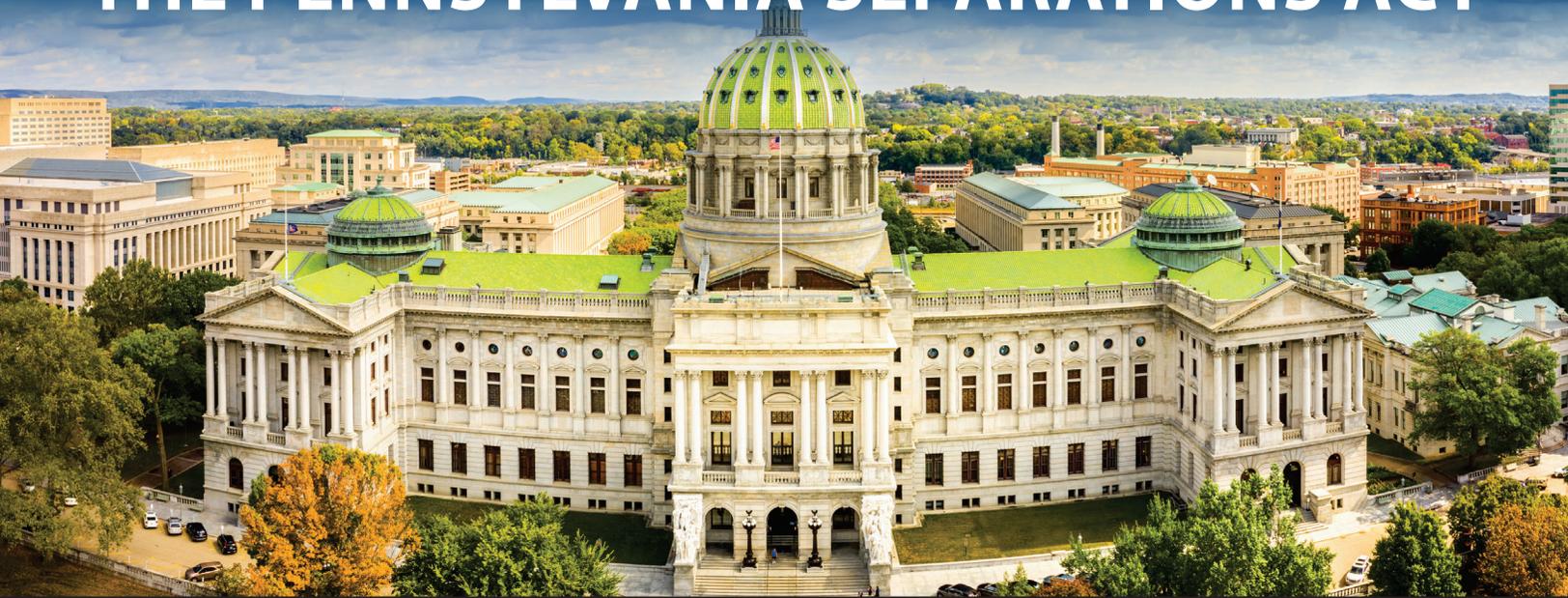


THE PENNSYLVANIA SEPARATIONS ACT



WHAT IS THE SEPARATIONS ACT?

The Separations Act is a PA law passed in 1913 that forces public institutions to seek separate bids from 4 different prime contractors, this is called multi-prime bidding. Multi-prime bidding is not used by the federal government and rarely, if ever, used by the private sector.

The Separations Act in its current form is bad for all parties involved and needs to be modernized.

BAD FOR CONTRACTORS

In a single prime system, general contractors use subcontractors that they have built a working relationship with, creating a cohesive construction environment where the contractors know what to expect and how to work with one another. The multi-prime bid system requires contractors to go into the project blind. When you have four different prime contractors working on the same project, without a relationship between them, communication breaks down and can produce substandard and slower projects.

BAD FOR PROJECT OWNERS

Having four different prime contractors means that instead of a single cohesive project, there are four separate projects going on at the same time. The project owner is forced to work with four individual primes instead of one. This often ends up costing time and money. It holds true when there is a disagreement between contractors without contractual agreements, which can lead to a chaotic job site and a lower quality final product.

BAD FOR WORKERS

Having four different prime contractors involved in a project creates further jurisdictional issues. A single prime contractor can create a clear delineation of work between subcontractors, who then pass it on to their workers. Four prime contractors competing for work hours creates issues between workers at the jobsite.

BAD FOR EVERYONE

The Separations Act is an unnecessary restriction on the construction industry that forces public institutions to bid in a way that lacks common sense. This requirement prevents projects that use a design build model and limits project owners' options and choices. The multi-prime bidding system should be one of many choices in which public owners get to decide what is best for their project.

