



IBEW POLICY BRIEF

Chapter 8: Project Labor Agreements

A project labor agreement (PLA) is a pre-hire collective bargaining agreement that establishes the terms and conditions of employment for all construction crafts on a project.

PLAs increase the efficiency and quality of major construction projects for the private sector and local, state, and federal governments.

PLAs save taxpayers and investors billions of dollars, reduce the uncertainty inherent in large-scale construction projects, increase on-time, on-budget completion and guarantee a highly-trained and skilled project workforce.

What are Project Labor Agreements?

A Cost-Effective and Efficient Tool

PLAs help government and private sector owners ensure efficiency and quality on large, complex construction projects by coordinating all the construction trades on the project, and protect against costly work stoppages and delays with no-strike, no-lockout, and speedy dispute resolution provisions.

The workforce training requirements associated with PLAs also prevent costly delays and safety issues that result from unskilled workers' lack of knowledge and training. Projects are completed promptly, on budget, and are done right the first time, because using a highly skilled and trained workforce with the highest project standards minimizes the need for work to be redone and results in fewer and less expensive repairs and maintenance in the future.

Flexibility, Financial Certainty, Communication

One of the primary reasons businesses and labor utilize PLAs is that each agreement is customized to meet the requirements of the type of project, including needs for:

- The project owners and contractors
- The skilled workforce necessary to complete the project
- The community hosting the project and many other factors that impact a construction job site

The customization of PLAs is one of the most significant advantages of their use. It is also why businesses use them to complete complex construction projects.

PLAs facilitate more accurate budgeting and cost forecasting for project owners and contractors by establishing a set wage and benefits package for all craft workers and apprentices. PLAs also guarantee constant communication between contractors and their workforce throughout a project. The agreements coordinate each craft's work schedules and scope, resulting in the efficient use of materials, jobsite equipment, workers, and contractors.

Safety, Security, and No Skills Shortage

PLAs ensure a project is safer by guaranteeing that all workers are well-trained. Worker training is critical since construction is one of the most dangerous industries. Using a highly skilled workforce protects project owners, contractors, and workers by reducing jobsite accidents. Contractors also pay less for workers' compensation due to employing a safer workforce. Importantly, PLAs provide guaranteed access to a steady pipeline of well-trained and highly skilled individuals. This pipeline ensures that there are enough craft workers throughout all project phases.

Communities and Careers for Local Residents and Veterans

PLAs encourage veteran, local hire, and employment of women and people from communities of color, providing a pathway to a career in the skilled construction trades. In addition, PLAs help local businesses and communities by promoting the hiring of local workers. As a result, local workers spend their paychecks in the same cities and towns of the project.

Addressing the Federal PLA "Mandate Myth"

The idea that the federal government can mandate union hire on their PLA projects is false. The fact is that the law prohibits the federal government from mandating that workers on PLA projects be members of a union. The PLA business model does not require or pre-determine that a workforce be union or nonunion. It allows the project owner, such as the government or private sector entity, to ensure successful project delivery. Efficiency is established by having uniform workforce standards that union and nonunion contractors and their workforce must meet as a condition of participating in the project. The type of project defines workforce standards needed for construction or maintenance and has nothing to do with union membership.



Recent Developments

President Biden's PLA Executive Order

President Biden signed an executive order on February 4, 2022, announcing that it is the policy of the federal government to use PLAs for its large-scale construction projects. It applies to all solicitations for contracts worth \$35 million or more for construction projects built by the federal government and its agencies. Based on FY2021 figures, this Order is expected to affect \$262 billion in federal government construction contracts.

The Executive Order does not apply where the federal government provides financial assistance to state or local governments for their projects. Due to this factor, many projects funded by the Bipartisan Infrastructure Law will not be subject to the Order.

Chapter Resources

Hyperlink	URL	QR
PLA Resources:		
PLA Executive Order	https://www.whitehouse.gov/briefing-room/presidential-actions/2022/02/04/executive-order-on-use-of-project-labor-agreements-for-federal-construction-projects/	
Fact Sheet	https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/03/fact-sheet-president-biden-signs-executive-order-to-boost-quality-of-federal-construction-projects/	

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Construction, Labor Standards &
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