



*American Council of Engineering Companies of New York*

**Testimony - May 5, 2020**  
**Committee on Civil Service and Labor**  
**Intro. 1918 (Premium Pay) and Intro. 1923 (Just Cause)**

The American Council of Engineering Companies of New York (ACEC New York) is an association representing nearly 300 engineering and affiliate firms with 30,000 employees in New York. Our member companies plan and design the structural, mechanical, electrical, plumbing, civil, environmental, fire protection and technology systems of the buildings and infrastructure that make New York City work.

On behalf of our member firms, large and small, we urge you to rethink the one-sided approach to the COVID-19 pandemic that is reflected in Intros 1918 and 1923. Essential businesses, including our members, simply cannot absorb additional cost and regulatory burdens at this challenging time. These bills fail to account for the very real economic hardships our members are facing at this moment, and they will harm not only engineering companies but also the City's economic recovery. The bills should not move forward.

As a result of the pandemic, New York's engineering firms are experiencing previously unknown challenges and sharply declining revenues. They are adjusting their operations to comply with government orders and to keep employees safe while providing essential services, supporting the essential construction performed by public agencies and private clients.

Today's reality is that private sector employment is under severe stress. Multiple firms have informed ACEC New York of furloughs, layoffs, pay reductions and other measures implemented to survive this unprecedented time without closing down. This is especially true for smaller firms, including our MWBE members where cash flow is critical. Our members' goal is to remain viable through this crisis and support our workforces.

One factor that is contributing to some firms' current struggle is the City's decision to suspend design projects at multiple City agencies including the NYC DDC, SCA, EDC and DOT. We understand the City government's own financial difficulties, combined with the State order to pause non-essential construction projects, but we believe these contract suspensions may be penny wise and pound foolish, decreasing private sector employment and slowing vital construction projects. ACEC New York has called on Mayor de Blasio to resume ongoing design work to support essential work and the City's recovery.

With regard to the legislation being heard today, ACEC New York urges the Council to adopt an inclusive approach to healing the City and rebuilding its shuttered economy. As a longtime thought partner of the City Council, ACEC New York regrets that the Council would introduce and hear such impactful and problematic legislation with so little public notice. The bills impose additional costs and administrative burdens that will exacerbate the challenges our businesses are facing. The bills will potentially cause or accelerate layoffs where new costs cannot be sustained. In cases where these new costs are absorbed, they will be passed on to clients including City agencies in the form of overhead. As noted, the City agencies themselves are already experiencing financial issues which have resulted in their suspending projects.

Engineering firms are designed to be efficient and profitable in normal market conditions. Adding new costs and new burdens on companies during this extraordinary time, when most sectors of the economy

are under mandatory closure, is ill-advised. We request the bills be withdrawn and replaced with a collaborative effort that aims to mitigate negative impacts of the public health crisis while preserving the ability of the City's engineering firms to survive and recover from this difficult period.

We are committed, as always, to the growth and success of the City of New York and ask for your good faith collaboration as we face the challenges ahead.

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