

Area laborers, builders pan Walgreens

Bid process was unethical, contractor in city says

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CHARLESTON, W.Va. - Walgreens may be moving into the neighborhood, but they're not making friends among union labor groups or contractors.

Union laborers say store developers have frozen them out of construction jobs across the state, and officials at Walgreen Co. don't bother to answer their letters.

Meanwhile, one area builder alleges Ed Street Co. of Johnson City, Tenn., cheated him out of a contract to build the Walgreens store on West Washington Street.

"It's been a sore spot of mine," said Tom Reece, president and part owner of RC General Contractors of Charleston.

Reece said he spent weeks putting together a detailed bid package together, with a complete breakdown of costs, and submitted it to the developer within the deadline. "For three weeks we didn't get a call back. Then we start getting calls from subcontractors."

Reece thinks Ed Street showed RC's bid package to his favored contractor, who then contacted local suppliers and negotiated better prices. According to Mike Matthews, business manager of the Charleston Building & Construction Trades Council, a Louisville company called Brasch-Barry General Contractors underbid RC by \$65,700 to win the \$2.5 million contract.

"I would call it shady," Reece said. "I think they played games to flush out the pricing. We know the guy was making numbers after the fact. It's unethical."

As a private developer, Ed Street has the right to hire whoever he wants, with or without open bidding, Reece said. But in this case, "He said he would take the lowest bid. I don't think we were treated fairly."

Other developers sometimes bend the rules, too, Reece said. "We haven't [seen it] for a while. We've steered away from some out-of-state developers. We probably spent \$8,000 to \$10,000 preparing that bid."

No one could be reached for comment Thursday at Ed Street Co. headquarters.

Matthews said union tradesmen have been unable to get the attention of Walgreens management or its store developers.

"We started in 2007," he said Thursday. "This is a letter we sent to the CEO of Walgreens. They were getting ready to start a store in Beckley. We tried to get some answers, wanted to work with them."

In the June 2007 letter, Matthews says he represents more than 11,000 union workers in 18 Southern West Virginia counties and offers to supply lists of union contractors to developers of stores in Beaver, Princeton and Charleston.

After several months without a response, he sent a similar letter in October to the company's vice president of store operations. That too went unanswered, he said.

Last year, he asked Ed Street to reconsider his contract award for the West Side store to Brasch-Barry. When Street apparently declined, he asked why. Street didn't answer, he said.

Walgreens has opened at least seven stores in West Virginia, starting with one in the Morgantown area in 2006.

"In Morgantown, that was done by a general contractor from Pittsburgh but they came down and worked with the local building trades group," Matthews said. "So we thought maybe they'll work with us."

That didn't happen, said Jim King, business representative for Sheet Metal Workers Local 33. "The Walgreens around northern Ohio, Toledo, they're 100 percent union. But here we don't get a chance to bid on jobs."

Last fall, with the help of the Affiliated Construction Trades (ACT) Foundation, Matthews and King asked union members to send postcards to Walgreen CEO Jeffrey Rein. The cards mildly protest the hiring of Brasch-Barry and say, "I believe Walgreens should insist local contractors and local workers build the Charleston store."

"We sent about 2,000 in," Matthews said. Once again, Rein did not respond.

King's union took to the streets for about two weeks in November, handing leaflets to West Washington motorists about the hiring of a nonunion heating/air-conditioning subcontractor.

Jim Cerra of the Kanawha Valley Builders Association said developers often ask for a list of local contractors. "That's all we ask, especially with a company like Walgreens."

He wonders why a drugstore company would alienate thousands of union workers, who fill prescriptions under their employee health-care plans. "If you have a problem with union contractors, tell us what part of union contractors you don't like."

Walgreens officials have not announced the official opening date of the West Side store - estimated at March 1. But whenever the store opens, there could be some uninvited visitors on hand.

"Some of the local unions may do some hand-billing at the grand opening," Matthews said.