



PROFESSIONAL ENGINEERS

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BUDGET DEFICIT REQUIRES END TO WASTEFUL NO-BID CONTRACTS

SACRAMENTO, Calif. – Today, Governor Jerry Brown released his May Revise State Budget which revealed a \$16 billion General Fund deficit for the upcoming fiscal year. The Governor’s proposal includes cutting compensation for state workers.

“Governor Brown has reported a substantial State Budget deficit to the people of California. Before cutting compensation for public servants, we urge the Governor to order his departments to stop awarding overpriced no-bid state contracts which cost the taxpayers billions of dollars,” said John Roberts, President of the Professional Engineers in California Government (PECG). “Eliminating wasteful outsourcing would dramatically reduce the budget deficit facing the state.”

For years, the State Budget and the Governor’s Department of Finance have documented proof that outsourcing engineering and related services, such as highway design and inspection, costs at least twice as much as performing the work with public servants. These contracts are awarded without competitive bidding, wasting hundreds of millions of taxpayer dollars each year.

Recently, the state, as well as local and regional agencies using state funds, have been awarding highway construction contracts without competitive bidding. This procedure typically costs twice as much as using the competitive bidding model, wasting additional billions of taxpayer dollars.

“Before the Governor or Legislature start slashing pay and benefits for California’s working men and women who serve the public, they should eliminate wasteful no-bid contracts which cost the taxpayers billions of dollars, then analyze the extent of any remaining budget problem,” Roberts said.

Attached are informational sheets outlining the cost of state engineers versus outsourced engineers as well as some of the wasteful contracts for transportation projects statewide. Detailed information on all the projects is available at <http://www.pecg.org/Issues/Issues.htm>.

ABOUT PECG

PECG represents 13,000 state-employed engineers and related professionals responsible for designing and inspecting California’s highways and bridges, ensuring that schools and hospitals are safe during earthquakes, and protecting our air, water and beaches.

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