



EASTERN CONTRACTORS ASSOCIATION, INC.

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MEMORANDUM IN SUPPORT

A10109 – Zebrowski - On Assembly Governmental Operations Committee Agenda (5/9/2022)

S8844 – Reichlin-Melnick - On Senate Procurement and Contracts Committee Agenda (5/9/2022)

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

On behalf of Eastern Contractors Association, Inc. (ECA), its nearly 300 members, and the 500 signatory contractors it represents through collective bargaining, we support A10109 (Zebrowski) S8844 (Reichlin-Melnick), which would amend state construction and commodities contracts to provide relief to contractors who have sustained unanticipated expenses related to the significant increase in construction materials prices.

ECA is a trade association of general contractors, subcontractors, suppliers, and service firms engaged in commercial, industrial, and institutional construction throughout eastern New York. ECA traces its history to 1890 and is the region's only "full-service" contractor association serving the needs of all segments of the construction industry. The Association's footprint covers counties in the eastern part of New York State, from just south of Albany up to the Canadian border and as far west as Utica.

This legislation allows contractors under a state construction contract that they bid prior to April 1, 2020, and for which they bought construction materials after March 1, 2020, and who have experienced an increase in materials cost of more than 5% to apply for an adjustment in their contract to recuperate the cost of the materials cost increases.

Since the beginning of the pandemic, our members have experienced a historical level of materials price increases. All types of contractors within the construction industry have been effected, from lumber and plywood products (58% increase year-over year in 2021 and 23% in 2022), to steel mill products (22% increase year-over year in 2021 and 74% in 2022), to gypsum products (5.5% increase year-over-year in 2021 and 21% in 2022). ECA believes that this legislation is an important step toward helping state contractors recover from cost increases that were so significant in many cases that contractors experienced a net loss on their state contracts.

For these reasons, the Eastern Contractors Association ***strongly supports*** this bill.

If you have any questions or need additional information, contact our government affairs representative: Nick Barrella, Park Strategies, LLC (nbarrella@parkstrategies.com); 518-426-3800.

Sincerely,

Todd G. Helfrich
President and CEO
Eastern Contractors Association, Inc.