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Senate of Pennsylvania MIKE WAUGH SENATOR

MEMORANDUM

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FEB 10 2011

TO:

All Senators

FROM:

Senator Mike Waugh

SUBJECT:

Request to co-sponsor legislation

Allowing Increased Use of Single Prime Contractors by School Districts

DATE:

February 10, 2011

I am introducing legislation that amends *Act 14* of 1949 (the *Public School Code*) to give school districts another option to use single prime contractors. This will assist districts in managing their costs during construction projects. This is House Bill 36 of the current session of the General Assembly.

Under this legislation, districts have a choice – they may use separate contractors, as is required under the current system, or contract with a single prime contractor. If the latter option is chosen, as permitted by this legislation, the district can hire a single contractor who will perform some of the work, and then hire specialty or subcontractors for other aspects of the work. The general contractor coordinates the project, ensuring that all contractors properly do their jobs. The general contractor is responsible for the overall project. Allowing this flexibility was a recommendation of the 2007 Task Force on School Cost Reduction.

Currently, districts must use the separate contractor system for school construction projects. This requires separate bids for each aspect of the project (for example, separate bids are required for general construction, plumbing, heating/ventilation/air conditioning and electrical work). Each of these contractors works independently on the project, with coordination of the multiple prime contracts handled either by a school employee or an outside construction manager employed by the district.

Compliance with the requirement that districts use multiple prime contractors increases both costs and inefficiency for districts. The number of bids by general contractors decreases, and there are often delays in completion of the project. The likelihood of cost overruns is also increased.

This legislation also eliminates the requirement for bids to be approved by the Secretary of Education in the case of an emergency where part of the school becomes unusable. The district can proceed with the repairs based on the approval of the local school board. This will enable the emergency repairs to be performed as quickly as possible and reduce disruptions during the school day.

If you would like to co-sponsor this legislation, please contact Debbie Clark in my office at 787-3817 or by email at dclark@pasen.gov.