

## NOTICE OF ADOPTION OF FINAL RULE

The Procurement Policy Board has adopted amendments to **Chapter 3 Methods of Source Selection** of its Rules pursuant to Section 311 of the New York City Charter. The amendments were published in *The City Record* on April 27, 2012, and the required public hearing was held on June 4, 2012. The amendments were adopted by the Procurement Policy Board on April 8, 2013. These rules will take effect 30 days after publication.

### **Statement of Basis and Purpose**

Prior to recent amendments to New York State General Municipal Law § 103, contracts for public work and contracts for purchase contracts (i.e., contracts for the purchase of goods and standard services) had to be procured, as a general matter, by publicly advertised, low sealed bid. The recent changes to GML § 103 (the “Best Value Law”) give the City the option to procure purchase contracts based on best value to the City, as that phrase is defined in State Finance Law § 163. Under that section, best value is defined in terms of the optimization of quality, cost and efficiency.

In light of the Best Value Law, the amendments to this rule require agencies to make a special case determination where contracts are to be awarded by competitive sealed bidding on the basis of best value to the City.

### **The Rule Amendments**

New material is underlined and deletions are [bracketed].

**Section 1. Paragraph (1) of subdivision (d) of section 3-01 of Chapter 3 of Title 9 of the Rules of the City of New York is amended by adding a new subparagraph (ii), and by renumbering subparagraphs (ii) through (viii) as subparagraphs (iii) through (ix), to read as follows:**

- (ii) Competitive sealed bidding where the award will be made to the bidder whose bid represents the best value to the City;

**Section 2. Paragraph (2) of subdivision (d) of section 3-01 of Chapter 3 of Title 9 of the Rules of the City of New York is amended by adding a new subparagraph (iii), and subparagraphs (iii) through (vii) are renumbered as subparagraphs (iv) through (viii), to read as follows:**

- (iii) it is in the best interest of the City for goods or standard services to be awarded on the basis of best value to the City by optimizing quality, cost, and efficiency;

**Section 3. Paragraph (3) of subdivision (d) of section 3-01 of Chapter 3 of Title 9 of the Rules of the City of New York is amended to read as follows:**

(3) Source Selection in a Special Case. Upon determining that there is a special case[which warrants procurement by other than competitive sealed bidding], the Contracting Officer shall select the most competitive alternate method of source selection among those listed in Section 3-01 above which is practicable and advantageous to the City.