

**Committee of the Proposed City Charter**  
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## **PROJECT LABOR AGREEMENTS**

The process for awarding municipal contracts is a municipal affair that the proposed city charter may expressly control. This document provides overview information in regards to using or mandating project labor agreements for certain City projects.

A Project Labor Agreement (PLA) is typically described as a pre-hire collective bargaining agreement with one or more labor organizations that establishes terms and conditions of employment for a specific construction project or projects. PLAs are specific to the construction industry because of its unique conditions, including the short-term nature of employment that makes post-hire collective bargaining difficult, the contractor's need for predictable costs and a steady supply of skilled labor, and a longstanding custom of pre-hire bargaining in the industry. Although PLAs have many complex features, the most significant condition in most PLAs is that the unions agree not to strike or engage in other disruptive activities, and the contractors and their subcontractors agree to no lockouts for the duration of the construction project. Other typical terms of a PLA include:

- Employer or contractor recognition of a particular union or group of unions as the exclusive collective bargaining agent(s) for all employees on the project;
- A promise by the employer or contractor to hire exclusively from union hiring halls, provided that the union controlling this employee referral system may not discriminate on the basis of a worker's union or non-union status;
- A requirement that new employees, within a certain period of time, pay dues to the union for representing their interests before the employer or contractor;
- Provisions related to management's rights; and
- Grievance procedures, wages, hours, and working conditions and schedules, including whether work will take place on weekends and holidays

The use of PLAs by public entities has been challenged as an alleged violation of state or local competitive bidding requirements that require public construction contracts to be awarded to the lowest responsible bidder. Thus, in general law cities, the adoption of a PLA bid specification must do so on a case-by-case basis, bearing in mind the competitive bidding requirements.

On the other hand, charter cities are not subject to state competitive bidding laws for public projects unless such is required by the language of the charter. Therefore, a charter city may provide for the mandated adoption of a PLA bid specification on all or certain types of projects.