



Procurement of Goods and Services

All organizations must obtain written consent from SBS prior to:

- purchasing goods, materials, or equipment in an amount in excess of \$2,500
- hiring any consultants or subcontractors

PURCHASING GOODS

If your organization needs to purchase goods, materials, or equipment in an amount in excess of \$2,500, you must obtain written approval from SBS prior to purchase. In order to obtain SBS approval, you must submit a request in writing on your organization's letterhead specifying the following:

- A description of the need for the item(s) (i.e., the program activity for which it is required)
- At least three bids/sources for the item(s) to be purchased and a cost/quality comparison of the available sources
- Reasons for your final selection

For further information about the selection process requirements, please consult Article 7 of your contract.

You can view or download a sample approval request letter for purchasing goods by clicking on the link below:

- [Sample Approval Request Letter for Purchasing Goods](#)



PURCHASING SERVICES/SUBCONTRACTING

Prior to hiring or paying any consultants or sub-contractors to carry out work as a part of your contract with SBS, your organization **must obtain written approval from SBS.**

You will need to do the following to request SBS approval to hire a subcontractor or consultant:

- 1. Submit a request to SBS to hire a subcontractor or consultant***
- 2. Select a subcontractor or consultant***
- 3. Notify your contract manager of your subcontractor or consultant selection***
- 4. Submit Subcontractor Approval Form(s) to SBS***
- 5. Complete the agreement between your organization and the subcontractor or consultant and submit this to SBS***

Please consult the following sections for more information on the steps of the subcontracting process.

1. Submit a request to SBS to hire a subcontractor or consultant

You must **submit a written request** on your organization's letterhead to your contract manager specifying:

- Your work plan that outlines how the contracted work will be carried out
- Your plan for how you will select a consultant (see "Selecting a Subcontractor or Consultant/RFP Process" below)

You can view or download a sample approval request letter for hiring a consultant or subcontractor by clicking on the link below:

- **[Sample Approval Request Letter for Purchasing Services](#)**

Your contract manager will review your request and notify you regarding whether you have approval to proceed with your selection process.



2. Select a subcontractor or consultant

Your organization should use your own internal procurement procedures for hiring a consultant. Your organization should use an RFP process or a similar process when selecting subcontractors and consultants. If the cost of these services will be \$2,500 or more you are required to use an RFP process for selecting a subcontractor or consultant.

If your organization does not have an existing procurement procedure, you should consult the *Request for Proposal (RFP) Process* section below for more information on how to implement a selection process.

Your organization must receive SBS' written approval of your work plan and consultant selection process before you issue an RFP, hire a consultant, or begin subcontracted work.

Request for Proposal (RFP) Process

A Request for Proposal (RFP) is a prospectus inviting subcontractors/consultants to apply for work on a specific project. An RFP outlines all of the work and products/deliverables required from the subcontractor/consultant for a specific project and provides a means for evaluating the ability of various contractors to perform the required services. Your organization should use an RFP process or a similar process when selecting consultants and/or vendors for services.

In general, all RFPs should contain the following elements:

- The project scope and any relevant background information on your organization as it relates to the project
- Clearly outlined deliverables and the tasks associated with completing each deliverable
- Timelines and deadlines for each task/deliverable
- Fee schedules and costs as they relate to the deliverables
- Required consultant qualifications as they relate to the project

Your RFP process should follow these guidelines:

- Notice of your RFP should be posted on your organization's website and publicized in newspapers or other media
- All solicitations should be issued to at least three responsible bidders
- Your organization must make your best efforts to solicit bids from minority and women-owned businesses
- Your organization should document and file all RFP-related correspondence for future reference

You can view or download a sample Request for Proposal, a sample Request for Proposal Cover Letter, and detailed instructions and information on the RFP process by clicking on the links below:



- [Sample Request for Proposal](#)
- [Sample Request for Proposal Cover Letter](#)
- [Request for Proposals Process Instructions](#)

3. Notify your contract manager of your subcontractor or consultant selection

When you have selected a subcontractor/consultant, contact your contract manager. Your contract manager will collect information from you about your selection and will e-mail you the City of New York Subcontractor Approval Form.

4. Complete and Return Subcontractor Approval Form(s)

You will need to **complete and submit the Subcontractor Approval Form(s)** sent to you by your contract manager so that the City of New York can conduct a preliminary background review of the subcontractor that you intend to hire. You should return a hard copy of the form(s) with your signature to your contract manager.

Once this information has been reviewed, your contract manager will notify you regarding whether your subcontractor has been approved and will e-mail you the Subcontract Agreement Form to include with the agreement between your organization and the subcontractor.

5. Complete the agreement between your organization and the subcontractor or consultant and submit this to SBS

Your organization's contract with the subcontractor must include the SBS Subcontract Agreement Form that your contract manager sent to you.

You will need to **submit a copy of this agreement to your contract manager for review by the SBS Legal Department.** You must also **submit a detailed work plan and an itemized budget along with the subcontract agreement.**

Your organization must receive written approval of your subcontractor agreement from SBS before any subcontracted work commences.