Project Labor Agreements for Local Public Works Projects

Public Works Officers Institute
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PLAs are negotiated contracts pertaining to construction workforce and labor relations

- Specifically permitted for use in the construction industry by Section 8(f) of the National Labor Relations Act.

Basic bargain in PLAs on public projects:

- Public entity gets assurance of labor peace
- Participating unions get broad application of terms of collective bargaining agreements
Project Labor Agreements: Types of Projects

- PLAs are often negotiated for:
  - Particular large publicly-funded projects
  - Categories of publicly-funded projects
  - Private projects receiving public support or needing discretionary approvals
The legality of use of PLAs on major projects is well-established under federal law.


- Law is less clear on PLAs applicable to multiple projects, but see: *Rancho Santiago*
Basic Terms of the PLA

- Every PLA contains the following key provisions:

1. An agreement by unions not to strike or take other collective action against the project or contractors working on it;

2. Requirements that any contractor working on the project (whether or not it is signatory to a collective bargaining agreement) abide by terms of the relevant trade’s collective bargaining agreement in performance of project work;
3. Union hiring hall is the primary source of labor for the project

4. Dispute resolution systems for quickly resolving any jurisdictional disputes between unions; and

5. Technical provisions regarding coverage, enforcement, etc.
Three major areas on which public entities generally wish to negotiate:

- **Cost Control**
  - Manageable scope and exclusions
  - Ensuring competitive bidding environment
  - Legitimate opportunity for participation by non-union contractors
  - Core workers

- **Targeted Hiring**
  - Local/disadvantaged workers
  - Apprenticeship access
  - Pair with pipeline improvements

- **Targeted Contracting**
  - Small/Local Businesses
  - DBEs, Section 3, etc.
  - Overlap with cost-control deal points
PLAs: Negotiation Mechanics

- Standard language vs. negotiated language

- Public entity’s negotiating team
  - Staff, consultants, legal
  - Construction industry expertise
  - Input from governing bodies

- Stakeholder input
Selecting a Consultant

- Add capacity to your organization
  - Free up your team to focus on making your city a great place to live, work, and play
  - Help your team add value to the citizens through the PLA
  - Knowledge of Unions
  - Understand contractors and contractor associations and be able to align values of the city with your contractor partners – not just with the union partners

- Track record of success in workforce development and local hire
  - Doesn’t need to be in your geographic location, but they must understand the fundamentals
  - Need to actually value workers and strategic outcomes of the program
Some Terms

- Some terms I will use:
  - In-Process Test – monitor production inputs (concrete testing)
  - Functional Test – from time-to-time test check quality (weld testing)
  - Effective Indicators – measuring the outputs not activity
  - Pairing Indicators – alignment of multiple indicators
  - Quality Indicators – assessing the value added of a step in the process
Help You Improve the Way Your Citizens: Live, Work, & Play

- Free-up your staff to focus on their core skillsets
- Help your staff add their insights into the negotiation process
- Help simplify the PLA through cheat sheet
- PLA is the foundation – good PLA administrative provides
  - Quality Assurance (success metrics)
  - The frame (administrative definitions)
  - Walls (synergizing relationships with staff, contractor associations, and unions)
  - Exterior (meeting the goals of PLA as set by your council)
PLA Value to Your City - Not Just Local Hire

- Part of your succession plans

- Bring the value of unions to your city
  - Better skilled workers at scale – through unions training centers

- Help you add bidders not limit bidders

- Help your small businesses succeed through programmatic Small Business Supportive Services
Free-up and Teach-up Your Team

- Understand Union POLITICS
  - Critical to negotiations and goal achievement
  - What are the pressures from the international and locals’ membership?

- Understand fundamentally how construction unions work and be able to help you better understand them
  - How do hiring hall lists work?
  - What do the collective bargaining agreements allow you to do?
  - How are some trades different – this is where local understanding is paramount
The Third Party – Contractors (arguably the most important to success outcomes)

- Understand contractors and contractor associations and be able to align values of the city with your contractor partners – not just with the union partners
  - What are the contractors long-term and short-term risks?
  - Help you develop a mentor/protégé program for local small and disadvantaged businesses

- The Contract (secret sauce)
  - Help you draft contract language the helps you implement your larger goals
  - BUT YOU CAN’T BE AFRAID TO USE THEM
Consultant Local Hire Capacity

- How to leverage their skills and connections to help you achieve your goals
  - Relationships with unions
  - Relationships with contractor associations

- Understand how to achieve broader community goals

- How to test the efficacy of your program
Why is Local Hire Wanted?


- How to leverage other similar programs throughout your community to achieve multiple success
  - For Example: Help you bridge the divide between your local hire goals and your HUD funded programs Section 3 goals

- If you’re a small city: how to leverage the local hire goals of your neighbors – especially lower average income neighboring cities
Is Your Local Hire Program Working?

- Help you make decisions at the lowest possible step in the value chain through “In-process functional tests”
- Quality of partner assessments
  - Pre-Apprenticeship Programs: Do the new apprentices have the requisite soft skills? Basic hard skills? MC3 certification is not enough.
  - Do the pre-apprenticeship programs achieve positive outcomes for your hardest to serve populations?
  - Contractors: Are resident workers utilized in meaningful ways? Not all of them should be flaggers or doing site clean-up.
  - Understand how to use effective paired quality indicators to assess the ongoing output of your PLA program
    - Local hire utilization
    - Small Business Utilization
    - Project Costs
    - Project Quality
Summary

- Public entities can shape a PLA that advances various public purposes

- While PLAs may look similar, in reality small language changes mean a lot

- PLAs are neither good nor bad; but there are better PLAs and worse PLAs

- Ensuring that a PLA advances your public purposes requires sustained effort during both negotiation and administration
Thank you!

Questions?

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