

S.8005-B, Part JJ / A.9005-B, Part CC

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BILL S.8005-B, Part JJ / A.9005-B, Part CC
SUBJECT Relates to the Cost Effectiveness of Consultant Contracts by State Agencies
DATE March 17, 2022
OPPOSE

The Business Council of New York State opposes this legislation, which was included in both the Senate and Assembly budget resolutions. It would impose burdensome and ill-defined analysis requirements on state agencies prior to entering into a consultant services contract anticipated to be in excess of \$1 million in a 12-month period, as is based on language also found in S.5356/A.8159.

The bill specifically requires state agencies to determine whether services can be provided by state employees at an equal or lower cost. In the mandated analysis, the bill requires a consideration of costs associated with the current state employees doing work that would otherwise be handled by a consultant.

This legislation is duplicative, if the intended purpose of the bill is to bring heightened scrutiny to consultant contract spending by agencies and the services those contracts are providing. Chapter 10 of the Laws of 2006 significantly expanded the amount and type of information that agencies must report when they hire outside consultants, including the number of consultants utilized on a specific project, historical information about consultant use by the agency and a projection of future consultant use and costs throughout the term of the contract.

Current State Procurement Guidelines recommend that agencies provide detailed justification of their purchasing practices in the contract procurement record, and procurements conducted through an RFP process must document how best value for the State of New York was determined. State agencies undertake detailed procurement procedures long before an award or contract is given, with many levels of scrutiny both within the agency and from external control agencies. This is an expected management role, and one that achieves the appropriate balance as any spending is proposed.

There is no justification to add at this time additional analysis burdens which will take staff time and resources, when sufficient provisions exist within state law to ensure funds are being appropriately spent and an agency's use of its personnel on carrying out its core mission is not being compromised.

For these reasons, The Business Council opposes this legislation, and strongly recommends against its inclusion in the final FY 2023 state budget.