

# **CONCERNED CONTRACTORS** *of Pennsylvania*

## **"Setting the Record Straight"**

Dear Legislator:

In response to recent correspondence regarding the public school code's multiple-primes contractor requirement, the Concerned Contractors of PA would like to set the record straight on this issue.

It is a long standing policy that school districts must bid construction projects with a minimum of four prime contracts (general, plumbing, HVAC, electrical) and award a contract to the lowest responsible bidder for each prime contract. Some school districts have sought waivers to avoid this requirement. Despite the fact that a report by an appointed Task Force on Mandate Waivers recommended against using only the single-prime bid process, the Department of Education has continued to grant waivers allowing for single-prime bidding.

For background information, every time a district asked for the waiver to bid both ways, the multiple prime was much less expensive for the taxpayer AND the district choose the multiple prime.

Others have tried to confuse the issue by using an apple to oranges comparison. In an example using a single prime waiver project, there was no comparison by the school district of cost savings with multiple prime bids. Further, the example shows savings by comparing the general contractors bid with the architects estimate. Architects estimates are just that and are regularly above the actual bids received.

Single prime bids will always be more expensive than multiple prime bids because the general contractor marks up the prices of the subcontractors. The Concerned Contractors have encouraged school districts that applied for a waiver to bid the project both ways to prove the point that they had been misled when they were told that single prime construction is less expensive, the fact is not one project bid both ways has been awarded to a single prime contractor.

Waivers have not resulted in greater efficiency or savings, they have cost the taxpayers millions of dollars with the only benefit accruing to the general contractors and architects who convinced school districts to build under the single prime system. Our concern is for maintaining "JOBS" for local contractors who need the work and want to bid on local projects.

The Concerned Contractors have provided evidence that multiple-prime bid contracts have a proven track record of saving money and can help public school projects come in under budget.

They will be "setting the record straight" at a Senate Education Committee Hearing on mandate waivers next Wednesday, March 17, at 12:00 pm. The public hearing will be held in the North Office Building of Capitol in Hearing Room 1.

### **About the Concerned Contractors of Pennsylvania**

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, visit their website at: [www.concernedcontractors.com](http://www.concernedcontractors.com) or contact Linda Rhinehart at (717) 571-2567 and [Lrhinehart@wannerassoc.com](mailto:Lrhinehart@wannerassoc.com).