

PECG OBJECTIVES FOR 2009:

PECG and its members are committed to the cost-effective use of tax dollars, the safe, timely delivery of transportation and other infrastructure projects, and project delivery procedures that help meet these objectives.

State Engineers Save State Millions, Expedite Projects

In May 2008, the Department of Finance revealed that **Caltrans spends \$121,000 annually for a state employed engineer (including salary, benefits, overhead and equipment) and \$217,000 a year for a private engineering consultant** to perform the same work. In state budget hearings, Department of Finance Director Mike Genest confirmed that "it costs more to contract out."



By relying primarily on state engineers and outsourcing only when necessary, **Caltrans delivered 100 percent of the 294 projects scheduled for bid during the 2007-2008 fiscal year**, roughly \$3.3 billion in projects. Over the past three years, Caltrans has delivered 753 of 754 projects on or ahead of schedule. It is also worth noting that Caltrans recent high profile success stories – the rebuilding of a key MacArthur maze freeway connector in just 26 days (2007), the demolition and replacement of a portion of the Bay Bridge over the 2007 Labor Day weekend, and the rebuilding of I-5 in Sacramento last summer in only 50 days – were all designed and inspected by state engineers.

Safety of Projects is Paramount



PECG believes that the safety of our state's infrastructure is paramount and that public agency oversight and involvement is the key to ensuring safe facilities. That is why **construction inspection should be performed by public servants accountable to the public, not private contractors motivated by profit**. When construction inspection is outsourced problems arise that threaten public safety (Boston's Big Dig), increase costs (Orange County's privately inspected SR 55/405 connector delayed by defective work requiring expensive repairs) and delay projects (Bay Bridge construction halted in 2006 due to questions about privately-inspected welds).

Design-Build that Eliminates Competitive Bidding and Public Inspection -- Proven Failure

Typically, **design-build eliminates competitive bidding, allows contractors to inspect their own work, and in every instance in California has greatly increased project delivery costs**. In recent years, four design-build projects have wasted \$2.2 billion in transportation funds without expediting project completion in California.

Ten state highway design-build projects were approved as part of the February Budget Compromise. The Legislature and Caltrans must ensure that those projects go forward with appropriate public oversight and accountability, including competitive bidding and public construction inspection to protect tax dollars and project safety.

Public-Private Partnerships (PPP) – Taxpayer Rip-offs Without Public Oversight

To date, because of the use of design-build procurement, lack of public oversight and unfavorable lease agreements, **California has experienced two major public-private partnership disasters requiring public bailouts** (SR 91—Orange County and SR 125—San Diego County). There have also been scores of other failed PPP projects around our state and the world.



The 2009 budget package includes expanded PPP authority for state highways. The Legislature, Caltrans, and the oversight board created by the authorizing legislation must ensure public agency oversight and involvement in future PPP projects to prevent foreign, multi-national companies and Wall Street investment houses from taking huge profits out of our transportation system, preventing

the improvement of public roads, and inflicting outrageous tolls on motorists. Public agency oversight is the only way to ensure that our history of failed PPP projects and public bailouts does not continue.

Furloughing State Engineers Slows Infrastructure Development, Job Creation

While the President and the state seek to fast-track infrastructure projects to spur our economic recovery, California's state engineers -- the people responsible for delivering transportation and other infrastructure projects -- face mandatory two-day-a-month furloughs. **Furloughs and threatened layoffs can only hurt project delivery, slow job creation and delay economic growth**. These unwise furloughs are equivalent to losing 1,000 engineers working on infrastructure project delivery per year.

Ninety-five percent of state engineers are paid out of special funds, so cutting their pay slows down project delivery without helping the General Fund.

Continuous Appropriation for State Employee Salaries

PECG – and other state employee groups – are sponsoring **legislation to ensure that state employees continue to be paid their full salaries on-time in the event the budget is not passed** in a timely manner. Employees who deliver projects on time deserve to get paid on time.

Engineering California's Future

Designing Projects for Today . . . and Generations to Come.

Transportation
Hospitals
Schools
Energy
Water



PECG

The Professional Engineers in California Government (PECG) provides representation in employment and professional matters for 13,000 state-employed engineers, architects, engineering geologists, landscape architects, land surveyors, and related professionals and has done so for more than 40 years.

PECG MEMBERS — COST-EFFECTIVE, TIMELY, QUALITY ENGINEERING AND RELATED SERVICES

PECG members design and inspect California's highways and bridges, ensure that schools and hospitals are safe during earthquakes, and protect our air, water and beaches from polluters — for today and generations to come.

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