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## Statehouse Beat: Prevailing wage claim in Berkeley County dubious

A couple of weeks ago, Berkeley County Schools Superintendent Manny Arvon was quoted in the Hagerstown Herald-Mail as saying the lapse in the state law requiring contractors to pay prevailing wages on state-funded projects had saved the school system between \$200,000 and \$300,000 in costs for a six-classroom addition to Potomack Middle School.

Naturally, the state Republican Party was so heartened by this vindication of its efforts to repeal or rollback prevailing wage that it touted it in a release entitled, “State Already Seeing Savings From GOP Prevailing Wage Fix.” (Which featured a subhead stating, “Democrats’ Union Talking Points Proved False.”)

“Already we are seeing the savings from creating a truly free market,” GOP Chairman Conrad Lucas said in the release. “Those savings are a perfect illustration that Democratic leaders either didn’t understand the prevailing wage discussion or didn’t care about taxpayers as much as they care about protecting the union bosses who fund Democratic campaigns.”

(As opposed to the shadow PACs that fund Republican campaigns, one supposes.)

However, it turns out that the supposed “\$200,000 to \$300,000 of savings” is a house of cards that doesn’t stand up to scrutiny.

Arvon later said the savings figure was “based on what one of the contractors said to me after the bidding.” (Not exactly like relying on an audit, or a spreadsheet breaking down costs. In a courtroom, I believe that would be called hearsay.)

Considering the school addition was a relatively small project – the school system had budgeted \$1,125,000 for it, including \$1 million from the School Building Authority -- \$200,000 to \$300,000 would be a huge amount of savings.

Given the rule of thumb that labor costs equal 20 to 30 percent of a construction project, the purported savings on this project would suggest labor costs had miraculously disappeared entirely.

A closer look at the bids shows that, in reality, there is nowhere near that amount of savings.

The company awarded the contract, Minghini’s General Construction, bid \$986,000, which is \$139,000 below what the school system had budgeted for the addition, but still well below the purported savings.

And it’s worth noting that four of the six contractors that bid on the contract each had bids in excess of \$1 million, with the top bid of \$1,138,000.

What’s more significant is the cost estimate put together by the architect for the middle school addition, Williamson Shriver Architects of

Charleston.

In my experience looking at state construction contracts, architects' cost estimates are usually spot-on: They break everything down to the square foot, and can determine pretty precisely how much electrical, plumbing, HVAC, and general contracting is going to cost on a given project. That may be why the state doesn't release cost estimates for its construction projects until after the bids are closed.

For the Potomack Middle School addition, Williamson Shriver came up with an estimated cost of \$960,950, and after adding a 4 percent contingency, rounded that up to a total of \$999,388.

It's important to note the estimate was made back in September, using prevailing wage rates. (Obviously, at the time the cost estimate was prepared, the architects had no way to know that Republicans would take control of the Legislature, let alone attempt to rollback prevailing wage.)

Despite being freed from having to pay prevailing wage to workers on the middle school addition project, four of the six bids topped the architect's cost estimate, one came in almost exactly at the estimate, and the winning bid was just \$13,388 lower than the estimate, and that's with the contingency included. Otherwise, even the low bid would have come in \$25,050 over estimate.

With just a little scrutiny, it becomes clear that the claim of \$200,000 to \$300,000 of savings is bunk.

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Speaking of Lucas, Delegate Frank Deem, R-Wood, may be 87, but he's still got a lot of fight in him.

Now, he's calling for Lucas to resign as state GOP chairman after his participation in an arbitration panel that effectively negated the Wood County Republican Executive Committee's vote June 18 to remove Rob Cornelius as county chairman.

(In a brilliantly devious move, prior to that vote, Cornelius surreptitiously filled 15 vacancies on the committee, raising doubt as to whether there was a quorum for that meeting.)

By Deem's account, instead of addressing issues that led the county executive committee to vote to oust Cornelius, the 11-hour arbitration hearing served as a forum for Cornelius "to discredit individuals who were in favor of his removal as chairman." (Sample alleged transgressions: Support of Common Core educational standards (gasp) and giving campaign contributions to a Democrat (double gasp).)

Lucas, who was in Cleveland for Republican National Committee meetings (yes, he attended the presidential debate Thursday night), sent this statement:

"This is a local matter that has been resolved. There was an arbitration involving a portion of the Wood County Committee on July 25. Under our by-laws, the arbitration process is final and binding. Anytime parties bring a matter to litigation some are pleased and some are not. We as a party are past that issue and focused on 2016."

Knowing Deem, that's probably not going to be the last word on this controversy.

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