

CONCERNED CONTRACTORS

of Pennsylvania

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MULTIPLE-PRIME BID PROCESS IS SHOWN TO SAVE MONEY *Spring-Ford Area School District Saves \$6 Million on High School Renovation*

(HARRISBURG, PA – October 1, 2009) The Spring-Ford area School Board saved over \$6 million dollars by reversing course on how the construction of a school expansion was bid. Last year, the school district awarded contracts for a \$22 million high school renovation and expansion project. The amount awarded was \$6 million less than the district's original cost estimates. The original \$28 million cost estimate came from E.I. Architects and was based upon the single-prime bid process.

In accordance with State law, school construction projects are bid via a process called multiple primes (four prime contractors). However, Spring-Ford requested a waiver from the Pennsylvania Department of Education so it could bid the project through a single-prime contractor/broker. That waiver request was ultimately denied. The Spring-Ford school board then went with the multiple-bid process approach, over 50 bids were received and a \$6 million savings was obtained, resulting in a cost difference of 27.5%. At a March 2009 board meeting for the Spring-Ford school district, the following project costs were approved:

Contracts Breakdown	Costs
General Construction	\$13,900,000
Fire Protection	\$392,400
Plumbing Construction	\$925,200
HVAC Construction	\$4,124,946
Electrical Construction	\$2,750,650
Actual Total	\$22,093,196
Original School Board Estimate	\$28,000,000

Currently, Spring-Ford Senior High-School holds approximately 1,500 students; however, with district enrollment trends pointing to increasing numbers, the completed project will allow for 2,000 students. The new space, which is expected to be finished in August 2010, will include 30 new classrooms.

The Concerned Contractors, an advocacy group organized to protect and promote the rights of plumbing, electrical, HVAC, general contractors and building trades applauds school boards that seek bids via a multiple contract approach. By using bonded multiple-prime contractors, an additional layer of experience and reliability is provided. In addition, this process allows thousands of small business owners an opportunity to

Background

The Task Force was established under Act 61 of 2008 to investigate the impact on taxpayers of mandate waivers granted for section 751 of the Pennsylvania School Code. The Mandate Waiver statute provides that school districts may apply to the Secretary of Education for a waiver of certain School Code provisions if the waiver will enable the applicant "to improve its instructional program or operate in a more effective, efficient or economical manner."

The school code's "multiple-prime contractor requirement" is a statutory mandate under which school districts must bid construction projects with a minimum of four prime contracts (e.g., general, plumbing, heating, electrical, etc.) and award a contract to the lowest responsible bidder for each prime contract. Some school districts are seeking waivers so they can avoid this requirement.

Members

Associated Builders &
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participate in local school district construction projects.

Glen Philips of Philips Brothers Electrical Contractors stated, "With multiple-prime bidding, you take out the middleman. Adding a middleman to the process rarely results in lower costs. We are glad the residents of Spring-Ford School District will reap the savings because of multiple-prime bidding."

The Concerned Contractors believe the Spring-Ford project's cost difference confirms the benefits of the multi-prime bidding process. The group has been tracking school construction projects that have sought both single-prime and multiple-prime bids and have found multiple-prime bids save money, which helps projects come in under budget.

About the Concerned Contractors of Pennsylvania

The Concerned Contractors of Pennsylvania is a coalition of open shop and union shop contractors (plumbers, electricians, HVAC, general contractors and building trades) who have organized to represent the many small business owners and construction workers across the state. The mission of the coalition is to bring unfair and needlessly expensive bidding to the attention of parents, students, school board officials, legislators and the media. For more information on the Concerned Contractors, please visit their website at www.concernedcontractors.com or contact Linda Rhinehart at Lrhinehart@wannerassoc.com or (717) 236-2050.

Sources :

Spring-Ford Area School District Board of School Directors Minutes 3/16/09
<http://www.springford.net/board/Minutes/Minutes/worksession/work09/WSM%203-16-09.pdf>

American Subcontractors
Association of Delaware Valley

American Subcontractors
Association of Western PA

Independent Electrical
Contractors Association
Members, Central PA

I.B.E.W. International Unions

Iron Workers Local 401

Mechanical Contractors
Association of Central PA

Mechanical Contractors
Association of Eastern PA

National Electrical Contractors
Association

PA State Building and
Construction Trades Council

Plumbers Local 690

Sheet Metal Workers Local 19

Steamfitters Local 420