



NEW YORK STATE SENATOR

Betty Little

Legislation to reduce local government procurement costs passes Legislature

BETTY LITTLE June 22, 2012

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In order to provide much-needed financial relief to local governments, Assemblywoman Addie J. Russell (D-Theresa) and Senator Betty Little (R-C-I, Queensbury) announced the passage of legislation they sponsored that would allow municipalities and districts to contract for goods and services together with any other federal, state or local government agency (A.8034-C/S.5525-C).

“With so many local governments stretched thin, it is crucial that we provide them with cost-saving options,” Assemblywoman Russell said. “This commonsense solution will help reduce costs for local governments and save our hard-earned dollars by keeping property taxes of North Country families in check.”

“This is a cost-saving measure and its timing is obviously very important given the financial challenges local governments throughout the state are facing,” said Senator Betty Little. “My understanding is New York is the only state in the nation that doesn’t authorize these types of piggy-backing contracts. As a result, our taxpayers are paying more than they should for government products and services. This legislation provides for a simple change in law that will save tens of millions of dollars.”

The bill would allow local governments to use cooperative purchasing, also known as piggybacking, to secure cheaper costs for a particular product or service by using the same

contract for a vendor that was used by any other government agency, as long as the contract was made consistent with NYS procurement laws.

Across the country, 49 states have approved piggybacking measures that allow local governments to purchase from other cooperative contracts. The process of piggybacking contracts has proven to reduce administrative costs and increase government efficiencies, which is especially important during these difficult times, Russell added.

The New York State Educational Conference Board, which consists of members of the New York State School Boards Association, the Congress of Parents and Teachers, Inc., New York State United Teachers, and the New York State Association of School Business Officials, unanimously supports the legislation. In a joint letter, the board said, "Cooperative contracts provide a 10-15% cost savings per contract. Reform of school purchasing rules has the ability to save taxpayers \$2 billion per year in New York State. These are savings we can no longer afford to ignore. Authorizing schools and local municipalities to utilize the option of 'piggybacking' on other states and local government-let contracts (or the option of purchasing through national purchasing cooperatives) will provide immediate savings and relief, allowing precious resources to be directed toward vital programs and services."

Others supporting the legislation include the New York Association of Towns, New York Conference of Mayors, New York State Association of Municipal Purchasing Officers and New York Association of Counties.