Project Labor Agreement (PLA)
Information Brief
September 7, 2011
Purpose of Presentation

- Provide an overview on Project Labor Agreements
- Present key issues regarding Project Labor Agreements
- Provide a framework for Board discussion of Project Labor Agreements and their potential application to the Bond Program
What is a Project Labor Agreement?

• A **Project Labor Agreement** (PLA) is a pre-hire collective bargaining agreement typically negotiated between a project owner and an appropriate labor organization for application to selected construction project(s).

• A typical PLA includes no-strike, no lock-out agreements and procedures for settling problems or disputes that might develop during the project(s).
History of PLAs

- Contractors and unions have used PLA’s for major projects of extended duration that require many different trades.
- Have been used in the construction industry since the 1930’s and 1940’s on both public and private projects.
- Have been used in recent years in some school districts with larger building programs typically funded with Prop 39 bonds.
Who Negotiates the PLA?

- Ohlone Community College District Administration
- Alameda County Building Trades Council
Common Elements in PLAs

- Scope definition (identification of projects, size of projects, new construction only, bond projects only, etc)
- Signatory union(s) as the exclusive bargaining representatives for covered workers
- Prohibits organized work stoppages (strikes) & lock-outs
- Requires hiring through union referral systems (hiring hall)
- Requires all contractors and subcontractors become signatory to the PLA
- May include non-union contractors
Common Elements in PLAs (cont.)

• Requires that all union employees be in good standing with dues
• Standard work rules, hours, holidays, overtime pay and dispute resolution procedures
• Specified wages/benefits
• Pre-job conferences prior to commencing construction to clarify the scope of work between trades
• Labor management committee to meet on a regular basis to resolve issues during the construction project
Typical Arguments For PLAs

- Reduces the risk of construction delays from worker shortages or labor disputes
- Fosters cooperation between the construction workforce and management
- Formalizes apprenticeship training programs
- Provides Network referral systems (hiring halls)
- Enhances labor discipline
- Provides higher skill levels
Typical Arguments For PLAs (cont.)

- Encourages higher quality contractors & subcontractors to bid
- Allows non-union contractors to bid
- Ensures that local workers are employed
- Provides greater oversight in the payment of prevailing wages
- Keeps the bond money in the local economy
- Enhances safety
Typical Arguments Against PLAs

- Possibility for strikes & lockouts still exists
- Are anti-competitive by excluding non-union contractors
- Are an organizing tool to require construction workers on a PLA project to pay for union membership
- Increased construction costs to taxpayers
- Could negatively impact local small and minority-owned businesses
**Typical Arguments Against PLAs** (cont.)

- Rigid divisions of labor and work rules slow down productivity
- Non-union workforce rules allow:
  - Assignment of work across trade lines
  - Use of laborers to move materials
  - Employment of generalized helpers
  - Setting hourly wages based upon specific market requirements
- Project-only union members may lose benefit of payments to union controlled benefit programs at end of the project
Other Community College Districts: Who is using a PLA?

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<thead>
<tr>
<th>Yes</th>
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<tr>
<td>San Jose-Evergreen</td>
<td>Cabrillo</td>
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Options

• **Full:** Includes all projects, without exception, on the Bond Projects List

• **Partial:** Includes a partial set of projects (i.e. - excludes scheduled maintenance, technology and small projects)

• **Specific:** Includes only specified projects (usually large in size)
Next Steps

• Explore further

• Start negotiations with Alameda County Building Trades Council to create a draft PLA

• Other?
Discussion