



SANTA MARIA VALLEY CONTRACTORS ASSOCIATION, INC.

2003 Preisker Ln., Ste. A, Santa Maria, CA 93454 • (805) 925-1191 • fax (805) 922-2983

October 6, 2014

Santa Barbara County Board of Supervisors
105 E. Anapamu
Santa Barbara, CA 93101

Re: October 7 Agenda Item #4, Project Stabilization Agreement

Dear Chairman Lavagnino,

Thank you very much for allowing the participation of the Santa Maria Valley Contractors Association in the process of developing the proposed Project Stabilization Agreement for the Northern Branch Jail. Public Works Director Scott McGolpin and his team are to be commended for their hard work in following Board direction to make the document as user friendly as possible for some local non-union contractors. Their concern for our entire construction community is laudable and most appreciated.

Please note that when Kitchell Construction Management reported positive feedback regarding local interest in bidding this project, they did not mention to those they contacted that it potentially involved a Project Stabilization Agreement. Survey responses from those parties as well as the general membership of three local contractors associations proved otherwise by a wide margin once that possibility and even its concessionary aspects were detailed.

There is not time to share with you all of the responses to the survey, but one very telling was in response to the question "will you show up at the BOS meeting". The plaintive answer was "No, I don't want the unions to see me there." This Agreement actually makes these delicate relationships even more difficult.

The concessions agreed upon have interested some of the non-union contractors with relatively smaller scopes of work to now consider bidding the job, though 65+% still report that they would not bid the project with this PSA attached. These local contractors represent some of the more substantial aspects of the project such as roofing and masonry, so the goal of regional hire is unlikely to be met. The lion share of the union halls are not in the tri-county area, and delays in getting employees from those distance halls while their own local employees sit at home, plus unfamiliar rules about who can do what when, are discouraging to merit shop companies from a good business and efficiency perspective.

Until October 7, all county public monies spent on construction projects were bid out without favoritism via an open bidding process as defined by the Public Contracts code. In LA and San Francisco, where there is strong union trade shop presence, a history of infighting over who performs what scope of work sometimes resulted in Project Labor Agreements to settle those conflicts. This has not been the case in Santa Barbara County, which has experienced no strikes and a relatively peaceful relationship between the minority of local union contractors and the vast majority of merit shop contractors working together on projects. We always hear that we don't want this area to turn into LA, yet we are presented with an unnecessary foray into complications with a proposed solution where there is no problem.

The IBEW and Plumbers and Pipefitters are rightly proudly of their workforce, and we truly hope that union contractors in those trades win the bid on the Jail. Unfortunately, many other facets of the project will not be bid locally as it is simply not in those trades best interest to be involved with this PSA. Prevailing Wage does not determine the ultimate cost, but lack of competition will. Local non-union shops are inappropriately maligned and discriminated against in the preamble and throughout the tone of the document. With some unions still not completely signing off and many questions unanswered, it would not be in the county's best interest to have to continue to negotiate the implementation of this Agreement for three years and potentially beyond.

In closing, we appreciate the consideration county staff has show to our non-union majority in attempting to negotiate a balanced Agreement. There remain fatal flaws in the document as it affects merit shop businesses and the actually realities of the situation which ensures that its lofty claims can not be realized. A Yes vote on the PSA is a vote against your local construction community, and will reflect either naiveté or patronage on an unfortunate scale.

Respectfully,

Robin Hayhurst

Robin Hayhurst
Executive Director