

March 2023



Procurement News

March 14, 2023

Changes to Procurement Laws

Impacts & Disruptions

Changes

Due to the recent legislation passed and signed into law by Governor Hochul, we now have limited procurement flexibility. Our previous thresholds of \$125,000 for discretionary procurements and \$250,000 for approval by the Office of the Attorney General and Office of the State Comptroller have been restored to our pre-2009 threshold of \$75,000.

Impact

This means that all transactions that exceed \$75,000 must be reviewed by the Attorney General as well as the Office of the State Comptroller.

Changes to Procurement Laws

Background

On December 30, 2022, Governor Hochul signed a bill that restored various provisions of procurement oversight to OSC, with an agreement for a future chapter amendment.

Bill reset the statutory thresholds for OSC review to \$50k for State Agencies and to \$75k for SUNY.

Details

- Law retained a provision that allows SUNY and OSC to periodically negotiate higher limits than those statutory minimums.
- Chapter amendment language called for the statutory threshold levels to change to \$75k for SUNY and SUCF and \$150k for hospitals.
- Advertisements in the New York State Contract Reporter website are STILL needed for any purchase above \$50K (as in the past).

WHAT IS CHANGING

Current State	Future State
<ul style="list-style-type: none"> • OSC reviews for approval all new contract purchases over \$250,000 	<ul style="list-style-type: none"> • OSC reviews for approval all new contract purchases over \$75,000
<ul style="list-style-type: none"> • Local Counsel and the Attorney General (AG) Office must review contracts prior to being sent to the OSC which is taking 7 - 14 days 	<ul style="list-style-type: none"> • Local Counsel and the AG may take longer than 14+ days to review contracts due to the increased volume
<ul style="list-style-type: none"> • OSC has up to 30 days to review purchases that exceed \$250,000 	<ul style="list-style-type: none"> • OSC has up to 75 days to review purchases that exceed \$75,000
<ul style="list-style-type: none"> • OSC reviews are taking between 5 to 20 days to complete 	<ul style="list-style-type: none"> • OSC reviews expected to take 20+ days since this new legislation effects every New York State Agency
<ul style="list-style-type: none"> • Purchases made using an NYS Office of General Services (OGS) Contract are not subject to OSC review or approval 	<ul style="list-style-type: none"> • OGS purchases that exceed \$200K will need to be reviewed for approval by OSC, which will add ~30+ days to the buying process
<ul style="list-style-type: none"> • There is no process in place to handle OSC review of OGS contracts 	<ul style="list-style-type: none"> • A process will need to be defined and contracts will be generated annually for OSC to review for approval

WHAT THIS MEANS



Proper planning is necessary for all procurements above **\$75,000**. You must allow a minimum of three months for these transactions.



We believe formal bidding is necessary at this threshold and therefore all documents needed for previous formal bids over \$125,000 will now be needed for anything above **\$75,000**.



Prepare to be available for questions that may arise from your procurement as the Office of the State Comptroller auditors are known to scrutinize any procurement that comes across their desks.

WHAT THIS MEANS



Please be patient with the purchasing office as we work through these transactions. Many times the delay in approval will come from the Attorney General or Comptroller's Office, and not with our office.

In previous years the Purchasing Office sends on average 10 transactions a year for approval. This new legislation will increase our submissions to roughly 100 transactions.

2023



THANK YOU!

Questions? Contact Us at pchase@Binghamton.edu