Construction
Project Labor
Agreements

Solano College Governing Board
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Project Labor Agreement

- Project Stabilization Agreement
- A collective bargaining agreement that applies to a specific construction project and lasts only for the duration of the project
- Wages and fringe benefits to be paid on a project
- Binding procedures to resolve labor disputes
- Provision barring unions from striking and contractors from locking out workers
- Generally requires (1) contractors to hire workers through a union hiring hall or (2) employees to become union members after being hired
- Applies to all contractors and subcontractors on a project
History of Project Labor Agreements

- First used in 1930

- Projects completed with a PLA:
  - Grand Coulee Dam, Hoover Dam, Shee Dam, St. Lawrence Seaway, Disney World, Trans-Alaska Pipeline, Nummi Plant, Genentech, Wal-Mart, Inland Steel, ARCO, Harvard University, Pfizer, Toyoda and Boeing.

- Selected California PLAs:
  - Cities of Sacramento, West Sacramento, Los Angeles and Concord; Contra Costa Water District; County of Orange; Lawrence Livermore National Laboratory; Los Angeles Unified School District; Metropolitan Water District; Port of Oakland; Sacramento Regional Transit; San Diego Water Authority; San Francisco Airport; Santa Ana Unified School District; Solano Community College District.

Project Labor Agreements

- Who benefits from a PLA?
- How are PLAs devised?
- Do all projects benefit from a PLA?
- Can a PLA cover more than one project?
- Are PLAs only good for billion dollar projects?
- Are PLAs limited to new construction?
- Can a PLA extend beyond the completion of the project?
Project Labor Agreements

- Savings or added Costs?
  - Benefits carve outs
  - Cost overruns and delays
- Competition?
  - Non-union contractors and workers
  - Bidding
- Value to Community?
  - Local workers, money stays in community and contributes to its prosperity

Arguments in Favor of PLAs

- 1. provide uniform wages, benefits, overtime pay, hours, working conditions, and work rules for work on major construction projects;
- 2. provide contractors with a reliable and uninterrupted supply of qualified workers at predictable costs;
- 3. ensure that a project will be completed on time and on budget due to the supply of qualified labor and relative ease of project management;
- 4. ensure no labor strife by prohibiting strikes and lockouts and including binding procedures to resolve labor disputes;
- 5. make large projects easier to manage by placing unions under one contract, the PLA.
- 6. may include provisions to recruit and train workers by requiring contractors to participate in recruitment, apprenticeship, and training programs for women, minorities, veterans, and other under-represented groups (this is a common CWA provision);
- 7. reduces misclassification of workers and the related underpayment of payroll taxes, workers compensation, and other requirements;
- 8. may mean a larger percentage of construction wages stay in state, and
- 9. may improve worker safety by requiring contractors and workers to comply with project safety rules.

PLA proponents note that the positive impact of creating career paths for women, minorities, veterans, and other under-represented populations (a common CWA component) may not be easily measured in the short term. But they say that developing qualified workers in the construction trades and including people who historically were underrepresented in the trades, has a positive long-term economic benefit for the individuals who receive the jobs and for the construction industry as a whole.
Arguments Opposing PLAs

1. Increase costs by mandating union wages and work rules and inhibiting competition.
2. Are anti-competitive because nonunion contractors may choose not to bid because either their members would be required to join a union if the contractor wins the bid or the contractor would not be able to use its own workers if the PLA required hiring through the union hiring hall.
3. Are inherently unfair to nonunion contractors and nonunion employees.
4. Are an unnecessary mandate (If imposed by law).
5. Hinder the use of nonunion contractor training programs that may operate more efficiently and are job specific, instead of union apprenticeship programs of a fixed duration; and
6. Are unnecessary because of existing prequalification procedures that screen contractors that bid on public projects.

PLA critics also note that the issue is not always that PLAs are detrimental. Sometimes, they argue, having a PLA is not proof of an improved situation. For example, the available evidence does not show that PLA construction projects are safer than non-PLA projects.

Project Labor Agreements

- Community Colleges
  - Cabrillo College
  - Chabot Los Positas CCD
  - College of Marin
  - Contra Costa CCD
  - Foothill De Anza CCD
  - Fullerton CCD
  - Napa Valley College
  - Ohlone College
  - Peralta CCD
  - San Francisco CCD
  - San Jose Evergreen CCD
  - San Mateo CCD
  - Santa Rosa CCD
  - Solano Community College
  - West Valley Mission CCD

- Solano County
  - Government Center (completed)
  - Health & Social Services Building (Vallejo; DB; completed)
  - Public Forensic Lab (Fairfield; DBB; completed)
  - Clayton Detention Facility (current)

- Private Sector
  - New GI Bill Stadium (February 2013)
  - San Jose BART (April 2012)

- Other Developments
  - SB 129 - Bill Protecting PLAs Approved By Assembly Appropriations Committee
  - SB 825, Building Trades legislation to prohibit local bans on Project Labor Agreements
  - President Obama's Executive Order on PLAs.
  - Encourage federal agencies to use PLAs on large scale projects.
Websites

- www.plaswork.org (pro PLA)
- www.thetruthaboutplas.com (anti PLA)
- http://www.library.ca.gov/crb/01/10/01-010.pdf (Study on PLAs prepared at request of Senator John L. Burton, President pro Tempore; Kimberly Johnston-Dodds, October 2001)
- http://digitalcommons.ilr.cornell.edu/key_workplace (July 1, 2010 report on project labor agreements; Congressional Research Services, by Gerald Mayer, Labor Policy Analyst)

Options in Moving Forward with Measure Q

- No Project Labor Agreements

- All Project Labor Agreements

- Selected Use of Project Labor Agreements
  Project Costs; Complexity of Project; Number of Trades