

## CONCISE EXPLANATORY STATEMENT

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In accordance with the Administrative Procedures Act, R.I. Gen. Laws § 42-35-2.6, the following is a concise explanatory statement:

**AGENCY:** Rhode Island Airport Corporation

**DIVISION:** N/A

**RULE IDENTIFIER:** 800-RICR-00-00-6

**RULE TITLE:** Procurement Regulations

**REASON FOR RULEMAKING:**

**ANY FINDING REQUIRED BY LAW AS A PREREQUISITE TO THE EFFECTIVENESS OF THE RULE:** N/A

**TESTIMONY AND COMMENTS:** No comments received.

**CHANGE TO TEXT OF THE RULE:** None as no comments were received.

**REGULATORY ANALYSIS:** Pursuant to RIGL §42-35-2.9, administrative agencies must analyze the benefits and costs of a reasonable range of regulatory alternatives. In this instance, the regulatory amendments are all proposed in order to maintain consistency with the statutory authority underlying the Procurement Regulations. Given the intent, there are only two possible alternatives that were considered.

### **1. Update the Procurement Regulations to be Consistent with Legal Authority**

The first option is to make the amendments to maintain consistency with legal authority. The benefits of the amendments are that the stakeholders of the airports will have a clear understanding of the dollar figures to qualify as a small purchase. In addition, with the inflation and rising costs, increasing the dollar amount for small purchases allows for a more clear and efficient procurement process because products and services have increased in price, so purchases that were formerly considered a small purchase may no longer qualify as a small purchase. These changes will make RIAC operate more efficiently by allowing for small purchases to be made in a cost effective and timely manner, ultimately providing value to the stakeholders. This will also prevent any legal

uncertainty for RIAC by ensuring that the Procurement Regulations are consistent with the statutory authority. These changes do not have any obvious costs for the stakeholders.

## **2. Do not update the Procurement Regulations to be Consistent with Legal Authority**

The only other option is to allow the Procurement Regulations to remain inconsistent with statutory authority. This approach could cause confusion among those in charge of procurement for RIAC as what were traditionally considered to be small purchases may now exceed the dollar amount of the regulations, creating delays and extra steps in the procurement process. In addition, this will also cause legal uncertainty for RIAC in carrying out its statutory duties because of the discrepancies regarding the dollar amount to qualify as a small purchase. This option would have costs for all involved, as those seeking to procure necessary items for RIAC may do so in a manner that is not authorized by statute or be significantly delayed in the procurement process due to different requirements for purchases that are not a small purchase.

Given that the first option provides greater understanding among stakeholders, and has no obvious costs, RIAC has determined that these amendments to the Procurement Regulations provide the most cost-effective approach, and provide the greatest net benefit to the stakeholders in accordance with RIGL §42-35-2.9.