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## Project Labor Agreements

### Quality Construction Alliance Position:

*Federal government agencies and contracting officers should have the same construction management tools for on-time, on-budget, quality construction as building owners in the private sector. The Congress should continue to allow federal owners the option of utilizing Project Labor Agreements where appropriate on federal construction projects and should oppose any effort to prohibit agencies from using them. QCA opposes The Government Neutrality in Contracting Act in the House and Senate.*

### Issue:

The PLA is a business model used in both the private and public sector that offers jobsite efficiencies, with a steady, local and legal supply of trained and productive workers and contributes to the economic health of the local communities where they are used. Project labor agreements have been used for almost 100 years in private sector construction and for about 60 years in federally funded construction. The Supreme Court Boston Harbor Decision in 1993 permitted states and municipalities to also use project labor agreements.

In 2009, President Barack Obama issued Executive Order 13502 to permit, not mandate, government agencies to consider Project Labor Agreements on projects over \$25 million. PLAs are valued by experienced, cost-conscious owners and construction contractors. PLAs guarantee a steady supply of skilled, legal labor when needed and ensure that all parties associated with the completion of a construction project are working under the same set of rules from the outset. A PLA creates efficiencies on the job that owners value because they facilitate project completion. PLAs have been proven to be sound tools that garner the highest quality workforce and project results. Although they have been lightning rods for political and legal challenges, nearly all such challenges have failed. Republican and Democratic governors alike have endorsed the use of PLAs.

- Owners and government agencies reasonably assess the appropriateness of a PLA authorization on a project-by-project basis.
- Project labor agreements are neither mandatory nor “union-only” projects. Once a PLA has been negotiated, both union and nonunion contractors are free to bid on the work as they do on any other construction project.
- Disney, Toyota, General Motors and major oil companies on the Trans-Alaska Pipeline have all used Project Labor Agreements for major construction projects. The Grand Coulee Dam, Kennedy Space Center, several nuclear research facilities, the Woodrow Wilson Bridge Project, and dozens of professional sports stadiums, including the Washington Nationals Stadium, are examples of public sector projects that have used PLAs.
- PLAs address concerns by prime contractors over availability of skilled labor, even in an area where several big projects may be competing for the same skilled labor pool because the local Building Trades Council agrees to provide labor from other areas, under the same agreement, if there is a skilled worker shortage.
- PLAs allow for workforce screening and background credentialing for project security requirements.
- PLAs do not discriminate against nonunion construction contractors or workers. Union-only agreements are permitted in the private sector but bid awards in the public sector cannot be based



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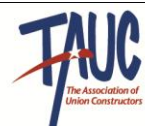
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- on union or nonunion status. Contractors have the sole right to reject any applicant referred by a local union. Nonunion contractors are permitted to by-pass union referrals for “core employees.”
- PLAs do not limit the pool of bidders nor do they raise construction costs. Market factors and business cycles are shown to have more impact on bidding than the implementation of PLAs.
  - PLAs do not thwart participation by small businesses or women- or minority-owned firms. The construction industry is compromised almost totally of small businesses. PLAs are frequently constructed to require reach-out to small businesses and to women and minority owned firms.
  - PLA employers maintain a system of apprenticeship training, health and welfare, pension benefits, and career advancement training

### **Status of Project Labor Agreement Legislation**

#### **H.R. 735**

The Government Neutrality in Contracting Act

Sponsor: Rep. John Sullivan (R-1-OK)  
Co-Sponsors: 3  
Last Major Action: Referred to the House Committee on Oversight and Government Reform

#### **S. 119**

The Government Neutrality in Contracting Act

Sponsor: Sen. David Vitter (R-LA)  
Co-Sponsors: 0  
Last Major Action: Referred to the Senate Committee on Homeland Security and Governmental Affairs

Legislation would effectively prevent the implementation of PLAs on federal government construction projects.

*Updated: May 1, 2011*

### **H.R. 735 Co-Sponsors:**

Michael Burgess [R-TX26]; Steve King [R-IA5]; Lynn Westmoreland [R-GA3]



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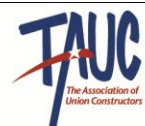
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