

November 20, 2008

John Hendrickson
Chancellor
West Valley Mission Community College District
14000 Fruitvale Avenue
Saratoga, CA 95070



CHAMBER OF
COMMERCE

Dear Chancellor Hendrickson:

On behalf of the San Jose Silicon Valley Chamber of Commerce, I urge you and the West Valley Mission Community College District Board of Trustees to not enter into any Project Labor Agreement (PLA) for the construction work involving Measure H projects.

Under the National Labor Relations Act, construction contractors and employees have the right to choose to unionize or not. The vast majority of contractors and their employees – more than 80 percent – have voluntarily opted against unionization. Under PLAs, all contractors and their employees, whether they are unionized or not, are subject to unionization in order to work on a government-funded construction project. This is done by including a union collective bargaining agreement in the public construction project bid specifications. In order to receive a contract with the District, a contractor must sign the agreement and subject its employees to union control. This requirement prevents an open, competitive bidding process. With the estimated cost of your project at \$235 million, the more companies that compete, the better the project will turn out in the long run.

Under a PLA, qualified non-union contractors who wish to make lower-cost bids and employees who wish to work non-union are locked out of the project. The use of a Project Labor Agreement usually results in cost overruns and higher construction costs for taxpayers. The Cupertino City Council voted down a PLA for its library expansion in 2002, when Public Works Director Ralph Qualls researched its implications and found the proposed PLA would add significant project costs that would impact the extent of improvements and delay the completion date. The library opened in 2004 ahead of schedule and under budget for the benefit of Cupertino taxpayers.

In most local governments in California, construction is performed under fair and open competition with both union and non-union contractors without controversy. Most local governments want to maximize the number of capable and responsible bidders. When PLAs are imposed and competition in bidding is reduced, low bids are often 15-20% higher than expected and 25-20% higher than the cost of similar projects in the same area.

In these hard economic times, it is more important than ever to use taxpayers' money wisely to keep public projects on time and on budget. We appreciate your consideration of our concerns. Should you have any questions, please do not hesitate to contact me. Thank you.

Sincerely,

Jody Hansen
Vice President of Public Policy & Communications

cc: Bob Owens, President of the Board
Chris Constantin, Trustee
Joy Atkins, Trustee
Jack Lucas, Trustee
Buck Polk, Trustee
Chris Stampolis, Trustee
Wade Ellis, Jr., Trustee