



MEMORANDUM IN SUPPORT

S.8844 (Reichlin-Melnick)/ A.10109 (Zebrowski)

AN ACT in relation to amending state construction and commodity contracts to provide equitable relief to contractors who have sustained unanticipated expenses by reason of construction materials price escalation; and providing for the repeal of such provisions upon the expiration thereof

The Capital Region Chamber, representing 2,800 businesses and organizations from throughout the Capital Region that employ more than 160,000 area residents, supports S.8844 /A.10109, which would provide equitable relief to contractors who have sustained unanticipated expenses by reason of construction materials price escalation.

Over the last two years the construction industry has been disrupted by unprecedented increases in construction materials costs, supply-chain bottlenecks, and a tight labor market. The extreme runup in many input costs have caused financial hardship for many contractors and subcontractors.

This legislation would remedy this situation by allowing contractors who submitted bids to the State of New York or a public benefit corporation prior to April 1, 2020, to receive an adjusted contract on materials costs where the price escalated in excess of five (5) percent upon invoice or purchase of said materials from the original bid. The legislation also provides oversight. In cases of a state department or agency, any such increase in contract price will require the approval of the state comptroller. Contractors requesting an adjustment will have to apply in writing, submitting evidence to the department, board, agency, or public benefit corporation that awarded the contract.

The Capital Region Chamber recommends the passage of this legislation.

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