§ 2504. Designation of particular insurer, agent or broker for insurance in certain public construction contracts. (a) (1) No officer or employee of this state, or of any public corporation as defined in section sixty-six of the general construction law, or of any public authority, and no person acting or purporting to act on behalf of such officer, employee, public corporation or public authority, shall, with respect to any public building or construction contract which is about to be, or which has been, competitively bid, require the bidder to make application to any particular insurance company, agent or broker for or to obtain or procure therefrom, any surety bond or contract of insurance specified in connection with such contract, or specified by any law, general, special or local.

(2) In paragraph one hereof, "public corporation" and "public authority" shall not include:

(A) a public corporation or public authority created pursuant to agreement or compact with another state,

(B) the city of New York, a public corporation or public authority, in connection with the construction of electrical generating and transmission facilities or construction, extensions and additions of light rail or heavy rail rapid transit and commuter railroads,

(C) the city of New York, the city school district of the city of New York, the New York city industrial development agency, the New York city health and hospitals corporation, or the New York city housing authority, in connection with a contract the principal purpose of which is construction that (i) has an estimated cost of no less than five million dollars or (ii) is subject to an owner-controlled insurance program for projects, provided that any contract undertaken pursuant to this subparagraph that has an estimated cost of five million dollars or more may only be undertaken pursuant to a project labor agreement as such term is defined in section two hundred twenty-two of the labor law,

(D) the state department of transportation in connection with a contract or contracts, the principal purpose of which is construction or reconstruction of state route 33, also known as the Kensington Expressway, and the Humboldt Parkway, in the city of Buffalo, that (i) has an estimated cost of no less than five million dollars, or (ii) that is subject to an owner-controlled insurance program for projects, provided that any contract undertaken pursuant to this subparagraph may

only be undertaken pursuant to a project labor agreement as such term is defined in section two hundred twenty-two of the labor law,

(E) the state university of New York at Buffalo, in coordination with the state university construction fund as created pursuant to article eight-A of the education law, the principal purpose of which is construction at the state university of New York at Buffalo and shall include without limitation the empire AI research institute authorized pursuant to section three hundred sixty-one of the economic development law, in connection with a contract or contracts that (i) has an estimated cost of no less than five million dollars, or (ii) that is subject to an owner-controlled insurance program for projects, provided that any contract undertaken pursuant to this subparagraph may only be undertaken pursuant to a project labor agreement as such term is defined in section two hundred twenty-two of the labor law, or

(F) the Niagara Frontier transportation authority as established pursuant to article five of the public authorities law in connection with a contract or contracts, the principal purpose of which is construction to extend or expand the railroad in the Niagara Frontier transportation district, that (i) has an estimated cost of no less than five million dollars, or (ii) that is subject to an owner-controlled insurance program for projects, provided that any contract undertaken pursuant to this subparagraph may only be undertaken pursuant to a project labor agreement as such term is defined in section two hundred twenty-two of the labor law.

(b) No such officer or employee, and no person, firm or corporation acting or purporting to act on behalf of such officer or employee, shall negotiate, make application for, obtain or procure any of such surety bonds or contracts of insurance (except contracts of insurance for builders risk or owners protective liability) which can be obtained or procured by the bidder, contractor or subcontractor.

(c) This section shall not, however, prevent the exercise by such officer or employee on behalf of the state or such public corporation or public authority of its right to approve the form, sufficiency, or manner of execution, of surety bonds or contracts of insurance furnished by the insurance company selected by the bidder to underwrite such bonds or contracts. Any provisions in any invitation for bids, or in any of the contract documents, in conflict herewith are contrary to the public

policy of this state.