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Subject: Re: WWTF Electrical System Hazard Mitigation Project - Rebid Without a Project Labor Agreement
Date: Saturday, May 18, 2024 10:44:03 PM
Importance: High



Re: WWTF Electrical System Hazard Mitigation Project - Rebid Without a Project Labor Agreement

Dear Watsonville City Councilmembers:

You received ten public comments at your February 27, 2024 meeting asking you to forever preserve the 2014 city council requirement for construction companies to sign a Project Labor Agreement with trade unions as a condition of working on city contracts over \$600,000.

At the same meeting, you approved advertising and bid specifications for the city's Wastewater Treatment Facility (WWTF) Electrical System Hazard Mitigation Project. As requested by the ten union officials and their allies, you kept the Project Labor Agreement in the bid specifications.

You hoped that maybe the union officials would do something so the Project Labor Agreement would no longer cut competition and raise costs for city projects. Regrettably for you and the residents of Watsonville, the unions are not interested in increasing bid competition and lowering construction costs. Unions demand Project Labor Agreements for their self-interest — not the public interest.

This week, at your May 14, 2024 meeting, you received a staff recommendation to reject the one lonely bid (from a company with headquarters in Irvine — in Orange County) for the Wastewater Treatment Facility (WWTF) Electrical System Hazard Mitigation Project. The bid was \$25,997,140 and the engineer's estimate was \$18,735,000.

Yes, it happened AGAIN! One bid. It's 39% over the estimate.

How many times does it take to prove to you that your Project Labor Agreement cuts competition, increases costs, and attracts out-of-area contractors?

You have a few options:

1. If you think Project Labor Agreements are truly a benefit for the community, why not accept the bid that's 39% over the estimate? Consider it the cost for taxpayers of giving unions a Project Labor Agreement. Tell your constituents that the unions deserve it and residents need to accept that the Project Labor Agreement means less services for residents.
2. Rebid the project without a Project Labor Agreement. Fair and open bid competition will attract numerous bids at reasonable prices involving local contractors.
3. Rebid the project and give contractors the choice to commit to signing the Project Labor Agreement or not signing the Project Labor Agreement. Let the employer decide the relationship with its employees, rather than you, the members of the Watsonville City Council.

Regrettably, a city council in office ten years ago locked you into a Project Labor Agreement that doesn't expire and never requires review. That 2014 city council wanted to help one of their fellow councilmembers get elected to the state legislature. They needed to buff up her record so she could get endorsements and campaign support from interest groups at the state capitol.

The campaign didn't work out, and the price is still being paid by Watsonville residents in 2024.

It's time to acknowledge that 2014 was a different time in Watsonville. In 2024, the city needs adequate bid competition to obtain quality work from local companies at the best price.

Repeal the failed Project Labor Agreement.

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