



FOR IMMEDIATE RELEASE  
August 5, 2010

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**ABC OF OHIO SEES POSSIBLE CRIMINAL CONDUCT OF OSFC DIRECTOR  
AS REASON FOR HIS TERMINATION**

**RECOMMENDS OHIO SCHOOL FOR THE DEAF BE REBID WITHOUT  
PLA AND PREVAILING WAGE**

Columbus, OH – The Inspector General’s (IG) August 5, 2010 report on the conduct of the Ohio School Facilities Commission (OSFC) executive director Richard Murray, sheds new light on possible criminal behavior and an ongoing pattern of abuse of office. “Based on these documented findings, Richard Murray should resign or be terminated so the OSFC can return to performing its important work in a fair and legal manner,” said ABC of Ohio government affairs director Bryan C. Williams.

ABC of Ohio applauds the Inspector General’s office for recognizing where there is smoke there is fire – where there is coercion, there is corruption.

Richard Murray decided to implement a union-only project labor agreement for the construction of the Ohio School for the Deaf. The IG’s report calculated this will result in a payday of at least \$145,000 for Mr. Murray’s former union employer. It must be noted the Mr. Murray sought an ethics opinion several months earlier inquiring whether or not he could accept an above the table payment from his former union employer, the Laborers-Employers Cooperation and Education Trust (LECET), as a consultant while simultaneously serving as the OSFC executive director.

“Mr. Murray’s effort to be paid by a former union employer while on the state payroll and his concurrent establishment of a PLA that would steer money to this former employer – of which he boasted continued membership – is an abuse of office at least and criminal at worst,” said Williams.

Mr. Murray should resign immediately. If he chooses not to resign he should be terminated by Gov. Strickland and the commission. Failure to terminate Mr. Murray's employment at the OSFC would document Gov. Strickland's approval of this shameful conduct that uses government construction projects to steer funding to his labor union campaign contributors.

Last week ABC of Ohio criticized Mr. Murray for his handling of the Ohio School for the Deaf construction bid (letter attached). Mr. Murray was wrong when he claimed the union only PLA would foster competition and not inflate costs. As it turns out the bid was \$11 million, or 41%, over budget and a nonunion bidder was 25% lower than the next lowest union bid.

Williams said, "We renew our call that project be rebid without prevailing wage and without the PLA. The students of the Ohio School for the Deaf, the Ohio taxpayers funding the project and the 85% of the construction industry blocked from previously bidding deserve nothing less."

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July 30, 2010

Richard C. Murray  
Executive Director  
Ohio Schools Facilities Commission  
10 W. Broad Street, Suite 1400  
Columbus, Ohio 43215

*In re: Ohio School for the Deaf and Ohio State School for the Blind  
Construction Bid*

Dear Mr. Murray:

On July 22, 2010 the Ohio School Facilities Commission (OSFC) opened bids that are more than \$11 million and 40% over budget. I write to encourage you to follow the law and throw out all of the bids. Equally important, you should re-bid the project without the discriminatory and anti-competitive use of a project labor agreement (PLA).

At the April OSFC meeting you predicted that the use of a PLA would encourage competitive bidding and not increase costs. Both points proved to be untrue. Given the size of this project, and the two bid extensions, far more bids should have been submitted. Why did so few companies bid this project? Because the project labor agreement discriminates against 85% of the construction industry by requiring they join the union in order to do the work.

In the attached minutes, you predicted the PLA would not add costs. This too proved to be untrue. Two bids submitted by a merit shop company on the proviso that they will not sign the union only PLA are more than 25% less expensive than the closest union bid.

In fact your office confessed to the Columbus Dispatch that PLA's do add cost when Rick Savors said this,

*"The commission doesn't think the project labor agreement is to blame because  
"the PLA is going to be built into the estimate anyway," Savors said..."*  
*Columbus Dispatch July 29, 2010*

Now that your staff has corrected your factually inaccurate testimony to the OSFC, please tell us how much money you built in to the bid to cover the cost of the PLA. That way everyone can know how much money the Strickland administration insists on wasting in order to satisfy its labor union constituency.

Another significant cost inflator is the prevailing wage requirement. If you were to re-bid this project without prevailing wage – *as required by law for all other school construction projects* – the state would save millions more in needless construction costs.

Ohio law requires that bids be thrown out and re-bid when they are more than 10% over budget. That certainly applies here.

Fairness to Ohio tax payers, the students of the Ohio School for the Deaf and Ohio State School for the Blind and the 85% of the construction industry which is prevented from working this job require you re-bid this project **without the PLA.**

I look forward to your response.

Sincerely,

Bryan C. Williams  
Director of Government Affairs  
ABC of Ohio

Cc: ABC of Ohio Board (6)  
Alan Ross, Attorney at Law

**Ohio School Facilities Commission**

**April 22, 2010**

**William McKinley Room**

**1:30 PM**

**Minutes**

Chair Sabety called the meeting to order at 1:36 PM.

**Roll Call**

Members present: Chair Sabety, Vice Chair Quill, Dr. Puckett, Sara Spence for Senator Cates, Sean Chichelli for Representative Jordan and Melissa Miser for Representative Patten.

**Adoption of the March 25, 2010 Meeting Minutes**

Mary Adams noted that the March 25, 2010 Meeting Minutes in the Commission Book did not contain the public testimony. However, the members of the Commission were given a handout with the updated information and Director Sabety had the corrected Meeting Minutes.

Vice Chair Quill moved to approve the March 25, 2010 meeting minutes.

Dr. Puckett seconded the motion.

Approval: Vote 3-0.

**Executive Director's Report**

**PLA, Schools for the Deaf and Blind**

Director Murray commented that in March he received a report from Pasquale Manzi, the President of the Central Ohio Building Trades, and they had the opportunity to talk about a Project Labor Agreement (PLA) for the Schools for the Deaf and Blind. This is a state project which is prevailing wage, but it is under the auspices of the OSFC and the Executive Director is tasked with decisions relative to the site. Mr. Manzi informed Director Murray that they have a PLA in Circleville schools, which is in the process of passing the levy to be activated. Director Murray mentioned that he had discussed with Mr. Eufinger the appropriate process for undergoing the consideration of the PLA. He informed Director Murray that under the statutory provisions that are relative to this project, the Executive Director is charged with making decision relevant to this project. Director Murray commented that he had consulted with a few members of the Commission and with the superintendents of the Schools for the Deaf and Blind on this matter. He noted that there were some site issues to take into consideration. It is a \$42 million project for about a 273 acre site. Director Murray mentioned that this is a large site and it comes with a lot challenges because both the Deaf and the Blind campuses cannot be traveled intra-site; they must go back out to Indianola Avenue, Morse Road or High Streets in order to get around it. He commented that because of this, it will be difficult site to unify and perform



construction on. There are two classroom buildings, each approximately 70,000 square feet and there will be 16 dormitory buildings; eight buildings will be approximately 2,500 square feet and eight will be approximately 3,500 square feet. Overall, the message has been that it will be a challenging site and the main question was if a PLA would help unify the site. Also, would it provide the economies of scale for contractor bidding on the site and would it provide the opportunity to provide the opportunity to provide economies of scale for logistics on the site? Director Murray emphasized that it this project is a state-funded project and that the question in regard to manpower is, would the PLA provide a comprehensive framework of work jurisdiction and site governance that would in affect assist in the successful prosecution of the project and greater continuity on the job site? He commented that he comes from a background of union building trades and was involved in labor-management relations for 13 years, and he believes that that effective nature of the PLA puts both the contractor and the trades in a position of talking to each other, working with each other and enhancing communications on the site. The PLA also would help to elevate the importance of the trades people which is also important. The OSFC needs to make sure that everybody, from the contractors to the trades people, understand that this is a very important project. Director Murray commented that it is important that the contractors and the workers on the site understand the important nature of this work and a PLA would help facilitate this. He stated that he wants to make sure that every worker understands that they are working in and around what will be active academic classes and dormitory facilities. A PLA will also help to ensure that the workers on the site will have health care benefits, pension benefits and training that will include apprenticeship activities for workers on the site. Director Murray commented that he and the superintendents had concerns about site security, especially for the security of the children on the site because of its active nature. He mentioned that the trades have agreed to undergo background checks, which include Bureau of Motor Vehicles and Federal Bureau of Investigation background checks of their criminal backgrounds. If there are any workers with criminal backgrounds, they will be rejected from working on this site. Director Murray emphasized that it is very important to provide protection and safety for these vulnerable kids, not solely because they are deaf and blind, but because some of them have additional physical disabilities. Another benefit of the PLA, is that it will allow for the co-ordination of union jurisdiction. There is a union hierarchy and the OSFC expects everyone to pull their load on the site, and that includes business managers, stewards and foremen. The PLA will help to ensure quality from the top down because it allows for more communication on the site. There have been some concerns of the insulated concrete masonry walls from the quality insurance professionals. So, the OSFC will want to watch closely in order to make sure that it gets done right. Also, the OSFC will be using ICF as a test commissioning issue on the site and the Commission expects to see the best possible work out of the masonry, carpenters and anyone else involved in that process. There is a coordination of contractors because of the nature of this project, the projects must be built on time and it must build it to schedule. Director Murray commented that he believes that the PLA would prevent costly delays and disruptions. In addition, the PLA will promote active dialogue among contractors and workers on site and it will provide for safety promotion and safety encouragement. Director Murray stated that the workers should not allow themselves to be put in dangerous circumstances on the job site. The PLA includes the discussion of safety issues and essentially self-empowers the workers to put themselves in safe circumstances not only for themselves, but for the contractors and their families as well. Director Murray restated his support for a PLA for a number of reasons; quality, quality of construction, quality of outcome, a look at ICF, security,

security of children on the site, student protection, promotion of labor management relations, safety of workers on the jobs site, and safety of any population on the site, which includes staff and others. So, as construction goes on, the OSFC cannot allow access to construction areas that might harm students on this site. Director Murray commented that because it is a difficult site, the possibility exists of three bidding packages and the bids may come in as an alternate to include both. That may allow contractors to create an economy of scale in bidding, and if the same contractor wins both academic projects, then there may be a unification of this site in a way that otherwise would not be realized. Director Murray commented that there are no added projects costs here and it does foster competition. Also, non-union contractors can bid on this project; the contractors must enter into the terms and conditions of the PLA. He stated that for those reasons, and given that in consultation with the Commission members and with the superintendents, he has decided that it is in the best interest of the site to move ahead with the PLA with the Central Ohio Building Trades. Director Murray informed the Commission that Mr. Manzi, president of the Central Ohio Building Trades, who was in the audience, and requested that he stand up. Director Murray then asked if there were any questions regarding the presentation thus far.

Dr. Puckett mentioned that he appreciates the effort that Director Murray and staff for coming here on behalf of the Ohio School for the Deaf and the Ohio State School for the Blind and for explaining the PLA to the superintendents of the two schools.

Director Murray thanked him and commented that the superintendents will be tough people to please, but the OSFC aims to do everything it can to please them because what they would like to accomplish is in the best interests for the students that they serve on the site.

#### May Ballot Issues

Director Murray noted that the May ballot issues are attached to the agenda and that there are 33 issues on the ballot. He mentioned that the OSFC is hopeful that the economy is looking up and that Ohio citizens will feel better about their future and their school districts' future so that they will vote in favor of these issues.

Eric Bode informed the Commission that the grand total is about \$800 million in school issues for bonds. Some of that money is for programs that are not related to OSFC, which are typically high-wealth districts. However, the majority are projects that are in an OSFC program. After the Commission made its approvals last July 2009, the school districts had November and February to pass ballot issues, and the upcoming ballot in May is the third of the four opportunities for school districts to do so. Mr. Bode mentioned that the other sheet of paper that the Commission members have, lists all the projects that were approved last July and their status, including listing the ones that are on the ballot in May. He commented that the OSFC is very hopeful that ballot issues will pass.

Director Murray noted that Tom Ash from BASA said there are 171 issues overall, which include a mix of operating costs and capital issues on the ballot. Approximately one-fifth of school districts are asking their voters to approve levies.