%3a%2232f56fc7-5f81-4e22-a95b-15da66513bef%22%2c%22Oid%22%3a%22621b8a51-443c-4130-b552-152802b014b0%22%7d)

Meeting ID: 278 697 921 245

Passcode: u3ri8P

- To join the public hearing via telephone, please dial: [+1 646-893-7101,437096284#](tel:+16468937101437096284)

**How do I comment on the proposed rules?** Anyone can comment on the proposed rules by:

- **Website.** You can submit comments to the PPB through the NYC Rules website at <http://rules.cityofnewyork.us>.
- **Email.** You can email comments to [ppb@mocs.nyc.gov](mailto:ppb@mocs.nyc.gov).
- **Mail.** You can mail comments to:

Attn: Procurement Policy Board  
Mayor's Office of Contract Services  
255 Greenwich St, 9th Floor  
New York, NY 10007

- **By speaking at the hearing (in person).** Anyone who wants to comment on the proposed rule at the public hearing must sign up to speak. You can sign up before the hearing by emailing [ppb@mocs.nyc.gov](mailto:ppb@mocs.nyc.gov), or calling (212) 298-0624. While there will be an opportunity during the hearing to indicate that you would like to comment, we prefer that you sign up in advance. You can speak for up to three minutes.

**Is there a deadline to submit comments?** The deadline to submit written comments will be February 26, 2024.

**What if I need assistance to participate in the hearing?** You must tell the Disability Service Facilitator if you need a reasonable accommodation of a disability at the hearing, including, but not limited to, a sign language interpreter. You can contact the Disability Service Facilitator by email at [DisabilityAffairs@mocs.nyc.gov](mailto:DisabilityAffairs@mocs.nyc.gov), by telephone at (212) 298-0743 or by mail at the address provided above with an attention line to “Disability Service Facilitator.” Advance notice is requested to allow sufficient time to arrange the accommodation. Please notify the Disability Service Facilitator at least five (5) business days in advance of the hearing.

This location has the following accessibility option(s) available: Wheelchair accessibility.

**Can I review the comments made on the proposed rules?** You can review the comments made online on the proposed rules by going to the website at <http://rules.cityofnewyork.us/>. Within a reasonable time after the hearing, copies of all written comments and a summary of oral comments concerning the proposed rules will be available to the public on MOCS’ website at <https://www.nyc.gov/site/mocs/regulations/ppb.page> and at MOCS’ office located at 255 Greenwich St, 9th Floor, New York, NY 10007.

**What authorizes the PPB to make these rules?** Sections 311, 321, and 1043 of the New York City Charter authorize the PPB to make the proposed rules. This proposed rule was not included in the PPB’s regulatory agenda for this Fiscal Year because it was not contemplated when the PPB published its agenda.

**Where can I find the PPB’s rules?** The PPB’s rules are in Title 9 of the Rules of the City of New York.

**What laws govern the rulemaking process?** The PPB must meet the requirements of Section 1043 of the New York City Charter when creating or changing rules. This notice is made according to the requirements of Section 1043 of the New York City Charter.

## Statement of Basis and Purpose of Proposed Rules

These proposed Procurement Policy Board (PPB) amendments would update the provisions of the PPB Rules relating to certain requirements for sole source procurements for goods, services, and construction. The sole source procurement method set forth in PPB Rule § 3-05 allows agencies to award contracts exceeding a certain amount when there is only one source for the required good, service, or construction. For example, if an agency requires goods that are only supplied by a single vendor, and there are no alternative sources available that would be sufficient to meet the agency's needs, then the agency may use the sole source procurement method.

The PPB is proposing amendments to: (1) to align the sole source procurement method dollar limits to procure goods, services, and construction with the micropurchase dollar limit; and (2) to clarify the application of sole source procurement rules and make those rules more consistent.

Section 1 of these proposed rules would amend PPB Rule § 2-02(b)(1) to align the presolicitation review for sole source procurements dollar limits with the micropurchase dollar limit set forth in Section 3-08(c)(1)(ii).

Section 2 of these proposed rules would amend PPB Rule § 2-08(e)(1)(ii) to remove the reference to construction-related services.

Section 3 of these proposed rules would amend PPB Rule § 2-09(a)(1) to align the Recommendation for Award for sole source procurements dollar limits with the micropurchase dollar limit set forth in Section 3-08(c)(1)(ii).

Section 4 of these proposed rules would amend PPB Rule § 3-05(a) to align the dollar limits for use of sole source procedures with the micropurchase dollar limit set forth in Section 3-08(c)(1)(ii).

The PPB's authority to promulgate these rules is found in sections 311, 321, and 1043 of the New York City Charter.

On December 6, 2023, the PPB voted to initiate the rulemaking process under the Citywide Administrative Procedure Act for this proposed rule amendment.

The new material added in the text of the rule is underlined and the deleted material is in [brackets]. "Shall" and "must" denote mandatory requirements and may be used interchangeably in the rules of this department, unless otherwise specified or unless the context clearly indicates otherwise.

**SECTION 1. PARAGRAPH (1) OF SUBDIVISION (b) OF SECTION 2-02 OF TITLE 9 OF THE RULES OF THE CITY OF NEW YORK IS AMENDED TO READ AS FOLLOWS:**

(1) sole source procurements exceeding [\$10,000 for goods and services and \$15,000 for construction and construction-related services] the micropurchase limit set forth in Section 3-08(c)(1)(ii) of these Rules and

**§ 2. SUBPARAGRAPH (ii) OF PARAGRAPH (1) OF SUBDIVISION (e) OF SECTION 2-08 OF TITLE 9 OF THE RULES OF THE CITY OF NEW YORK IS AMENDED TO READ AS FOLLOWS:**

(ii) is for the provision of goods, services, or construction, [or construction-related services], is awarded to a sole source, and is valued at \$10,000 or more.

**§ 3. PARAGRAPH (1) OF SUBDIVISION (a) OF SECTION 2-09 OF TITLE 9 OF THE RULES OF THE CITY OF NEW YORK IS AMENDED TO READ AS FOLLOWS:**

(1) sole source procurements [for goods and services exceeding \$10,000 and construction and construction-related services exceeding \$15,000 awarded by sole source procedures pursuant to 9 RCNY § 3-05] exceeding the micropurchase limit set forth in Section 3-08(c)(1)(ii) of these Rules, and

**§ 4. SUBDIVISION (a) OF SECTION 3-05 OF TITLE 9 OF THE RULES OF THE CITY OF NEW YORK IS AMENDED TO READ AS FOLLOWS:**

(a) *Conditions for use.* Sole source procurement shall be used only when there is only one source for the required good, service, or construction. In such case, the accepted price and terms and conditions shall be achieved through negotiation between the agency and the vendor. This section shall apply to [all] sole source procurements [over \$20,000] exceeding the micropurchase limit set forth in Section 3-08(c)(1)(ii) of these Rules.

**NEW YORK CITY LAW DEPARTMENT  
DIVISION OF LEGAL COUNSEL  
100 CHURCH STREET  
NEW YORK, NY 10007  
212-356-4028**

**CERTIFICATION PURSUANT TO  
CHARTER §1043(d)**

**RULE TITLE:** Amendment of Rules Relating to Sole Source Procurements

**REFERENCE NUMBER:** 2023 RG 076

**RULEMAKING AGENCY:** Procurement Policy Board

I certify that this office has reviewed the above-referenced proposed rule as required by section 1043(d) of the New York City Charter, and that the above-referenced proposed rule:

- (i) is drafted so as to accomplish the purpose of the authorizing provisions of law;
- (ii) is not in conflict with other applicable rules;
- (iii) to the extent practicable and appropriate, is narrowly drawn to achieve its stated purpose; and
- (iv) to the extent practicable and appropriate, contains a statement of basis and purpose that provides a clear explanation of the rule and the requirements imposed by the rule.

/s/ STEVEN GOULDEN  
Senior Counsel

Date: December 22, 2023

**NEW YORK CITY MAYOR'S OFFICE OF OPERATIONS  
253 BROADWAY, 10<sup>th</sup> FLOOR  
NEW YORK, NY 10007  
212-788-1400**

**CERTIFICATION / ANALYSIS  
PURSUANT TO CHARTER SECTION 1043(d)**

**RULE TITLE: Amendment of Rules Relating to Sole Source Procurements**

**REFERENCE NUMBER: PPB-1**

**RULEMAKING AGENCY: Procurement Policy Board**

I certify that this office has analyzed the proposed rule referenced above as required by Section 1043(d) of the New York City Charter, and that the proposed rule referenced above:

- (i) Is understandable and written in plain language for the discrete regulated community or communities;
- (ii) Minimizes compliance costs for the discrete regulated community or communities consistent with achieving the stated purpose of the rule; and
- (iii) Does not provide a cure period because it does not establish a violation, modification of a violation, or modification of the penalties associated with a violation.

/s/ Francisco X. Navarro  
Mayor's Office of Operations

December 22, 2023  
Date