

Michele King

Subject: FW: Agenda Item 2.8 - Consideration of Project Labor Agreement.

From: Paul Bruno <paul@mpe2000.com>

Sent: Tuesday, May 26, 2020 8:36 AM

To: Board of Directors <board@valleywater.org>

Subject: Agenda Item 2.8 - Consideration of Project Labor Agreement.

Members of the Board of Directors.

We are writing in opposition to implementing a Project Labor Agreement (PLA) requirement on Santa Clara Valley Water District projects.

MPE is a family owned and managed general engineering contractor. We often perform the type of work put out to bid on your public works projects. Recently, we successfully completed a \$10M pipeline project for your District in the Morgan Hill area. We appreciated the opportunity to perform this work.

Unfortunately, if the District adopts a PLA policy, companies like MPE will not submit a bid. MPE is an open shop contractor. While we have no issue with performing public work contracts or the payment of prevailing wages, we choose not to bid on projects that requires us to become signatory to a Project Labor Agreement. We are not alone. Very few open shop contractors will engage in this sort of arrangement. In fact, the District may have trouble finding a sufficient number of qualified bidders while a PLA requirement is in place. And, as everyone knows, fewer bidders means less competition which often results in higher prices.

MPE has been in business for 40 years. We have many long-tenured employees. We provide our employees with steady work, good pay, benefits and opportunity for advancement through on-the-job training. One of the unfair aspects of a PLA is that it would require our employees to contribute a significant portion of their weekly earnings into a union benefit plan. Given the limited duration of any one employee's dispatching on the PLA project, they would not vest or receive benefits from these plans. It would be extremely unfair to them for these significant payments to be siphoned away to a union benefit program that they would not get any value from.

When looked at objectively, it is clear that PLA's are unnecessary and impede open and fair competition. They do not provide the benefits they claim nor do they cure the problems they supposedly are meant to address. They are nothing more than a mechanism to favor some over others. PLA's discriminate against those construction employees in our community who chose not to join a union. These merit shop workers far outnumber the unionized workforce. These workers are often minorities. They are your ratepayers. These workers should not be overlooked or removed from the table.

There is no compelling need to change how your District puts projects out to bid. So why now? With COVID-19 creating havoc, there must be bigger and more pressing issues facing the District.

Thank you for your consideration of my letter. For every letter you receive, there are many more similarly situated companies who do not speak up. Please look at the statistics and let objectivity and fairness be your guide.

Sincerely,

Monterey Peninsula Engineering

Paul B. Bruno

CFO / Principal



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