

California State Senate

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September 11, 2019

The Honorable Gavin Newsom
Governor, State of California
State Capitol, First Floor
Sacramento, CA 95814

RE: Recommended Veto of AB 625 (Kalra)

Dear Governor Newsom:

I respectfully write to request your veto of Assembly Bill 625, which would establish a 10% bid preference for bidding contractors who retain the employees of the prior contractor or subcontractor on all public transit contracts awarded by the State of California.

Former Governor Gray Davis specifically requested that the state be exempted from the bid preference mandate on local agencies that this bill seeks to expand to the state. He likely did so because he recognized that this mandate applied to the state would mean higher state costs and reduced quality and service.

Additionally, I agree with your predecessor, Governor Brown, who vetoed an identical bill, SB 599 (Mendoza), from 2016, stating that, "By simply expanding this local requirement to the state, this bill would significantly limit the state's current contracting authority to determine who would be eligible for the bid preference and how to calculate it if applied. I do not believe such a broad change is needed at this time."

Finally, expanding the mandate would essentially force a new transit contractor to keep the employees of the former contractor, thereby limiting the new contractor's ability to manage its workforce by ensuring the state is getting the best service at the best price.

For these reasons, I respectfully request your veto.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Grove".

Shannon Grove
Senate Republican Leader