

## **Project Labor Agreements**

Project Labor Agreements, also called Community Workforce Agreements or Project Stabilization Agreements, emerged in the 1930s as basic pre-hire agreements between the owner or contractor and the local building trades unions. These basic agreements set standard pay and benefit rates across the trades. Owners and contractors soon recognized the clear economic and managerial value of the PLA business model. By the 1980s, PLAs were common in both the public and private sectors, and had begun to evolve into the Project Labor Agreements in use today. Modern PLAs are negotiated on a case-by-case basis, and include sophisticated provisions that keep jobs running smoothly, promote efficiencies, and nurture the development of a skilled workforce.

Today, Project Labor Agreements in the public sector focus on creating a positive community impact as well as promoting their on-time, on-budget completion. These PLAs are crafted to address the specific needs of the project and the community, including provisions for local hiring, minority and at-risk targeted training programs, minority-owned small businesses, apprenticeship ratios, scheduling, work rules, safety, cost-containment, management-rights and specialized procedures. It also enables community groups and schools to partner with local unions to connect people from low-income neighborhoods with training and a career in the building trades.

These agreements facilitate the smooth completion of projects by establishing, upfront, the terms and conditions of employment and a framework for cooperation that will apply to all workers and their respective crafts involved in a construction project. PLAs in particular have recently been under attack in Congress and in State Legislatures across the country. Many wrongly accuse these agreements as political payback to unions.

### **PLA/CWA/PSAs are tools praised by many companies because they provide many benefits:**

- They prohibit all strikes or work stoppages by all construction workers on the project
- Establish a single procedure for handling all workforce disputes regardless of the craft
- Serve as an effective tool for ensuring that large and complex projects are completed on time
- Provide construction contractors with access to a highly skilled & properly trained workforce
- Create a set wage for each craft and apprentice on the construction project, allowing for accurate budgeting by the business owner and construction contractors on and off the job site
- Encourage employment of local residents, in turn ensuring that these workers' paychecks will be spent in the local community.

The PLA/CWA/PSA business model does not mandate or pre-determine a workforce to be union or non-union. It allows for the project owner, such as the government or private sector entity, to establish the workforce standards for both union and non-union workers.

The federal government does not mandate use of PLAs projects. President Obama signed Executive Order 13502 which stated that federal agencies **may** (not "shall")

require PLAs to be used on construction projects where the total cost to the federal government is \$25 million or above.

**Building Trades Members are encouraged to tell their elected officials to support the Project Labor Agreement (PLA) option for Federal projects and oppose congressional efforts to mandate prohibitions on this important construction management tool.**