

**Statement by Andrea Glick, City Chief Procurement Officer and Director of the
Mayor's Office of Contract Services, to the New York City Council Contracts
Committee**

Resolution 1739 of 2013

June 11, 2013

On behalf of the Administration, thank you for letting us submit this statement in support of Resolution 1739 of 2013. We are pleased that the City Council is considering this conforming resolution to increase the micropurchase limit for the City's procurements from \$5,000 to \$20,000. The Procurement Policy Board ("PPB") held a public hearing and two public meetings on increasing the micropurchase limit and recently voted to adopt this change. Raising the micropurchase limit will considerably streamline the contracting process for all procurements that fall between \$5,000 and \$20,000 and will address some of the delays in procurement that were mentioned at the committee's oversight hearing on May 29, 2013 in which we discussed bottlenecks in the contracting process.

Not only will increasing the micropurchase limit streamline the procurement process, but it will also make it easier for small businesses and Minority- and Woman-Owned Business Enterprises ("M/WBEs") to do business with the City. Increasing the micropurchase limit will significantly reduce processing times for companies that enter into City contracts that fall between \$5,000 and \$20,000.

After the limit is raised, MOCS will provide robust oversight of agencies' use of the micropurchase method. MOCS will monitor micropurchases to ensure integrity in the City's purchasing process by reviewing reports of all micropurchases made by City agencies on a quarterly basis to make sure that agencies do not artificially break up larger procurements in order to get them below the micropurchase limit or steer multiple awards to the same vendor. If we find inappropriate use of the micropurchase method by an agency, MOCS has a number of actions that it can take to address it, including removing an agency's ability to make micropurchases.

Increasing the micropurchase limit for the City's procurements from \$5,000 to \$20,000 is an excellent change to the City's procurement rules that will help both the City and companies that do business with the City. As previously stated, MOCS will put in place effective oversight procedures to ensure proper use of the micropurchase process. We strongly urge the committee to approve Resolution 1739 of 2013.