



Project Labor Agreements

"Workers, taxpayers and contractors each benefit from the use of PLAs. Construction performed under PLAs results in the safest, most well-built projects because only the highest-skilled workers are used."

*—International President
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A project labor agreement (PLA) is a pre-hire agreement between labor and management that establishes the terms and conditions of employment on one or more construction projects.

PLAs increase efficiency and quality of construction projects for the private sector as well as for local, state and federal governments. A PLA establishes the terms and conditions of employment for all construction crafts on a project by way of an agreement between contractors and their workforce, before the project breaks ground.

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

Cost-Effective and Efficient Project Delivery and Management Tool

A PLA helps the government or private sector owner increase the efficiency and quality of a project because the PLA business model is grounded in coordinating all the actors on the project and employing a well-trained and highly skilled workforce. PLAs also prevent costly delays that result from a lack of knowledge by unskilled workers regarding the proper use of building materials, equipment, and/or tools, as well as construction methods. As a result, future building maintenance costs are often lower.

Flexibility, Financial Certainty, Communication

One of the primary reasons that PLAs are utilized by business and labor is because each agreement is customized to meet the requirements of the type of project, the project owner's and contractors' needs, the skilled workforce necessary to complete the project, the needs of the community hosting the project, and many other factors that impact a construction job site. The customization of PLAs is one of the major advantages and reasons why they are used by businesses 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 on a project. PLAs also guarantee constant communication between contractors and their workforce throughout a project by coordinating 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. This is extremely important 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 as a result of employing a safer workforce. Importantly, PLAs also provide guaranteed access to a steady pipeline of well-trained and highly skilled individuals to ensure there is no shortage of craft workers throughout all phases of a project.

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. PLAs also help local businesses and communities because they promote hiring local workers who in turn spend their paychecks in the cities and towns where the PLA project is located.

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, the federal government is legally prohibited from mandating that workers on PLA projects be members of a union. The PLA business model does not mandate or pre-determine that a workforce be union or nonunion. It allows for the project owner, such as the government or private sector entity, to ensure successful project delivery by establishing uniform workforce standards that both union and nonunion contractors and their workforce must meet as a condition of participating on the project. Those workforce standards are defined by the type of project that needs constructing or maintaining and has nothing to do with union membership.

President Biden’s PLA Executive Order

On February 4, 2022, President Biden signed an executive order 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 could affect **\$262 billion** in federal government construction contracting.

The order does not apply where the federal government is merely providing financial assistance to state or local governments for their projects, so many projects funded by the Bipartisan Infrastructure Law will **not** be subject to the Order.

President Biden's 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/>



PLA Executive Order 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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