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Polytechnic Institute of NYU Report Confirms Using Private Engineering Firms for Public Projects Cuts Costs to New York State

ALBANY, NY, February 28, 2011 - An independent report released in January by the Polytechnic Institute of New York University finds that using private sector engineers versus public employees to design public works projects is at least 15 percent more cost efficient for New York State. The new study, led by F.H. (Bud) Griffis, Professor in the Department of Civil Engineering, Polytechnic Institute of NYU, validates an October 2008 study that found a 14 percent savings when using private sector engineers. Researchers maintain that the cost differential is understated due to the omission of certain public employee in-house costs.

“At a time when the state’s budgetary issues are of grave concern, this study proves that using private sector engineering firms will result in substantial savings,” says Jay Simson, President of the American Council of Engineering Companies of New York (ACEC New York). “New York’s consulting engineers are highly trained, world class innovators. In addition to specialized expertise and flexibility in staffing and scheduling, they bring a business perspective and competitive spirit to public works projects.”

The 2011 report “NYSDOT Engineering Costs: In-House vs. Outsourced Engineering” compares New York State Department of Transportation (NYSDOT) employee costs to private sector engineers’ costs including: direct salaries adjusted for weekly work hours, medical insurance, pension plans, workers’ compensation, unemployment, social security insurance and overhead.

According to the study, the New York taxpayer pays between \$207,112 and \$232,251 annually for a typical NYSDOT engineer, while a private sector New York engineer costs approximately \$186,142. The higher cost of the public sector employee is attributed to the expense of the benefits package, amount of paid time off, and less work hours per week compared to the private sector. The study revealed the total cost to taxpayers for a 30-year career NYSDOT employee is more than \$6.4 million.

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Founded in 1921, ACEC New York is the state’s premier organization for consulting engineering firms, representing over 280 companies and over 20,000 employees in New York. The organization’s mission is to further the business interests of its members through advocacy, networking, education and business services. For information, visit www.acecny.org. To access the complete Polytechnic Institute report, visit <http://acecny.org/PDF/PolyReport2011.pdf>