

Memorandum of Support

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

The Empire State Chapter of Associated Builders and Contractors (ABC), which represents hundreds of merit shop contractors and subcontractors, employing hundreds of thousands of workers throughout the state of New York, supports S.8844/A.10109.

If passed, this bill will provide much-needed relief to public works contractors whose projects were negatively impacted by COVID and supply chain issues. A multitude of issues and decisions made, all completely outside of the contractor's control, resulted in increased material prices. The burden of paying for the increased material prices typically falls on the individual contractor. This legislation states that: if materials prices increase by 5% or more during that time period, New York State will provide relief to the overburdened contractor and pay the difference. Requests for relief would be vetted and approved by the New York State Comptrollers' office.

We support this legislation because contractors had no control or way of knowing back in early 2020 what was going to happen to the world. During this time, other countries, the United States, New York, and other states made decisions that unintentionally severely disrupted the supply chain and increased the price of materials. This legislation will shield contractors from being negatively impacted by these factors.

M/WBE firms especially are struggling as a result of the supply chain issues and increased material costs. As the state looks to help these firms bid and win more public works projects, many of these companies are not large enough to handle such a drastic change in material costs.

New York State must provide relief to these contractors. Absent relief, many small contractors especially M/WBE contractors and their employees will feel the effects of this for years to come. This would greatly reduce their chances of working on more public works contracts in the future or in some serious cases, shutting down completely.

We emphatically support this legislation and urge Albany to provide these contractors with the much-needed relief that they desperately need.

If you have questions, please reach out to our Public Affairs Manager, Tanner Schmidt, at (585) 730-1814 or tschmidt@abcnys.org