



May 22, 2020

Chairman Hsueh
Santa Clara Valley Water District
5750 Almaden Expressway
San Jose, CA 95118-3686

Re: 5/26 Agenda Item 2.8. Oppose - Consideration of Project Labor Agreement

On behalf of the (name of organization) representing x ratepayers and x essential construction and construction related firms, we greatly appreciate your dedication and professionalism in response to the outbreak of the coronavirus (COVID 19). We would like to acknowledge the extensive effort all local governments have exhibited to work collaboratively with our industries to support the local economy while protecting the public safety.

We were all shocked to learn that a record number of Americans have filed for first-time unemployment - higher than anytime in US history. With the speed of the crash of the economy, we are sure that you share our concern and ongoing desire to keep some elements of the economy moving. The construction industry is predicated on maintaining a safe workplace. Our members provide an essential service to the public.

Our members have implemented strict measures to ensure the safety of our workforce and the community during these times. They have significantly enhanced and modified their safety and stop work plans to effectively mitigate the risk for workers and their families. Our industry remains committed to the health and welfare of our workforce and the public while continuing to build a better California. The work performed by these frontline men and women is not only helping to ease a negative impact on public health but is also helping to create a better quality of life for all of our residents.

The scale of this global crisis is unprecedented, and so is the scope of the local government response. California cities of all sizes are coordinating across jurisdictional lines, enacting emergency measures to slow the spread of the coronavirus pandemic, taking action to protect individuals and small businesses on the economic margins, while spending such sums as necessary to protect public health.

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There is no question all local governments across the Bay Area will need financial assistance to persevere through the hardship resulting from rising costs and decreasing tax revenue and fees due to COVID-19. A recent [LA Times Article](#) reported California's 482 cities say they will collectively lose \$6.7 billion over the next two years because of the pandemic, prompting layoffs and furloughs for public workers and potential cuts to basic services. As you continue to face unprecedented challenges on the frontlines of responding to the coronavirus outbreak in your community and doing what is necessary to ensure the health and safety of their residents, now is not the time to be implementing a Project Labor Agreement (PLA) that excludes certain essential workers and apprentices. Projects with PLAs historically cost taxpayers an additional 10 to 20 percent. That savings is even more important to ratepayers in this time of economic distress.

Before you implement a Project Labor Agreement on all or a portion of \$6.7B of projects and historically change the way you have done contracting in your district, have you studied how many local companies' and their workers would be shut out from helping to rebuild their community at a time when they could use these opportunities the most? On Santa Clara Valley Water District Capitol Projects from August 2013 to July 2018, 63% of the projects went to union contractors and 34% to non-union contractors. Can you afford to lose 34% of your contractor base?

Earlier this month, the county reinstated that all construction work could resume and all construction workers are considered essential. Why would you want to limit the amount of essential workers who can work in your community?

Project Labor Agreements (PLAs), create barriers for local, minority and women-owned construction employers and their employees who want to build in their community because they contain provisions that do not allow for the complete utilization of their skilled and trained workforces and exclude the men, women, and veterans who have graduated from state approved, unilateral apprenticeship training programs in pursuit of a construction career that provides stability for them, their family and their community.

Furthermore, numerous [academic studies](#) of public construction projects already subject to government-determined prevailing wage laws indicate PLAs increase the cost of construction between 12 percent and 18 percent when compared to similar projects not subject to union-only PLAs. Open competition is healthy and increases quality. It levels the playing field and local money is invested into the community.

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Let's not push construction professionals away from well-paying career opportunities within their community especially when they need these opportunities the most. Let's continue to keep the work open for those essential workers who want to work, support their families and their community and not risk further tax increases or ratepayers.

Thank you for your consideration of this request to deny approval. Please include this correspondence in your May 26, 2020 meeting minutes. Please contact me at (email) or (phone) with any questions.

Sincerely,

Jeff Cristina
Vice-Chairman
Business San Jose Chamber PAC

Cc: Tony Estremera, Vice Chair, District 6
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