

Key, Lori

From: goswald <goswald@grdconstruction.com>
Sent: Monday, November 9, 2020 12:49 PM
To: ClerkoftheBoard; Bennett, Steve; Long, Kelly; Parks, Linda; Supervisor Huber; Zaragoza, John
Cc: ClerkoftheBoard
Subject: Recommendation to Direct Staff to Negotiate a Pilot Project Labor Agreement (PLA) - BoS meeting 11/10/20 Agenda Item 42 (Please read at the meeting)

Re: Agenda Item 42 Board of Supervisors meeting 11/10/20 - Negotiate Pilot PLA Please read at meeting

Dear Board of Supervisors,

I am writing to you again to request that you reconsider and accept the recommendation of the Director of the Public Works Agency in his letter to you dated September 15, 2020, and do not direct staff to take any further action regarding negotiating a PLA or CWA for Ventura County construction projects.

I have been a resident of, and general contractor in Ventura County for more than forty years and have always opposed the use of Project Labor Agreements due to the various discriminations they include. My company has successfully completed a large number of multimillion dollar public works projects in the County utilizing both union and non union subcontractors on the same projects without any 'labor disputes' or questions about the quality of any completed project. The proposed recommendation for staff to negotiate a PLA for County projects is a directive to find a solution to a problem that does not exist.

A PLA is favorable only to the union trust funds and unemployed union workers. They require that all contractor's core employees be hired through a union hall and contribute to union trust funds with no chance of obtaining benefits they have paid for. In his letter to you, Mr. Pratt notes that the proposed agreement at that time is "favorable to the Unions". Any negotiated PLA will without any doubt be "favorable to the Unions" and therefore, with this knowledge and as a matter of public policy, should not be pursued by the Board any further. Favoritism shown towards any entity or person in awarding public works projects agreement is clearly in conflict with the Public Contract Code Division 1, which in part (irrelevant sections deleted for clarity) states: *..... it is the intent of the Legislature in enacting this code to achieve the following objectives: (d) To eliminate favoritism, fraud, and corruption in the awarding of public contracts.*

A PLA not only provides zero benefits to the local non signatory contractors and subcontractors or their labor forces, but the "core employee" rules in a PLA will result in contractors regular employees being ineligible for hiring through the union hall for County projects and may result in their job being taken by an unknown and non local union employee. In Mr. Zaragoza's slide 13, County goal item 1 is to encourage preference for local labor. A PLA is no guarantee of achieving or maintaining this goal and the core employee rules will result in local labor being excluded from working on County projects.

There is conclusive data available to show that projects performed with PLA's increase the cost impact on tax paying residents due to higher project costs and governmental administrative expenses. It has been shown that a PLA can increase project costs by about 15%. Given that the proposed pilot projects have a total budgeted cost of almost \$88,000,000, even a single digit percentage increase in project costs due to a PLA is not fiscally responsible or acceptable.

As noted by Mr. Pratt in his letter to you, incorporating a PLA in contract documents will result in a fewer number of qualified bidders for County projects. Consequently there is less competition in the bidding process and subsequently higher project costs. A contract agreement with a PLA attached will not give all qualified contractors a fair opportunity to bid on County construction projects and goes against public policy and fiscal practices. Public Contract Code Division 1, which in part (irrelevant sections deleted for clarity) states: *it is the intent of the Legislature in enacting this code to achieve the following objectives: (c) To provide all qualified bidders with a fair opportunity to enter the bidding process, thereby stimulating competition in a manner conducive to sound fiscal practices.*

In conclusion, I respectfully request that you do not direct staff to negotiate a PLA for a \$88,000.000 series of six "pilot projects". The actual determination of final total project costs, any impact on County budgets, and the negative impacts on local contractors, subcontractors, their employees and County residents will not all be known for many years and not until it is too late to correct.

Thank you for your consideration.

Sincerely,

Garry Oswald

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