



**Empire State
Chapter**

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FOR IMMEDIATE RELEASE

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Court to DOT: Back to the Drawing Board

Decision Confirms State Overspent \$4.5 million on Exit 122 Heavy Highway Job

ALBANY, NY – In a decision rendered Friday, the state Supreme Court ruled that the New York State Department of Transportation (DOT) violated the state’s competitive bidding laws when it included a project labor agreement (PLA) in the Exit 122 project in Wallkill, Orange County, NY. The decision comes in response to a petition filed by a contractor who was denied being awarded the contract to do the work, despite being \$4.5 million lower than the next bidder.

The contractor, Lancaster Development, Inc. of Richmondville, NY, was initially the low bidder on the Exit 122 reconstruction job on Route 17 but explicitly stated their bid would be without a PLA, as the procurement initially stipulated. Lancaster’s bid was \$4.5 million less than the next bidder. Yet, because they did not agree to the PLA, the DOT rejected Lancaster’s bid after the opening.

“The ruling effectively means the DOT was flawed in its decision to add a project labor agreement to the job, which would cost taxpayers \$4.5 million more than necessary,” said Mark Galasso, President of Lancaster Development, Inc. “As a contractor and taxpayer I am pleased by today’s decision.”

The court on Friday ruled the PLA illegal and thus nullified the existing contract. This means the state DOT must rebid the project.

“The ruling shows a failure by New York State Department of Transportation officials to comply with the competitive bidding rules set out by state law,” said Steve Lefebvre, President of ABC. “Thanks to the court’s decision the project will be rebid, to the benefit of the taxpayers. When this project goes out to be rebid, I would caution the DOT not to attempt the inclusion of a PLA, as we have just seen an open and fair bidding process is the best way to maximize cost savings on public work projects.”

Lefebvre further added that the decision rendered by the court confirms what the ABC has said right from the start, that Project Labor Agreements are subjective and subject to questionable insider negotiations.

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“What transpired here is the reason why the state legislature needs to enact the ‘Public Construction Savings Act,’ which will guarantee a fair bidding process by insuring that PLAs are never mandatory so that the lowest responsible bidder always gets the work.”

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The Empire State Chapter of Associated Builders and Contractors (“ABC”) represents over 550 merit-shop construction contractors and subcontractors employing thousands of workers throughout the State of New York.