

Tools to Fight Privatization

Privatization Talking Points

1. Privatization Does Not Necessarily Save Money.

Contractors frequently low-ball or underbid to win a contract, raising rates after they get established and agencies have contracted with them.

City officials rarely consider "hidden costs" including the cost of converting public services to private providers and the cost of monitoring and enforcing the agreement, which the federal government estimates adds at least 4% annually to the total contracting out cost to taxpayers.

Contractors often pad their profits by selling their own equipment, supplies or additional services to the city at a high mark up.

2. Private Contractors Are Less Accountable To The Public And Elected Officials.

When in-house expertise and equipment are eliminated, the City will lose its' capacity to provide certain public services and becomes dependent on the private contractor. Termination clauses are rarely invoked by city or government officials because of their financial and political cost.

Private contractors are not required to open their records or decision making process to the public, and are not covered by open meetings laws or freedom of information acts.

Contracting-out increases opportunities for corruption, allowing government officials to award contracts to political cronies or family members.

Lax screening requirements can put the public at risk.

3. Privatization Hurts Local And State Economies.

Contracting-out exports taxpayer dollars from employees and communities to big corporations, often headquartered out of state.

Communities lose public sector jobs with family-supporting wages and benefits, leading to increased social service costs.

Local companies that provide supplies, services or equipment to government agencies lose out when a large contractor wins a bid and their contracts are canceled.

4. There Is An Alternative: Improve Delivery Of Public Services Through Partnership With Front Line Workers.

The City can save money and improved services by relying on the ideas, experience and commitment of experienced workers, by actively involving them in restructuring through joint efforts.

If competitive bidding is established, allow employees the opportunity to bid on providing services, and even allow "contracting-in".