



October 21, 2019

Santa Clara Valley Water District Capitol Improvement Program Committee
5700 Almaden Expressway
San Jose, CA 95118

Re: Agenda Item 3.1. Information on Project Labor Agreements (PLAs) and Recommendations – OPPOSE

Dear Chairwoman Hsueh:

On behalf of The Silicon Valley Organization (The SVO), I am writing in opposition to Valley Water's consideration of a pilot Project Labor Agreement on a capital project. By way of background, The SVO is the Silicon Valley's premier business advocacy organization representing more than 1,200 companies that employ nearly 300,000 workers.

Prior to making changes to the contracting mechanism, we kindly request you delay action until you conduct a survey of the contractors who perform work for the District to find out exactly how the adoption of a Project Labor Agreement (PLA) will impact them and encourage participation by local labor, the development of pre-apprentice and apprenticeship programs, and cost control measures. More than 80% of construction jobs in California are provided by contractors not signatory to a collective bargaining agreement. Project Labor Agreement (PLA) disadvantage and discourage the work opportunities for these contractors at the Santa Clara Valley Water District.

Project Labor Agreements (PLAs) create barriers for local, minority and women-owned construction employers and their employees from participating in building their community because they contain provisions that do not allow for the full utilization of their own workforces. Furthermore, studies show these types of agreements increase project costs – anywhere from 10-30% above prevailing wage – because they restrict competition. And finally, project labor agreements exclude the men, women, and veterans who have chosen to enter into state approved, unilateral apprenticeship training programs in pursuit of a construction career from the opportunity to work and gain the invaluable on-the-job training experience that provides stability for them, their family and their community. Limiting work opportunities for 80% of construction workers based on their employers' union-signatory status will severely impact the minority construction community who rely on public work opportunities to build their businesses.

For these reasons, we urge you to oppose Agenda Item 3.1. (19-0847). If you have any questions about The SVO's position on this issue, please contact Eddie Truong, Director of Government & Community Relations, at (408) 291-5267.

Sincerely,

Matthew R. Mahood
President & CEO

cc: Valley Water Board of Directors

Executive Committee
2019 BOARD CHAIR
Marc Parkinson
Petrinovich Pugh & Company
1st VICE CHAIR
Michael Bangs
Oracle Corporation
VICE CHAIR ECONOMIC
DEVELOPMENT
Tony Mirenda
Blach Construction Company
VICE CHAIR PUBLIC POLICY &
ADVOCACY
Cosme Fagundo
Wilco Management
VICE CHAIR
COMMUNITY ADVANCEMENT
Janikke Klem
Technology Credit Union
AT-LARGE
Traci Cornaglia
PayPal
Sean Cottle
Hoge Fenton
Claudia Folzman
Iron Construction
Michael Fox Jr.
Goodwill Silicon Valley
Tim Leets
BBSI
Jonathan Noble
Microsoft
Michael Turpin
Bay Area News Group
Rick Beatty
Lehigh Hanson
SVO PAC CHAIR
Anil Babbar
California Apartment Association
LEGAL COUNSEL
Eugene Ashley, Esq.
Hoge Fenton
TREASURER
Emily Ruvalcaba
Bridge Bank
IMMEDIATE PAST CHAIR
Jennies Gutierrez
Comcast
PRESIDENT & CEO
Matthew R. Mahood
The silicon valley organization

THIS PAGE INTENTIONALLY LEFT BLANK