



The Honorable Oswego County Administrator Phillip Church  
County Office Building  
46 East Bridge Street  
Oswego, NY 13126

Dear Honorable Oswego County Administrator Church,

I am writing on behalf of the Empire State Chapter of the Associated Builders and Contractors, Inc. (ABC). We represent more than 400 open shop contractors and their hundreds of thousands of employees across New York State.

It has come to our attention that Oswego County recently began enforcing a requirement that contractors who want to bid County projects of \$100,000 or more must have a registered apprenticeship. While you have the authority to do this, you are doing so at the expense of local contractors and the hardworking taxpayers that live in and support Oswego County. We're asking you today to rescind the requirement and do more research on the collateral damage the requirement will have on local taxpayers.

The requirement of an apprenticeship program will sideline the majority of contractors from working on these projects. Furthermore, buried in the resolution is an even more dangerous poison pill which mandates that contractors can only bid projects in the "type & scope of work" of their apprenticeship program. This will dramatically alter what both union and nonunion contractors can bid and win. Ultimately this resolution will hurt taxpayers by driving up the cost of construction due to a reduction in the number of qualified bidders.

According to the State Department of Labor website, in the five counties that make up Central New York, there are fewer than 15 contractors that have a registered apprenticeship program. They can, and do, bid and win work in Oswego County. They help to drive down the cost of construction by increasing the pool of potential bidders. That's how it should work to benefit taxpayers. These are contractors not signatory to a multi-employer program administered by local Collective Bargaining Agreements.

Yet the type and scope requirement negatively impacts union contractors, too. Now, they will need to sign the collective bargaining agreement for all the trades where they want to win work. While that may not seem like a big deal, in fact, it is. Those contractors will be on the hook for the long-term cost of dramatically underfunded pensions that will require massive funding in the future to remain solvent. That means more cost for you.

Further complicating this issue is a study by Dr. Paul G. Carr, P.E. that illustrates what happens when the number of bidders on a project is reduced. The study looks at 125 public works projects and the relationship between the number of total bidders and the final bid amount.

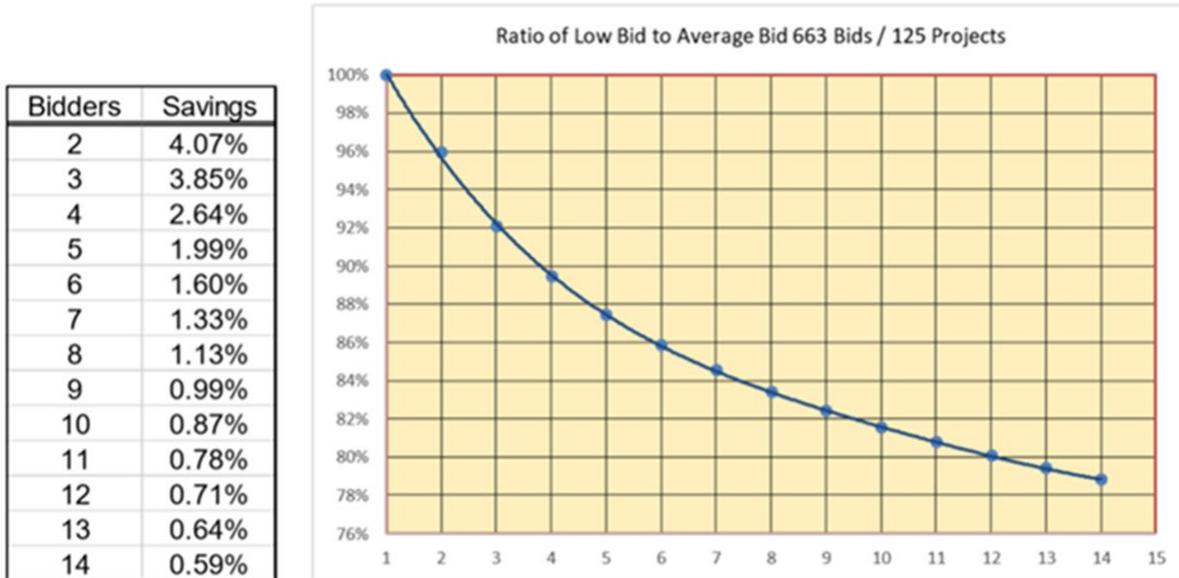


Figure 1 Ratio of Average Bid to the Low Bid based upon the No. of Bidders

“Clearly, for every additional bid received, while there is a diminishing rate of savings as the number of bidders goes up, but the benefit measured through lower bid prices does continue. The difference between those Stakeholders who strive to achieve 5 bidders, and those who are satisfied with ‘at least 3 bids in each trade’ – can see on average over 4 ½ % reduction in the construction cost. At three bids the low to average bid is 92.1%, while by adding two bidders in each trade, on average, one can reduce this to 87.5% or a significant project savings through this one action.” By reducing competition and thus reducing the number of bidders on Oswego County projects, you are actively increasing the cost of construction on all of the County’s public works projects.

There will be a significant increase in the cost of public works projects in Oswego County. It’s your fiduciary responsibility to the voters that placed you in office to act in their best interest. The only way that can be done is by promoting competition to ensure you receive the most cost-effective bid. If you do not rescind the new requirement, you’ll be subjecting your constituents to added costs for public construction or delays in getting repairs scheduled at a time when it can least be afforded.

The negative fiscal impact of COVID-19 will be measured not in days, weeks or months, but in years. The impact on local governments and taxpayers will strain yearly budgets for the foreseeable future. It’s imperative you do all you can to reduce waste and promote fiscally responsible policies. We urge you to go back and rescind the requirement mandating apprenticeship programs in order to bid and win work in Oswego County.

I look forward to your response and continued conversations regarding this matter.

Sincerely,

Brian Sampson

A handwritten signature in black ink, appearing to be 'BS' with a stylized flourish.

President  
ABC Empire State

<CC Oswego County Legislature>