

# Project (Stabilization) Labor Agreement Overview

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Board of Education, October 25, 2023



# Project Labor Agreements

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- Project Labor Agreements (PLA) are pre-hire collective bargaining agreements between a project owner (such as the District) and building trade unions, designed to govern the employer–employee relations of the general contractor and all subcontractors in connection with a particular construction project. PLAs create a separate framework that bind all contractors and subcontractors to grievance/arbitration procedures and generally contain no strike or no lockout clauses. As a condition of being awarded a contract, the contractor must sign the negotiated PLA with the relevant union organizations. While non-union contractors can technically bid on specific projects, the PLA binds the contractor to collective bargaining measures/wages for purposes of the project. PLAs are codified under *Public Contract Code Section 2500*.
- PLAs are not required by California law, although they have been adopted by numerous public agencies.

# Stated Benefits of PLA's

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- Long-term project stability – PLAs address labor issues, establish cost standards and may prevent costly shutdowns caused by labor disputes.
- Training and advancement – PLAs can include provisions for training and apprenticeships that increase career opportunities and provides a structure of collaboration with local workforce entities.
- PLAs create a mechanism through which unions promise not to strike or engage in work disruptions for those projects subject to the PLA.
- Provide that disputes arising under the PLA can be resolved by a neutral administrator.

# Stated Potential Costs of PLAs

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- Increased construction costs by prioritizing union contractors and inhibiting competition;
- Take away worker's rights to choose whether to have union representation and pay the associated dues – may exclude non-union workers from projects;
- Unnecessary because of existing prequalification procedures that screen contractors that bid on public projects and existing prevailing wage requirements. Labor stoppages seldom occur on prevailing wage projects.

# Public Agencies Are Increasingly Adopting PLAs

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- Berkeley Unified
  - Martinez Unified
  - Vallejo Unified
  - Fremont Unified
  - Local Cities and Counties as well
  - However, not all school districts have a PLA
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- Thresholds to include projects as part of PLA depend on the funding source, oscillate from \$1 to \$5 million and above – may also constitute a percentage of a funding source, or may include no threshold at all.