

CONCERNED CONTRACTORS of Pennsylvania

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MULTIPLE-PRIME BID PROCESS SAVES SCHOOL DISTRICTS MONEY

Columbia Borough and William Tennent School Boards save millions on upcoming renovation construction projects

(Harrisburg, PA) – The William Tennent School Board has agreed to award contracts for a \$57 million project. According to an article posted on *The Courier Times* website, William Tennent will save \$8-10 million by using the multiple-prime bid process. The board sought bids using both the multiple and single-prime bid process and on June 9, 2009, Centennial School District bid William Tennent High School announced the results of the bids:

| | |
|-----------------------------|---------------------------------|
| Single-prime Base Bid Total | \$62,335,400.00 |
| Multi-Prime Base Bid Total | \$57,258,640.00 |
| Multi-Prime Savings | \$5,076,760.00 |
| | Single-prime bid is 8.8% higher |

On June 3, 2009, Columbia Borough School District recently listed a request for proposal for an upcoming addition and renovations project for the Columbia Borough Junior/Senior High School located on Ironville Pike in Columbia, PA. The Columbia School board is seeking proposals using both the multiple and single-prime bid process. Bid results for Columbia Junior/Senior High School came in at:

| | |
|-----------------------------|---------------------------------|
| Single-prime Base Bid Total | \$15,900,000 |
| Multi-Prime Base Bid Total | \$14,810,400 |
| Multi-Prime Savings | \$ 1,084,600 |
| | Single-prime bid is 7.3% higher |

The Concerned Contractors, an advocacy group organized to protect and promote the rights of

plumbing, electrical, HVAC and general contractors, applauds the school boards for seeking bids from multiple contracts. Thousands of small business owners will have the opportunity to participate in the local projects, rather than only a few large general contractors/brokers being allowed to submit bids.

David Cooper of Guy M. Cooper, Inc. Mechanical Contractors said, "Our organization does not support waivers of the school code's construction procurement requirements because the result is unnecessary construction costs to the taxpayer. We feel strongly that the waiver program for the construction provisions of the Code (Sections 751 and 751.1) should not be renewed when it sunsets in June of 2010."

Since enactment of the Educational Empowerment Act in 2000, school districts have been permitted to apply to the PA Department of Education for waivers of various requirements imposed by the School Code. The mandate waiver program has been used by school districts to avoid procurement rules relating to multiple-primes requirement.

Earlier this year the Task Force on Mandate Waivers reported to Governor Ed Rendell and the PA General Assembly on multiple-prime bid vs. single-prime bid contracts for school construction projects. The number one recommendation of the Task Force was to require school districts that wanted a waiver to solicit bids using both a single and multiple-prime approach and select the less expensive option.

Cooper added, "We support enactment of Recommendation #1 primarily because it will provide real data for school districts, the Department of Education and the Legislature on the true impact of waiving multiple-prime requirements for public construction."

The Task Force compiled data from school districts that bid projects both ways – in the traditional manner using multiple-primes (separate bids for electrical, plumbing, HVAC and general construction) or as a single-prime (a general contractor with all other contractors treated as subcontractors). The multiple-primes prices were typically much less expensive, with the difference in cost often being in the millions of dollars. Listed above are the actual results of a recent bids, which illustrate typical savings afforded by using multiple-prime construction.

The Concerned Contractors believe multiple-prime bid contracts have a proven track record of saving money and can help public school projects come in under budget. By using bonded multiple-prime contractors, an additional layer of experience and reliability is provided.

About the Concerned Contractors

The Concerned Contractors of Pennsylvania is a coalition of open shop and union shop contractors (plumbers, electricians, HVAC and building trades) that 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 the parents, students, school board officials, legislators and the media. For more information on the Concerned Contractors, please visit their website at

Sources:

Mandate Waiver Task Force Recommendations

Background Information

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.

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American Subcontractors Association of Central PA

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I.B.E.W. International Unions

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Mechanical Contractors Association of Central PA

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PA State Building and Construction Trades Council

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