

S T A T E O F N E W Y O R K

6639--A

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I N S E N A T E

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Introduced by Sens. DeFRANCISCO, MAZIARZ, VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Corporations, Authorities and Commissions -- reported favorably from said committee, ordered to first and second report, ordered to a third reading, amended and ordered reprinted, retaining its place in the order of third reading

AN ACT to amend the public authorities law, in relation to authorizing public authorities and public benefit corporations to negotiate with professional firms providing architectural or engineering services in order from the most qualified to the least qualified with regard to the provision of services to the authority or corporation

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. Subparagraph (iv) of paragraph (b) of subdivision 3 of
2 section 2879 of the public authorities law, as amended by chapter 383 of
3 the laws of 1994, is amended to read as follows:
4 (iv) as used in this subparagraph, the term "professional firm" shall
5 be defined as any individual or sole proprietorship, partnership, corpo-
6 ration, association, or other legal entity permitted by law to practice
7 the professions of architecture, engineering or surveying.
8 IT IS THE POLICY OF NEW YORK STATE TO NEGOTIATE CONTRACTS FOR ARCHI-
9 TECTURAL AND/OR ENGINEERING SERVICES AND/OR SURVEYING SERVICES ON THE
10 BASIS OF DEMONSTRATED COMPETENCE AND QUALIFICATION FOR THE TYPE OF
11 PROFESSIONAL SERVICES REQUIRED AND AT FAIR AND REASONABLE FEES.
12 IN THE PROCUREMENT OF ARCHITECTURAL, ENGINEERING AND SURVEYING
13 SERVICES, THE CORPORATION IS AUTHORIZED TO ENCOURAGE PROFESSIONAL FIRMS
14 ENGAGED IN THE LAWFUL PRACTICE OF THE PROFESSION TO SUBMIT AN ANNUAL
15 STATEMENT OF QUALIFICATIONS AND PERFORMANCE DATA. THE CORPORATION FOR
16 EACH PROPOSED PROJECT IS AUTHORIZED TO EVALUATE CURRENT STATEMENTS OF
17 QUALIFICATIONS AND PERFORMANCE DATA ON FILE WITH THE CORPORATION. IF
18 DESIRED, THE CORPORATION MAY CONDUCT DISCUSSIONS WITH THREE OR MORE
19 PROFESSIONAL FIRMS REGARDING ANTICIPATED DESIGN CONCEPTS AND PROPOSED
20 METHODS OF APPROACH TO THE ASSIGNMENT. THE CORPORATION IS AUTHORIZED TO
21 SELECT, IN ORDER OF PREFERENCE, BASED UPON CRITERIA ESTABLISHED BY THE

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

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1 CORPORATION, NO LESS THAN THREE PROFESSIONAL FIRMS DEEMED TO BE THE MOST
2 HIGHLY QUALIFIED TO PROVIDE THE SERVICES REQUIRED.

3 EVERY CORPORATION IS AUTHORIZED TO NEGOTIATE A CONTRACT WITH THE HIGH-
4 EST QUALIFIED PROFESSIONAL FIRM FOR ARCHITECTURAL AND/OR ENGINEERING
5 SERVICES AND/OR SURVEYING SERVICES AT COMPENSATION WHICH THE CORPORATION
6 DETERMINES IN WRITING TO BE FAIR AND REASONABLE TO SUCH CORPORATION. IN
7 MAKING THIS DECISION, THE CORPORATION IS AUTHORIZED TO TAKE INTO ACCOUNT
8 THE ESTIMATED VALUE OF THE SERVICES TO BE RENDERED, INCLUDING THE COSTS,
9 THE SCOPE, COMPLEXITY AND PROFESSIONAL NATURE THEREOF.

10 The corporation shall not refuse to negotiate with a professional firm
11 solely because the ratio of the "allowable indirect costs" to direct
12 labor costs of the professional firm or the hourly labor rate in any
13 labor category of the professional firm exceeds a limitation generally
14 set by the corporation in the determination of the reasonableness of the
15 estimated cost of services to be rendered by the professional firm, but
16 rather the corporation should also consider the reasonableness of cost
17 based on the total estimated cost of the service of the professional
18 firm which should include, among other things, all the direct labor
19 costs of the professional firm for such services plus all "allowable
20 indirect costs," other direct costs, and negotiated profit of the
21 professional firm. "Allowable indirect costs" of a professional firm are
22 defined as those costs generally associated with overhead which cannot
23 be specifically identified with a single project or contract and are
24 considered reasonable and allowable under specific state contract or
25 allowability limits. SHOULD THE CORPORATION CHOOSE TO ENGAGE IN A QUAL-
26 IFICATION BASED PROCUREMENT AND BE UNABLE TO NEGOTIATE A SATISFACTORY
27 CONTRACT WITH THE PROFESSIONAL FIRM CONSIDERED TO BE THE MOST QUALIFIED,
28 AT A FEE THE CORPORATION DETERMINES TO BE FAIR AND REASONABLE TO THE
29 CORPORATION, NEGOTIATIONS WITH THAT PROFESSIONAL FIRM SHALL BE FORMALLY
30 TERMINATED. THE CORPORATION SHALL THEN UNDERTAKE NEGOTIATIONS WITH THE
31 SECOND MOST QUALIFIED PROFESSIONAL FIRM. FAILING ACCORD WITH THE SECOND
32 MOST QUALIFIED PROFESSIONAL FIRM, THE CORPORATION SHALL FORMALLY TERMI-
33 NATE NEGOTIATIONS. THE CORPORATION SHALL THEN UNDERTAKE NEGOTIATIONS
34 WITH THE THIRD MOST QUALIFIED PROFESSIONAL FIRM. SHOULD THE CORPORATION
35 BE UNABLE TO NEGOTIATE A SATISFACTORY CONTRACT WITH ANY OF THE SELECTED
36 PROFESSIONAL FIRMS, IT SHALL SELECT ADDITIONAL PROFESSIONAL FIRMS IN
37 ORDER OF THEIR COMPETENCE AND QUALIFICATIONS AND IT SHALL CONTINUE NEGO-
38 TIATIONS IN ACCORDANCE WITH THIS SECTION UNTIL AN AGREEMENT IS REACHED.
39 THE PROVISIONS OF THIS SUBPARAGRAPH SHALL ONLY APPLY TO ENGINEERING
40 AND/OR ARCHITECTURAL SERVICES AND/OR SURVEYING SERVICES IN EXCESS OF
41 TWENTY-FIVE THOUSAND DOLLARS AND SHALL NOT APPLY TO THE METROPOLITAN
42 TRANSPORTATION AUTHORITY, THE NEW YORK CITY TRANSIT AUTHORITY OR THE
43 TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY OR TO ANY OF THEIR SUBSIDIARIES.

44 S 2. This act shall take effect immediately.