

STATE OF NEW YORK

5903

2017-2018 Regular Sessions

IN SENATE

May 5, 2017

Introduced by Sen. VALESKY -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

AN ACT to amend the state finance law, in relation to state contracts for geological services

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Section 136-a of the state finance law, as amended by chapter 746 of the laws of 1982, subdivision 4 as amended by chapter 383 of the laws of 1994, is amended to read as follows:

2 § 136-a. Contracts for architectural, engineering, geological and
3 surveying services. 1. As used in this section: the term "professional
4 firm" shall be defined as any individual or sole proprietorship, part-
5 nership, corporation, association or other legal entity permitted by law
6 to practice the professions of architecture, engineering, geology or
7 surveying.
8

9 The term "state department" shall be defined as those state government
10 departments, divisions or commissions empowered by the state to enter
11 into contractual agreements on behalf of the state of New York.
12

13 2. It is the policy of New York state to negotiate contracts for
14 architectural and/or engineering services and/or geological and/or
15 surveying services on the basis of demonstrated competence and quali-
16 fication for the type of professional services required and at fair and
17 reasonable fees.

18 3. In the procurement of architectural, engineering, geological and
19 surveying services, the requiring state department shall encourage
20 professional firms engaged in the lawful practice of the profession to
21 submit an annual statement of qualifications and performance data. The
22 requiring state department for each proposed project shall evaluate
23 current statements of qualifications and performance data on file with
24 the department. If desired, the requiring state department may conduct
25 discussions with three or more professional firms regarding anticipated

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

LBD11467-01-7

1 design concepts and proposed methods of approach to the assignment. The
2 state department shall select, in order of preference, based upon crite-
3 ria established by the requiring state department, no less than three
4 professional firms deemed to be the most highly qualified to provide the
5 services required.

6 4. The requiring state department shall negotiate a contract with the
7 highest qualified professional firm for architectural and/or engineering
8 services and/or geological service and/or surveying services at compen-
9 sation which the department determines in writing to be fair and reason-
10 able to the state of New York. In making this decision, the department
11 shall take into account the estimated value of the services to be
12 rendered, including the costs, the scope, complexity, and professional
13 nature thereof. The department shall not refuse to negotiate with a
14 professional firm solely because the ratio of the "allowable indirect
15 costs" to direct labor costs of the professional firm or the hourly
16 labor rate in any labor category of the professional firm exceeds a
17 limitation generally set by the department in the determination of the
18 reasonableness of the estimated cost of services to be rendered by the
19 professional firm, but rather the department should also consider the
20 reasonableness of cost based on the total estimated cost of the service
21 of the professional firm which should include, among other things, all
22 the direct labor costs of the professional firm for such services plus
23 all "allowable indirect costs," other direct costs, and negotiated
24 profit of the professional firm. "Allowable indirect costs" of a profes-
25 sional firm are defined as those costs generally associated with over-
26 head which cannot be specifically identified with a single project or
27 contract and are considered reasonable and allowable under specific
28 state contract or allowability limits. Should the requiring state
29 department be unable to negotiate a satisfactory contract with the
30 professional firm considered to be the most qualified, at a fee the
31 department determines to be fair and reasonable to the state of New
32 York, negotiations with that professional firm shall be formally termi-
33 nated. The requiring state department shall then undertake negotiations
34 with the second most qualified professional firm. Failing accord with
35 the second most qualified professional firm, the department shall
36 formally terminate negotiations. The requiring state department shall
37 then undertake negotiations with the third most qualified professional
38 firm. Should the requiring state department be unable to negotiate a
39 satisfactory contract with any of the selected professional firms, it
40 shall select additional professional firms in order of their competence
41 and qualification and it shall continue negotiations in accordance with
42 this section until an agreement is reached.

43 5. This legislation shall only apply to engineering and/or architec-
44 tural services and/or geological and/or surveying services in excess of
45 twenty-five thousand dollars.

46 § 2. This act shall take effect on the sixtieth day after it shall
47 have become a law.