

Project Labor Agreement/Community Workforce Agreement

Frequently Asked Questions

What is a Project Labor Agreement?

A Project Labor Agreement (PLA) is a comprehensive pre-hire collective bargaining agreement that sets the basic terms and conditions of employment for an entire construction project.

What is the difference between a PLA and a usual Collective Bargaining Agreement?

In the construction industry, collective bargaining agreements are commonly negotiated between a single union that represents the members of a particular trade and a contractor or association of contractors that employ the members of that trade. As a result, on any construction site, there may be employees working under any number of collective bargaining agreements, or no agreement at all.

A PLA establishes the basic terms and conditions of employment for *all* of the employees who will be engaged on the project.

Are there certain common features in PLAs?

A PLA will commonly have the following features:

- Uniform work hours and holiday schedules
- Prohibitions against strikes and lockouts
- Procedures for quickly resolving disputes that arise on the project
- Pre-job conferences to assign and coordinate work
- Joint safety and health committees
- Provisions for using apprentices on the project, to ensure local community job training opportunities
- A commitment to utilize the services of the Center for Military Recruitment, Assessment and Veteran's Employment and its "Helmets to Hardhats Program," to recruit veterans to work on the covered project

Why would an owner or construction manager be interested in using a PLA?

PLAs provide owners and managers with a tool for creating a stable, uniform labor management foundation for methodically planning and scheduling a project. The agreements reduce the uncertainties inherent in large-scale construction projects by establishing all terms and expectations up front and creating a framework for cooperation among all groups working on the project. By adopting a labor-management model that fosters jobsite efficiencies and ensures an uninterrupted supply of qualified workers, PLAs keep a project on schedule, avoiding costly delays. They also allow parties to more accurately predict labor costs and production timetables, which means more accurate bidding and lower overall costs. PLAs also offer direct cost savings through streamlined safety procedures, avoiding the need to renegotiate agreements during the course of the project, setting work schedules to keep costs low, and using expedited dispute resolution procedures.

Finally, public entities are increasingly using PLAs to benefit the community in which the project is being constructed, by guaranteeing training and work opportunities to the local workforce.

Do PLA's discriminate against non-union contractors?

No. Any contractor that is willing to abide by the terms of the agreement is free to bid for work under a PLA. On public projects, contractors only have to agree to abide by the PLA and the underlying local agreements while working on that particular project.

How long does it take to negotiate a Project Labor Agreement?

Basically after an agency Board has directed staff to negotiate in good faith, agreements are typically ready for formal approval in 1-4 months. The length of time is primarily driven by the priority given to the process by the respective Board and the agency's staff as well as the scheduling availability of the participants.

The Building Trades Council provides a boiler plate agreement to facilitate negotiations. Agreements with other agencies throughout the Valley typically start with this document, adding modifications to meet individual agency needs.

Is PLA training available?

The Building and Construction Trades Council will develop and conduct a customized training for an agency's staff involved in project management. We have successfully conducted trainings for a variety of departments in the County of Santa Clara and the City of San Jose. Trainings typically take about an hour. All materials are provided. With mutual agreement, trainings have been held at agency sites and the Building and Construction Trades offices. When requested, individual meetings with Project managers have been arranged.

The training follows this basic outline:

1. Purpose and benefits of a PLA
2. PLA Pre-Construction Conference
3. Program Manager's Responsibilities
4. Documents
 - a. Addendum A (Agreement to be bound by PLA)
 - b. Targeted Hiring Form
5. Pre-construction Conference Agenda
6. Work Assignments and Jurisdictional Disputes
7. Targeted Hiring

Do PLA's require a lot of additional agency staff time to administer?

Once integrated into an agency's bidding procedures PLA require little time to administer. The key to successful PLA administration is to include the PLA in the bid packet with the requirement that a bid submittal by a General Contractor (GM) or Construction Manager (CM) at risk include a signed Addendum A (Agreement to be bound by the PLA).

A GM or CM at risk should then follow the same procedure with subcontractor bidding. This way everyone understands the rules upfront and the burden to gather the signed Addendum A's and Targeted Hiring Forms rest with the GM or CM at risk rather than agency staff.

What happens at a mandatory PLA Pre-Job meeting?

- Each subcontractor will announce their scope and work assignments. Work assignments will be accepted by respective unions.
- Unions with overlapping work claims will step outside, exchange business cards and attempt to resolve any jurisdictional disputes. The assignment of covered work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (referred to as the "Plan")
- The Community Workforce Coordinator will explain Targeted Hiring procedures.
- Assignment acceptance and any overlapping claims will be recorded.

How have PLAs been used to achieve benefits for the community or what is a Community Workforce Agreement?

Public entities are using PLAs to provide opportunities for historically disadvantaged workers and businesses. Working together, agencies, unions, contractors and community groups have created innovative pre-apprenticeship programs to help community members develop the skills they need to enter apprenticeship programs.

Critics say PLAs increase the cost of construction. Is this true?

No. Opponents of Community Workforce Agreements have argued that PLAs increase project costs, but studies by leading academics have concluded that there is simply no evidence to back up this conclusion, and that the studies on which the critics rely routinely fail to take into account other factors that influence a project's costs. In fact, most PLA users speak to the economic benefits that come from having access to an uninterrupted supply of qualified workers, being able accurately to predict labor costs, utilizing expeditious mechanisms for resolving disputes, and creating labor-management cooperation committees to promote safe work practices on the job.

Do PLAs disadvantage small businesses?

Although opponents of PLAs claim small businesses suffer, PLAs actually provide a financial advantage to small non-union businesses. Because a PLA sets the basic terms and conditions for all contractors, these non-union contractors get unprecedented access to multiemployer benefit plans. In real terms the PLA allows the contractor to reduce their payroll taxes by 20 to 35 percent. Normally these contractors would be responsible for the entire Prevailing Wage paid in wages. Under a PLA, small non-union contractors benefit from a significant savings on total labor cost due to the lesser payroll tax burden.

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