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CITY OF LOMITA

June 6, 2024

The Honorable Liz Ortega
1021 O Street, Room 5120
Sacramento, CA 95814

Re: **AB 2557 (Ortega): Local Agencies: Contracts for Special Services and Temporary Help: Performance Reports (As amended 5/16/24)**
OPPOSE

Dear Assembly Member Ortega,

The City/Town of Lomita must respectfully **oppose AB 2557**, a bill related to contracting by local agencies. AB 2557 is overly burdensome and inflexible, which will likely result in worse outcomes for vulnerable communities and diminished local services for our residents.

Broad application has costly implications. The City/Town of Lomita relies in part on contractors to provide a variety of programs and services. Given our current workforce shortages, it would be difficult to provide these services without their capable assistance. The City of Lomita depends on contractors for many of our public works' projects. Without these contractors, the City of Lomita would not have the manpower and resources required for these essential projects.

With the additional reporting obligations and requirements of AB 2557 for local agencies with represented workforces and their contractors, we can expect (1) fewer nonprofit providers, community-based organizations, and other private service providers willing to engage with local agencies, (2) exacerbated already-demanding caseloads and workloads for our existing staff, and (3) increased costs.

There remains a chronic under-investment in funding local government programs and services in California. Most of the new resources that local agencies have received from the state and federal governments over the past many years have been one-time in nature.

Reporting requirements are burdensome, duplicative, and impractical. AB 2557 would require contractors to provide quarterly performance reports with a litany of required components, including personally identifiable information for its employees and subcontractors that is subject to the California Public Records Act. Cities would need to create a new local bureaucracy at a considerable cost to follow the provisions that require quarterly performance reports.

In addition to requiring contractors to provide semi-annual performance reports every 180 days, AB 2557 requires an independent auditor (likely also be subject to AB 2557) to

determine whether performance standards are being met for contracts with terms exceeding two years, ostensibly *at the contractor's cost*. It is unclear what this audit could unearth that a regular performance report cannot. This provision fails to understand the practical logistics of actually achieving this reporting and review in a timely manner — not to mention the considerable burden placed on contractors, which would presumably be another deterrent to engaging with local agencies.

Making private employee data subject to the California Public Records Act deters effective partnerships with the private sector. AB 2557 requires contractors to provide information about employees and retain records. This private employee data would be accessible to any member of the public via the California Public Records Act (CPRA). Public employee data subject to the CPRA has resulted in data mining for profit, as well as subjecting employees to harassment and threats.

Local agencies are already subject to statutory limitations on contracting. Cities are already subject to the statutory provisions of the Meyers-Milias-Brown Act and related state law provisions. Local agencies cannot contract out work currently performed by bargaining unit employees simply to save money and most contracting-out decisions are already subject to meet-and-confer requirements. All the issues the bill seeks to address are better addressed at the bargaining table where local conditions can be appropriately considered.

AB 2557 represents a sweeping change to the fundamental work of local governments, but we are unaware of a specific problem that this measure would resolve or prevent. AB 2557 will not improve services, reduce costs, or protect employees. For these reasons, the City/Town of Lomita respectfully **opposes AB 2557**.

Sincerely,



Bill Uphoff
Mayor

Cc: The Honorable Liz Ortega, Chair, Assembly Local Government Committee
The Honorable Tina McKinnor, Chair, Assembly Public Employment and Retirement Committee
Lomita City Council
Jeff Kiernan, Cal Cities Regional Public Affairs Manager via email
jkiernan@calcities.org League of California Cities, via email: cityletters@calcities.org