

August 28, 2013

The Honorable Charlie Hales  
Mayor, City of Portland  
1221 SW 4<sup>th</sup> Avenue, Room 340  
Portland, Oregon 97204

Mayor Hales,

I'm writing today at the request of the Northwest Oregon Labor Council Executive Board to ask that you take a more active role in the negotiations between the District Council of Trade Unions (DCTU) and the City of Portland. As you know the DCTU affiliated members have been working without a contract since June 30<sup>th</sup> leaving both the workers and the city without the protections they deserve.

We have been informed that the City's proposals regarding the current contract language that restricts outside contracting and prevents the City from arbitrarily contracting out the work to low wage, non-union employers is one of the primary issues of the negotiations. This language also contains a requirement to demonstrate cost savings before contracting out the work the DCTU affiliated members are trained to perform, thus saving city and taxpayer money.

This Labor Council has seen the wholesale privatization of public services in other cities and we are very concerned that Portland may be following that trend. Contracting out work to low wage, non-union employers almost always costs more than its backers claim, subsequently resulting in subpar work. Service delivery suffers when profit is the prime motivation because the profit motive can be an incentive to cut corners.

When cities have chosen to contract out, very negative and cyclical patterns have always emerged. Contractors have often "low balled" their initial bids to persuade managers to award them the job. Once a contractor gets a foot in the door, he will likely raise his prices and the manager in charge has little or no choice but to continue with him when there is no place else to turn mid-project.

Contracting out services usually results in higher costs to taxpayers, a loss of City employee jobs and has a negative impact on the local economy. It does virtually nothing to help improve service delivery and find ways to save money. We believe that joint labor/management partnerships are the best way to truly improve service delivery and save money. Public resources are most efficiently and effectively deployed when front-line workers and managers, who have a stake in their communities, work together for the public good.

The hands-off approach from City Council is not helping to reach a fair and equitable contract, so again the Executive Board of the Northwest Oregon Labor Council asks that you consider taking a more active role in these negotiations.

Sincerely,

Bob Tackett  
Executive Secretary Treasurer  
NW Oregon Labor Council, AFL-CIO