STATE OF NEW YORK

7730--A

2025-2026 Regular Sessions

IN SENATE

May 2, 2025

Introduced by Sen. BASKIN -- read twice and ordered printed, and when printed to be committed to the Committee on Procurement and Contracts -- reported favorably from said committee and committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the state finance law, in relation to requiring construction contracts entered into by the state include a provision on the spending of soft cost funding

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

Section 1. The state finance law is amended by adding a new section 136-e to read as follows:

§ 136-e. Soft cost spending for construction contracts. 1. For the purposes of this section, the following terms shall have the following meanings:

(a) "Soft costs" (i) shall mean purchases of non-construction specific materials and services, including, but not limited to:

(1) office supplies;

(2) catering;

(3) maintenance materials; and

(4) security services; and

(ii) shall not mean:

(1) pre-construction costs, including legal services, site planning, architectural, and engineering costs; or

(2) labor directly related to the construction project.

(b) "Professional firm" shall mean any individual or sole proprietorship, partnership, corporation, association or other legal entity permitted by law to practice the profession of construction.

(c) "Small business" shall have the same meaning as such term is defined in section one hundred thirty-one of the economic development law.

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

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(d) "State agency" shall have the same meaning as defined in subdivision nine of section one hundred sixty of this article.

2. It is the policy of New York state to negotiate contracts for constructions on the basis that such professional firms spend a percent of such contract on soft costs to support local small businesses.

3. (a) Prior to entering into a contract with a state agency, all professional firms shall submit to such state agency a spending plan accounting for its anticipated soft cost spending during the course of the contract. The spending plan shall require that all soft cost spending be spent on small businesses within a ten-mile radius of the construction site. If a professional firm shows it has exhausted utilization of all applicable small businesses within a ten-mile radius and has still not reached its spending plan goal, it may utilize small businesses located within the county in which the construction site is located. The spending plan shall account for twenty percent of the total anticipated soft costs as listed in the spending plan if the construction site is located in a city with a population of one million or more; for construction sites located in cities with a population fewer than one million, the spending plan shall account for fifteen percent of the total amount of anticipated soft costs as listed in the spending plan.

(b) The professional firm shall submit a report of its soft cost spending to such state agency on a quarterly basis. The professional firm shall indicate in its report if any of its actual spending differed from the local small businesses listed in its spending plan. Such state agency shall review each report to determine compliance with this section and notify the professional firm if it is found to be non-compliant. If such state agency determines that a professional firm is out of compliance for two or more consecutive quarters, such state agency reserves the right to withhold future public funding to the professional firm until the soft cost spending compliance is rectified.

(c) Spending goals within this section of law shall not conflict with or modify already existing or future participation goals for the state to contract with minority and women-owned business enterprises in accordance with article fifteen-A of the executive law.

§ 2. This act shall take effect immediately and shall only apply to contracts executed on or after such effective date.