Purpose:
This bulletin is updated to reflect changes to the discretionary buying threshold made by Chapter 173 of the Laws of 2010, effective October 13, 2010, which amended section 163.6 of the State Finance Law. The discretionary buying threshold as amended allows State agencies to purchase services or commodities from small business concerns or those certified pursuant to Article 15A of the Executive Law, or commodities or technology that are recycled or remanufactured, in an amount not exceeding two hundred thousand dollars without a formal competitive process.

This bulletin also provides State agencies a summary of current discretionary purchasing thresholds (State Finance Law, Section 163) and the Office of the State Comptroller's prior approval thresholds (State Finance Law, Section 112).

Discretionary Buying Thresholds Under Section 163 of State Finance Law:
State agencies may purchase services and commodities in an amount not exceeding fifty thousand dollars without a formal competitive process.

The Office of General Services (OGS) may purchase services and commodities in an amount not exceeding eighty-five thousand dollars without a formal competitive process.

State agencies may now purchase services or commodities from small business concerns or those certified pursuant to Article 15A of the Executive Law, or commodities or technology that are recycled or remanufactured, in an amount not exceeding two hundred thousand dollars without a formal competitive process. This threshold was formerly one hundred thousand dollars.

Note: These thresholds apply only to those purchases made under Section 163 of the State Finance Law. They do not apply to procurements governed under other sections of law including, but not limited to construction, architecture, engineering and surveying services, printing, etc.

OSC Prior Approval Threshold: The threshold in State Finance Law Section 112(2)(a) covers expenditure contracts greater-than fifty thousand dollars. Additionally, Section 112(2)(a) includes an expenditure contract
threshold for OGS of eighty-five thousand dollars.

Note: Those agencies whose contracts are subject to higher approval thresholds should disregard this section.

The threshold in State Finance Law Section 112(3), which covers contracts where the State agrees to give consideration other than the payment of money, is ten thousand dollars for all agencies. An example of a contract that is subject to Section 112(3) is a revenue contract in exchange for franchise rights.

**Vendor Responsibility:**
The threshold under Bulletin G-221 for the submission of vendor responsibility questionnaires remains at one hundred thousand dollars.

**"T" Contracts:**
The Central Accounting System "T" contract transaction limit is fifty thousand dollars. "T" contracts are agreements entered into by State agencies that are below the Comptroller's approval threshold and that will involve more than a single payment. The "T" contract mechanism allows the multiple payments to be recorded and tracked on the Central Accounting System. You must use the "T" contract functionality for all contracts up to fifty thousand dollars.

**Contract Reporter Advertising Still Required:**
The thresholds for publication of procurement opportunities in the Contract Reporter in accordance with Article 4-c of the Economic Development Law, have not changed. In accordance with Section 163(6-a) of the State Finance Law, OGS must continue to advertise in the Contract Reporter when their procurements exceed thirty thousand dollars. The advertising threshold for SUNY/CUNY remains at twenty thousand dollars, while the threshold for all other agencies remains at fifteen thousand dollars. Therefore, exemption requests from publication based solely on contract value will not be granted.

*Important Notice:*
Discretionary purchases that exceed fifteen thousand dollars (or thirty thousand dollars in the case of OGS or twenty thousand dollars in the case of SUNY/CUNY) must still be advertised in the Contract Reporter.

Be sure to allow time for the required advertising when developing timelines for informal procurements. For procurement opportunities that require advertising, awards cannot be made, contracts cannot be signed, and work cannot be started until after the required 15 business day advertisement period.

Evidence of publication should be retained in the agency’s procurement record for procurements valued between the advertising threshold and OSC’s pre-approval threshold. For procurements above the OSC approval threshold, agencies will need to submit the procurement record, including evidence of publication in the New York State Contract Reporter.

All requests for exemptions from publication, pursuant to the Economic Development Law
(See Bulletin G-107B), should be directed to:

NYS Office of the State Comptroller
Bureau of Contracts
110 State Street, 11th Floor
Albany, NY  12236

Effective Date:  This bulletin is effective on October 13, 2010.

Questions:  If you have any questions regarding this bulletin, please contact the Bureau of Contracts at (518) 474-4622.