



CONSEQUENCES OF PROJECT LABOR AGREEMENTS (PLAS)

BACKGROUND:

Project Labor Agreements (PLAs) are a contractual requirement that a government body places on a particular public construction project when put out for bid. The crux of any PLA is that a non-union contractor is forced to either use union labor (not their own employees) or become a union shop despite the employer/employee choice to not be unionized; for construction employees they are forced to either join a union (despite choosing not to be union) or face unemployment.

This creates an obvious competitive disadvantage to non-union contractors when considering whether to bid on a PLA project, which is a core reason why many never do get involved in PLAs. The other is that many non-union workers realize that it is not to their advantage as they will either not be able to work or will be compelled to join a union in order to work. Many academic papers, research and studies of projects done under a PLA have shown these projects to be more costly, less timely, not measurably safer and don't use local workers. Most non-PLA projects work off of the merits of the contractor and outperform PLAs on all these data points.

CURRENT CHALLENGE:

Even though there is far more data that shows the challenges to PLA projects, there are still public officials that advocate for their use. Use of PLAs is also in opposition to what most of the public opinion believes should be the direction of public projects. Most individuals believe a guiding point for awarding public bids should be on the merit of the contractor and their workers (i.e., those with a proven track record of quality, safe projects with low costs to taxpayers). Such information is also easily accessible and provided through insurance ratings, OSHA reports, bonding, etc. PLAs intentionally disregard this data and with it a more competitive and fair process.

Furthermore, most of the public has even stronger support for merit-based projects when presented with the fact that unions represent only 10 percent of the construction workforce which shows how PLAs have clearly preferential treatment of one class of worker - union. Since unions represent an underwhelming population of workers, they will need to supplement their workforce with non-union workers, yet those workers are discouraged from being involved by the nature of this policy.

Construction projects that are put to bid as a PLA are not in the best interest of the majority of workers or taxpayers which is also not a supported policy by most Pennsylvanians.

SOLUTION:

PLAs should not be adopted by governments seeking public projects. Any government entity with an interest in PLA policy should examine their ultimate goal, which should be the utilization of local workers, safety, quality, or process improvement before they engage with the local union and non-union contractors in the community. The policy conversation should include objective data points to identify any problems and measure how any outcomes can be successful while saving taxpayer dollars. PLA policy does not need to exceed current law or best proven practice in the construction industry.