

# **PROJECT LABOR AGREEMENTS (PLA)**

Prime-DBE Cooperative Presentation

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# What is a Project Labor Agreement?

- A PLA is a Comprehensive pre-hire collective bargaining agreement between Public Agencies, Developers, Project Owners, and or Prime Contractors, and the Building Trades Council.
- PLA's are pre-hire agreements because they are negotiated before the construction project begins and before the workers are hired. [NLRA 8(f)]
- Such agreements cover the terms and conditions for workers employed on the project, and these terms apply to all contractors (union and non-union).
- The effective dates of a PLA can be for the duration of the project, linked to a specific construction funding source, or have an expiration date.
- PLA combined with local hire provisions are commonly referred to as Community Workforce Agreements (CWA).

# Provisions of Project Labor Agreements

Although each PLA is tailored to a specific project, most PLAs provisions include:

- A prohibition on strikes, work stoppages, picketing and lockouts;
- A dispute resolution process, usually a system of expedited arbitration;
- Establishment of uniform work rules;
- A requirement that all subcontractors abide by the PLA;
- A job referral process using the union hiring hall to ensure skilled journey level workers;
- A declaration of management rights;
- Wages and benefits based on government established Prevailing Wages;
- Allowing the use of a non-signatory employer's (Mainly S/L/DBEs) core employees; and,
- Establishment of labor/management committees.

# Provisions of Project Labor Agreements

Additional provisions that are negotiated on a case by case basis include:

- Establishing Local Hire provisions which have the dual objective of ensuring that Local journey workers are employed on the project, and bring in new local apprentices into the trades as a result of the PLA.
- Establishing a scope of work that is outside the terms and conditions of the PLA (S/L/DBE Exclusion) that only allows small/local/disadvantaged businesses can bid.
- Establishing substance abuse programs; and,
- Establishing separate programs for workers compensation coverage designed to increase safety and reduce costs while ensuring injured workers are taken care of.

# What are the Benefits of a PLA/CWA To Public Agencies and Taxpayers

- PLA's ensure that nearly all the workers on the job will have been trained in the best apprenticeship programs promoting the highest quality of work.
- PLA's guarantee no work stoppages due to labor disputes, thus enabling the project to be completed on time and within budget
- A PLA will ensure that employers pay their fair share of benefits to workers rather than shifting those expenses to County facilities, thus costing taxpayers.
- A self-administered workers compensation insurance program can be established under the PLA and will create a project with fewer accidents and lower insurance rates. This can significantly reduce costs.
- Standardized working conditions can insure a more efficient project and reduce costs and increase productivity.
- PLA's promote the use of "responsible" contractors ensures that public funds are not spent on low quality work built by unskilled workers, and contractors that "cut corners".

# What are the Benefits of a PLA/CWA To Local Communities and Workers

- Local Hire provisions in the PLA that ensure the creation of entry-level apprentice positions mean that local residents will have access to real career opportunities.
- Provides significant resources for the apprentice training of local resources.
- PLAs all but eliminate prevailing wage violations, prevalent in the industry, ensuring that all workers are paid the proper wages.
- Safety on the project is enhanced through a higher scrutiny of work and safety rules and a prevalence of high skilled experienced workers.
- CWAs discourage the use of out-of-area contractors that increase the circulation of construction related spending in the local area and communities.

# What are the Benefits of a PLA/CWA To Responsible Contractors

- By establishing a level playing field on wages and working conditions, contractors bid, knowing they will not be undercut by competitors who violate state Prevailing Wage law or cut corners due to an inexperienced workforce.
- Contractors will benefit from a no-strike no-lockout commitment, binding procedures for settling disputes, and protection from work stoppages.
- PLAs provide for standardized conditions and established wages that every participant from both Labor and Management can rely on.

# Benefits of PLAs for S/L/DBEs

- Non-Signatory S/L/DBEs have access to qualified labor through the Union Hiring Halls.
- The “playing field is leveled” for responsible S/L/DBEs (Signatory and non-signatory)
- Non-Signatory S/L/DBEs can “test the waters” of working under a union agreement on a project basis.

# General Issues at Negotiations with Agency Staff

- Thresholds (Usually below 1 million)
- Core Employee (For local “core employees” or only for S/L/DBEs)
- Small Business Exclusions (5% with no more than 10% per craft, and only where there is no threshold)
- Local/Disadvantaged Hire (BTC want focus on apprenticeship pathways with regional approach)
- No unilateral agency exclusions (Meet and Confer only)
- PLA Policy for Private Developers vs PLA with Agency