

# STATE OF NEW YORK

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3919--B

2021-2022 Regular Sessions

## IN SENATE

February 1, 2021

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Introduced by Sens. SANDERS, COMRIE -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged and said bill committed to the Committee on Procurement and Contracts -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- recommitted to the Committee on Procurement and Contracts in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the executive law, in relation to participation by minority group members and women with respect to certain state contracts; and to amend the state finance law, in relation to performance and payment bond requirements

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

1 Section 1. Subdivisions 3 and 4 of section 311 of the executive law,  
2 subdivision 3 as added by chapter 261 of the laws of 1988, paragraphs  
3 (d) and (e) of subdivision 3 as amended by chapter 55 of the laws of  
4 1992, paragraph (f) of subdivision 3 and the opening paragraph of subdivi-  
5 sion 4 as amended and paragraph (d-1) of subdivision 3 and paragraphs  
6 (d) and (e) of subdivision 4 as added by chapter 96 of the laws of 2019,  
7 paragraph (g) of subdivision 3 as amended by section 1 of part BB of  
8 chapter 59 of the laws of 2006, paragraphs (h), (i) and (j) of subdivi-  
9 sion 3 as amended and paragraph (k) of subdivision 3 as added by chapter  
10 825 of the laws of 2021, and subdivision 4 as amended by chapter 361 of  
11 the laws of 2009, are amended to read as follows:

12 3. The director shall have the following powers and duties:

13 (a) to encourage and assist contracting agencies in their efforts to  
14 increase participation by minority and women-owned business enterprises  
15 on state contracts and subcontracts [~~so-as~~] to facilitate the award of a  
16 fair share of such contracts to them and to provide on the division's

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

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1 website a list of each contracting agency's minority and women-owned  
2 business enterprises certification outreach seminars;

3 (b) to develop standardized forms and reporting documents necessary to  
4 implement this article;

5 (c) to conduct educational outreach programs to encourage the certif-  
6 ication of minority and women-owned business enterprises consistent with  
7 the purposes of this article;

8 (d) to review [~~periodically~~] quarterly the practices and procedures of  
9 each contracting agency with respect to compliance with the provisions  
10 of this article, and to require them to file [~~periodic~~] quarterly  
11 reports with the division of minority and women's business development  
12 as to the level of minority and women-owned business enterprises partic-  
13 ipation in the awarding of agency contracts for goods and services  
14 including but not limited to the number of state contracts awarded to  
15 certified minority or women-owned business enterprises, the maximum  
16 dollar amount obligated pursuant to all those contracts, and the total  
17 expenditures made pursuant to all such contracts; the number of state  
18 contracts awarded which include a utilization plan for business partic-  
19 ipation by certified minority or women-owned business enterprises, the  
20 maximum amount obligated pursuant to those contracts, and the total  
21 expenditures made pursuant to all such contracts; the number of state  
22 contracts awarded upon which a waiver was granted from goals required by  
23 the contracts for business participation by certified minority or  
24 women-owned business enterprises, and the maximum amount obligated  
25 pursuant to those contracts; the number of state contracts awarded which  
26 required goals for employment of minority group members and women; and  
27 the number of state contracts awarded for which waivers of employment  
28 goals required by the contracts have been granted;

29 (d-1) to require all contracting state agencies to develop a four-year  
30 growth plan to determine a means of promoting and increasing partic-  
31 ipation by minority-owned and women-owned business enterprises with  
32 respect to state contracts and subcontracts. Every four years, beginning  
33 September fifteenth, two thousand twenty, each contracting state agency  
34 shall submit a four-year growth plan as part of its annual report to the  
35 governor and legislature pursuant to section one hundred sixty-four of  
36 this chapter.

37 (e) on January first of each year report to the governor, the tempo-  
38 rary president of the senate, the speaker of the assembly, the minority  
39 leaders of the senate and the assembly, and the chairpersons of the  
40 senate finance and assembly ways and means committees on the [~~level~~]  
41 actual versus projected levels of minority and women-owned business  
42 enterprises participating in each agency's contracts for goods [~~and~~],  
43 services and construction, including but not limited to the number of  
44 state contracts awarded to certified minority-owned or women-owned busi-  
45 ness enterprises, the maximum dollar amount obligated pursuant to all  
46 those contracts, and the total expenditures made pursuant to all such  
47 contracts, and on activities of the office and effort by each contract-  
48 ing agency to promote employment of minority group members and women,  
49 and to promote and increase participation by certified businesses with  
50 respect to state contracts and subcontracts so as to facilitate the  
51 award of a fair share of state contracts to such businesses. The comp-  
52 troller shall assist the division in collecting information on the  
53 participation of certified business for each contracting agency. Such  
54 report may recommend new activities and programs to effectuate the  
55 purposes of this article;

(f) the director shall list in the division's annual report the names of non-compliant agencies and the extent of their noncompliance in submitting its quarterly minority and women-owned business enterprise utilization reports; and, shall implement a master list of all the state agencies required to file quarterly compliance reports and shall attach such list to the division's annual report.

(g) to prepare and update~~[, no less than annually,]~~ quarterly a directory of certified minority and women-owned business enterprises which shall, wherever practicable, be divided into categories of labor, services, supplies, equipment, materials and recognized construction trades and which shall indicate areas or locations of the state where such enterprises are available to perform services, and to use this information to create an internet based, centralized state registry to enable appropriate state certified minority and women-owned business enterprises to access contract and subcontract opportunities;

~~[(g)]~~ (h) to appoint independent hearing officers who by contract or terms of employment shall preside over adjudicatory hearings pursuant to section three hundred fourteen of this article for the office and who are assigned no other work by the office;

~~[(h)]~~ (i) notwithstanding the provisions of section two hundred ninety-six of this chapter, to file a complaint pursuant to the provisions of section two hundred ninety-seven of this chapter where the director has knowledge that a contractor may have violated the provisions of paragraph (a), (b) or (c) of subdivision one of section two hundred ninety-six of this chapter where such violation is unrelated, separate or distinct from the state contract as expressed by its terms;

~~[(i)]~~ (j) to streamline the state certification process to accept federal and municipal corporation certifications;

~~[(j)]~~ (k) to make publicly available records of all waivers of compliance reported pursuant to paragraph (b) of subdivision six of section three hundred thirteen of this article on the division's website; and

~~[(k)]~~ (l) to work in conjunction with the industrial commissioner pursuant to paragraph (j) of subdivision one of section eight hundred eleven of the labor law to assist contractors in identifying minority group members and women who are participating in apprenticeship agreements under article twenty-three of the labor law.

4. The director shall provide assistance to, and facilitate access to programs serving certified businesses as well as applicants to ensure that such businesses benefit, as needed, from technical, managerial and financial, and general business assistance; training; marketing; organization and personnel skill development; project management assistance; technology assistance; bond and insurance education assistance; and other business development assistance. The director shall maintain a toll-free number at the department of economic development to be used to answer questions concerning the MWBE certification process. In addition, the director ~~[may]~~ shall, either independently or in conjunction with other state agencies:

(a) develop a clearinghouse of information on programs and services provided by entities that may assist such businesses;

(b) review bonding and paperwork requirements imposed by contracting agencies that may unnecessarily impede the ability of such businesses to compete; and

(c) seek to maximize utilization by minority and women-owned business enterprises of available federal resources including but not limited to federal grants, loans, loan guarantees, surety bonding guarantees, tech-

1 nical assistance, and programs and services of the federal small busi-  
2 ness administration.

3 (d) conduct outreach events, training workshops, seminars, and other  
4 such educational programs throughout the state, including all regional  
5 offices, to state agencies, external stakeholders, and the public, to  
6 promote awareness and utilization of minority and women-owned business  
7 enterprises; and

8 (e) identify and establish mentorship opportunities and other business  
9 development programs to increase capacity and better prepare MWBEs for  
10 bidding on contracts with state agencies upon successful completion of  
11 the mentorship opportunity. Such mentorship opportunities shall be  
12 intended to ensure that mentor and mentee are connected based on a  
13 commercially useful function.

14 § 2. Subdivision 5 of section 312 of the executive law, as added by  
15 chapter 261 of the laws of 1988, is amended to read as follows:

16 5. The director shall promulgate rules and regulations to ensure that  
17 contractors and subcontractors undertake programs of affirmative action  
18 and equal employment opportunity as required by this section. Such rules  
19 and regulations as they pertain to any particular agency shall be devel-  
20 oped after consultation with contracting agencies. Such rules and regu-  
21 lations [~~may~~] shall require a contractor, after notice in a bid solici-  
22 tation, to submit an equal employment opportunity program [~~after bid~~  
23 ~~opening and prior to the award of any contract~~] at the time bids are  
24 submitted, and [~~may~~] shall require the contractor or subcontractor to  
25 submit compliance reports relating to the contractor's or subcontrac-  
26 tor's operation and implementation of any equal employment opportunity  
27 program in effect as of the date the contract is executed. The contract-  
28 ing agency [~~may recommend to the director that~~] shall have the right to  
29 recommend that the director take appropriate action according to the  
30 procedures set forth in section three hundred sixteen of this article  
31 against the contractor for noncompliance with the requirements of this  
32 section. The contracting agency shall be responsible for monitoring  
33 compliance with this section.

34 § 3. Paragraph (j) of subdivision 2-a of section 313 of the executive  
35 law, as amended by chapter 96 of the laws of 2019, is amended and a new  
36 paragraph (k) is added to read as follows:

37 (j) require each agency to consult the most current disparity study  
38 when calculating agency-wide and contract specific participation goals  
39 pursuant to this article; [~~and~~]

40 (k) encourage joint ventures, partnerships, and mentor-protege  
41 relationships as defined in section one hundred forty-seven of the state  
42 finance law, between prime contractors and minority and women-owned  
43 business enterprises; and

44 § 4. Subdivision 3 and paragraph (a) of subdivision 5 of section 313  
45 of the executive law, as amended by chapter 96 of the laws of 2019, are  
46 amended to read as follows:

47 3. Solely for the purpose of providing the opportunity for [~~meaning-~~  
48 ~~ful~~] increased participation by certified businesses in the performance  
49 of state contracts as provided in this section, state contracts shall  
50 include leases of real property by a state agency to a lessee where: the  
51 terms of such leases provide for the construction, demolition, replace-  
52 ment, major repair or renovation of real property and improvements ther-  
53 eon by such lessee; and the cost of such construction, demolition,  
54 replacement, major repair or renovation of real property and improve-  
55 ments thereon shall exceed the sum of one hundred thousand dollars.  
56 Reports to the director pursuant to section three hundred fifteen of

1 this article shall include activities with respect to all such state  
2 contracts. Contracting agencies shall include or require to be included  
3 with respect to state contracts for the acquisition, construction, demo-  
4 lition, replacement, major repair or renovation of real property and  
5 improvements thereon, such provisions as ~~[may]~~ shall be necessary to  
6 effectuate the provisions of this section in every bid specification and  
7 state contract, including, but not limited to: (a) provisions requiring  
8 contractors to make a good faith effort to solicit active participation  
9 by enterprises identified in the directory of certified businesses; (b)  
10 requiring the parties to agree as a condition of entering into such  
11 contract, to be bound by the provisions of section three hundred sixteen  
12 of this article; and (c) requiring the contractor to include the  
13 provisions set forth in paragraphs (a) and (b) of this subdivision in  
14 every subcontract in a manner that the provisions will be binding upon  
15 each subcontractor as to work in connection with such contract.  
16 Provided, however, that no such provisions shall be binding upon  
17 contractors or subcontractors in the performance of work or the  
18 provision of services that are unrelated, separate or distinct from the  
19 state contract as expressed by its terms, and nothing in this section  
20 shall authorize the director or any contracting agency to impose any  
21 requirement on a contractor or subcontractor except with respect to a  
22 state contract.

23 (a) Contracting agencies shall administer the rules and regulations  
24 promulgated by the director in a good faith effort to achieve the maxi-  
25 mum feasible participation by minority and women owned business enter-  
26 prises adopted pursuant to this article and the regulations of the  
27 director. Such rules and regulations: shall require a contractor to  
28 submit a utilization plan ~~[after bids are opened]~~ at the time bids are  
29 submitted, when bids are required~~[, but prior to the award of a state~~  
30 ~~contract]~~; shall require the contracting agency to review the utiliza-  
31 tion plan submitted by the contractor and to post the utilization plan  
32 and any waivers of compliance issued pursuant to subdivision six of this  
33 section on the website of the contracting agency; shall require the  
34 contracting agency to notify the contractor in writing within a period  
35 of time specified by the director as to any deficiencies contained in  
36 the contractor's utilization plan; shall require remedy thereof within a  
37 period of time specified by the director; shall require the contractor  
38 to submit ~~[periodic]~~ quarterly compliance reports relating to the opera-  
39 tion and implementation of any utilization plan; shall not allow any  
40 automatic waivers but shall allow a contractor to apply for a partial or  
41 total waiver of the minority and women-owned business enterprise partic-  
42 ipation requirements pursuant to subdivisions six and seven of this  
43 section; shall allow a contractor to file a complaint with the director  
44 pursuant to subdivision eight of this section in the event a contracting  
45 agency has failed or refused to issue a waiver of the minority and  
46 women-owned business enterprise participation requirements or has denied  
47 such request for a waiver; and shall allow a contracting agency to file  
48 a complaint with the director pursuant to subdivision nine of this  
49 section in the event a contractor is failing or has failed to comply  
50 with the minority and women-owned business enterprise participation  
51 requirements set forth in the state contract where no waiver has been  
52 granted.

53 § 5. Subdivisions 1, 2-a and 3 of section 315 of the executive law,  
54 subdivisions 1 and 3 as amended and subdivision 2-a as added by chapter  
55 96 of the laws of 2019, are amended and two new subdivisions 3-a and 8  
56 are added to read as follows:

1 1. Each contracting agency shall be responsible for monitoring state  
2 contracts under its jurisdiction, and recommending matters to the office  
3 respecting non-compliance with the provisions of this article so that  
4 the office ~~[may]~~ shall take such action as ~~[is appropriate]~~ stated in  
5 subdivision three of section three hundred sixteen of this article. Each  
6 contracting agency shall have the right to recommend that the director  
7 impose a sanction, penalty, or fine for three or more violations of  
8 subdivision one of section three hundred sixteen of this article, to  
9 ensure compliance with the provisions of this article, the rules and  
10 regulations of the director issued hereunder and the contractual  
11 provisions required pursuant to this article. All contracting agencies  
12 shall comply with the rules and regulations of the office and are  
13 directed to cooperate with the office and to furnish to the office such  
14 information and assistance as may be required in the performance of its  
15 functions under this article.

16 2-a. ~~[To the extent practicable, upon completion of the restrictive~~  
17 ~~period of a procurement, each]~~ Each contracting agency when notifying a  
18 contractor of a winning bid award shall also notify any minority or  
19 women-owned business enterprise identified in the contractor's submitted  
20 utilization plan of such contractor's receipt of the winning bid award.

21 3. Each contracting agency shall report to the commissioner of econom-  
22 ic development, the commissioner of general services and the director  
23 with respect to activities undertaken to promote employment of minority  
24 group members and women and promote and increase participation by certi-  
25 fied businesses with respect to state contracts and subcontracts. Such  
26 reports shall be submitted ~~[no later than May fifteenth of every year]~~  
27 quarterly and shall include such information as is necessary for the  
28 director to determine whether the contracting agency and any contractor  
29 to the contracting agency have complied with the purposes of this arti-  
30 cle, including, without limitation, the number of state contracts  
31 awarded to certified minority or women-owned business enterprises; the  
32 maximum dollar amount obligated pursuant to all those contracts; and the  
33 total expenditures made pursuant to all such contracts; the number of  
34 state contracts awarded which include a utilization plan for business  
35 participation by certified minority or women-owned business enterprises,  
36 the maximum amount obligated pursuant to those contracts, and the total  
37 expenditures made pursuant to all such contracts; a summary of all waiv-  
38 ers of the requirements of subdivisions six and seven of section three  
39 hundred thirteen of this article allowed by the contracting agency  
40 during the period covered by the report, including a description of the  
41 basis of the waiver request ~~[and]~~, the rationale for granting any such  
42 waiver, the maximum amount obligated pursuant to those contracts; the  
43 number of state contracts awarded which required goals for employment of  
44 minority group members and women; the number of state contracts awarded  
45 for which waivers of employment goals required by the contracts have  
46 been granted, and any instances in which the contract agency has deemed  
47 a contractor to have committed a violation pursuant to section three  
48 hundred sixteen of this article and such other information as the direc-  
49 tor shall require. Each agency shall also include in such annual report  
50 whether or not it has been required to prepare a remedial plan, and, if  
51 so, the plan and the extent to which the agency has complied with each  
52 element of the plan.

53 3-a. Within thirty days after completion, a copy of the quarterly  
54 minority and women-owned business enterprise report shall be transmitted  
55 to the commissioner of economic development, the commissioner of general  
56 services, and the director. A contracting agency, which has not let more

1 than two million dollars in service and/or construction contracts within  
2 the applicable period may apply to the commissioner of economic develop-  
3 ment, and the director for a waiver of the required annual report. The  
4 waiver application shall be made on such form as the commissioner of  
5 economic development and the director may prescribe.

6 8. If a contracting agency shall fail to file or substantially  
7 complete, as determined by the commissioner of economic development and  
8 the director, the report required by this section, the director shall  
9 provide notice to the contracting agency. The notice shall state the  
10 following:

11 (a) that the failure to file a report as required is a violation of  
12 this section, or in the case of an insufficient report, the manner in  
13 which the report submitted is deficient;

14 (b) that the contracting agency has thirty days to comply with this  
15 section or provide an adequate written explanation to the commissioner  
16 of economic development and the commissioner of general services and the  
17 director of the contracting agency's reasons for the inability to  
18 comply; and

19 (c) that the contracting agency's continued failure to provide either  
20 the required report or an adequate explanation will result in an inde-  
21 pendent audit of the contracting agency, the cost of which shall be  
22 borne by the contracting agency.

23 § 6. Section 316 of the executive law, as amended by chapter 175 of  
24 the laws of 2010, is amended to read as follows:

25 § 316. [~~Enforcement~~] Violations and enforcement. 1. It shall be a  
26 violation for any person or entity to:

27 a. intentionally use or acquire an MWBE name through deceit or other  
28 dishonest means in order to negotiate a lower bid from a non-MWBE.

29 b. submit to the department of economic development, documents or  
30 other material as evidence of a good faith effort to comply with the  
31 provisions of this article without, in fact, having entered into any  
32 contract, agreement, subcontract, or sub-agreement with an MWBE for the  
33 use or purchase of such business enterprise's goods or services in the  
34 performance of the awarded state contract.

35 c. fail to provide an MWBE with sufficient information or other  
36 required supporting documentation in order for the MWBE to prepare a  
37 proper bid.

38 2. Upon receipt by the director of a complaint by a contracting agency  
39 that a contractor has violated the provisions of a state contract which  
40 have been included to comply with the provisions of this article or of a  
41 contractor that a contracting agency has violated such provisions or has  
42 failed or refused to issue a waiver where one has been applied for  
43 pursuant to subdivision six of section three hundred thirteen of this  
44 article or has denied such application, the director shall attempt to  
45 resolve the matter giving rise to such complaint. If efforts to resolve  
46 such matter to the satisfaction of all parties are unsuccessful, the  
47 director shall refer the matter, within thirty days of the receipt of  
48 the complaint, to the division's hearing officers. Upon conclusion of  
49 the administrative hearing, the hearing officer shall submit to the  
50 director his or her decision regarding the alleged violation of the  
51 contract and recommendations regarding the imposition of sanctions,  
52 fines or penalties. The director, within ten days of receipt of the  
53 decision, shall file a determination of such matter and shall cause a  
54 copy of such determination along with a copy of this article to be  
55 served upon the contractor by personal service or by certified mail  
56 return receipt requested. The decision of the hearing officer shall be

1 final and may only be vacated or modified as provided in article seven-  
2 ty-eight of the civil practice law and rules upon an application made  
3 within the time provided by such article. The determination of the  
4 director as to the imposition of any fines, sanctions or penalties shall  
5 be reviewable pursuant to article seventy-eight of the civil practice  
6 law and rules. The penalties imposed for any violation which is premised  
7 upon either a fraudulent or intentional misrepresentation by the  
8 contractor or the contractor's willful and intentional disregard of the  
9 minority and women-owned participation requirement included in the  
10 contract may include a determination that the contractor shall be ineli-  
11 gible to submit a bid to any contracting agency or be awarded any such  
12 contract for a period not to exceed one year following the final deter-  
13 mination; provided however, if a contractor has previously been deter-  
14 mined to be ineligible to submit a bid pursuant to this section, the  
15 penalties imposed for any subsequent violation, if such violation occurs  
16 within five years of the first violation, may include a determination  
17 that the contractor shall be ineligible to submit a bid to any contract-  
18 ing agency or be awarded any such contract for a period not to exceed  
19 five years following the final determination. The division of minority  
20 and women's business development shall maintain a website listing all  
21 contractors that have been deemed ineligible to submit a bid pursuant to  
22 this section and the date after which each contractor shall once again  
23 become eligible to submit bids.

24 3. The director shall impose a sanction, penalty, or fine on any  
25 individual or entity that has three or more violations of this article  
26 within five years. Such fine shall be paid by such individual or entity.  
27 Such fine shall be remitted and deposited into a fund, to be managed by  
28 the commissioner of economic development. Such funds shall be used to  
29 subsidize the facilitation of the provisions of this article. Other  
30 sanctions shall include barring such entity or individual from contract-  
31 ing with such agency for a period not to exceed five years.

32 § 7. Subdivision 1 of section 137 of the state finance law, as sepa-  
33 rately amended by section 17 of part MM of chapter 57 and chapter 619 of  
34 the laws of 2008, is amended to read as follows:

35 1. In addition to other bond or bonds, if any, required by law for the  
36 completion of a work specified in a contract for the prosecution of a  
37 public improvement for the state of New York a municipal corporation, a  
38 public benefit corporation or a commission appointed pursuant to law, or  
39 in the absence of any such requirement, the comptroller may or the other  
40 appropriate official, respectively, shall nevertheless require prior to  
41 the approval of any such contract a bond guaranteeing prompt payment of  
42 moneys due to all persons furnishing labor or materials to the contrac-  
43 tor or any subcontractors in the prosecution of the work provided for in  
44 such contract. Whenever a municipal corporation issues a permit subject  
45 to compliance with section two hundred twenty of the labor law, such  
46 permittee or its contractor or subcontractors furnishing workers shall  
47 post a payment bond subject to this section. Provided, however, that all  
48 performance bonds and payment bonds may, at the discretion of the head  
49 of the state agency, public benefit corporation or commission, or his or  
50 her designee, be dispensed with for the completion of a work specified  
51 in a contract for the prosecution of a public improvement for the state  
52 of New York for which bids are solicited where the aggregate amount of  
53 the contract is under one hundred thousand dollars and provided further,  
54 that in a case where the contract is not subject to the multiple  
55 contract award requirements of section one hundred thirty-five of this  
56 article, such requirements may be dispensed with where the head of the

1 state agency, public benefit corporation or commission finds it to be in  
2 the public interest and where the aggregate amount of the contract  
3 awarded or to be awarded is less than two hundred thousand dollars. In a  
4 case where a contract is awarded to a small business concern or to a  
5 minority or women-owned business concern, all performance bonds and  
6 payment bonds may be dispensed with when the aggregate amount of the  
7 contract is under five hundred thousand dollars. Advertisements for bids  
8 shall provide information as to the requirements for, or dispensation  
9 of, performance and payment bonds. Provided further, that in a case  
10 where a performance or payment bond is dispensed with, twenty per centum  
11 may be retained from each progress payment or estimate until the entire  
12 contract work has been completed and accepted, at which time the head of  
13 the state agency, public benefit corporation or commission shall, pend-  
14 ing the payment of the final estimate, pay not to exceed seventy-five  
15 per centum of the amount of the retained percentage.

16 § 8. Subdivision 4 of section 139-f of the state finance law, as  
17 amended by chapter 83 of the laws of 1995, is amended to read as  
18 follows:

19 4. Notwithstanding any other provision of this section or other law,  
20 requirements for the furnishing of a performance bond or a payment bond  
21 may be dispensed with at the discretion of the head of the state agency  
22 or corporation, or his or her designee, where the public owner is a  
23 state agency or corporation described in subdivision one-a of this  
24 section and the aggregate amount of the contract awarded or to be  
25 awarded is under fifty thousand dollars and, in a case where the  
26 contract is not subject to the multiple contract award requirements of  
27 section one hundred thirty-five of this article, such requirements may  
28 be dispensed with where the head of the state agency or corporation  
29 finds it to be in the public interest and where the aggregate amount of  
30 the contract awarded or to be awarded is under two hundred thousand  
31 dollars. In a case where a contract is awarded to a small business  
32 concern or to a minority or women-owned business concern, all perform-  
33 ance bonds and payment bonds may be dispensed with when the aggregate  
34 amount of the contract is under five hundred thousand dollars. Adver-  
35 tisements for proposals shall provide information as to the requirements  
36 for, or dispensation of, performance and payment bonds. Provided  
37 further, that in a case where a performance or payment bond is dispensed  
38 with, twenty per centum may be retained from each progress payment or  
39 estimate until the entire contract work has been completed and accepted,  
40 at which time the head of the state agency or corporation shall, pending  
41 the payment of the final estimate, pay not to exceed seventy-five per  
42 centum of the amount of the retained percentage.

43 § 9. The opening paragraph of section 139-g of the state finance law,  
44 as amended by chapter 636 of the laws of 2003, is amended to read as  
45 follows:

46 In every state agency, department and authority which has let more  
47 than two million dollars in service and construction contracts and state  
48 assisted project contracts in the prior fiscal year, the chief executive  
49 officer of that agency, department or authority shall, with respect to  
50 those contracts and state assisted project contracts let by his or her  
51 agency, department or authority:

52 § 10. The opening paragraph of subdivision (b) of section 139-g of the  
53 state finance law, as amended by chapter 636 of the laws of 2003, is  
54 amended to read as follows:

55 identify all small-business and certified women and minority-owned  
56 business concerns which, in the judgment of the chief executive officer

1 of that agency, department or authority, can bid on those contracts and  
2 state assisted project contracts which are usually and customarily let  
3 by that agency, department or authority, or in which that authority  
4 provides a grant or loan or tax exempt financing, with a reasonable  
5 expectation of success. Such chief executive officers shall carry out  
6 the provisions of this subdivision:

7 § 11. Section 139-g of the state finance law is amended by adding a  
8 new subdivision (e) to read as follows:

9 (e) for the purposes of this section, the following words shall have  
10 the following meanings:

11 (i) "State assisted project contract" shall mean any written agreement  
12 arising out of a state assisted housing project or state assisted  
13 economic development project or state assisted higher education project  
14 or state assisted hospital or health care facility project, for which  
15 the total project cost exceeds two million dollars and for which the  
16 project owner is committed to spend or does expend funds for the acqui-  
17 sition, construction, demolition, replacement, major repair, or reno-  
18 vation of real property and improvements thereon for such project.

19 (ii) "State assisted housing project" shall mean those projects which  
20 receive from the New York state housing finance agency tax-exempt  
21 financing for all or part of the total project cost.

22 (iii) "State assisted economic development project" shall mean those  
23 projects which receive from the New York foundation of science technolo-  
24 gy and innovation, or the urban development corporation and its subsid-  
25 aries a grant or loan or tax-exempt financing for all or part of the  
26 total project cost.

27 (iv) "State assisted higher education project" shall mean those  
28 projects which receive from the dormitory authority of the state of New  
29 York a grant or loan or tax-exempt financing for all or part of the  
30 total project cost.

31 (v) "State assisted hospital or health care facility project" shall  
32 mean those projects which receive from the dormitory authority of the  
33 state of New York a grant or loan or tax-exempt financing for all or  
34 part of the total project cost.

35 § 12. This act shall take effect immediately, provided however, the  
36 amendments to article 15-A of the executive law made by sections one  
37 through six of this act shall not affect the expiration of such article  
38 and shall expire therewith.