Memorandum of Understanding

Between the Greater Hartford-New Britain
Building Trades Council and
The Torrington Middle/High School Building Committee, City of Torrington
And Torrington Board of Education

This Memorandum of Understanding (MOU) is hereby made and entered into by and between the GREATER HARTFORD-NEW BRITAIN BUILDING TRADES COUNCIL (herein referred to as "building trades") and the CITY OF TORRINGTON, MIDDLE/HIGH SCHOOL BUILDING COMMITTEE and the TORRINGTON BOARD OF EDUCATION.

WHEREAS the City of Torrington, Middle/High School Building Committee and the Torrington Board of Education recognizes the benefits of an inclusion of a Project Labor Agreement (PLA) on the new Middle/High School construction project.

WHEREAS there are over 200 Building Trades families who reside in the City of Torrington.

WHEREAS the Building Trades Council commits to the following:

(1) During the month of June of 2021, the Building Trades will hold a career fair at the Torrington High School, located at 50 Major Besse Drive, exclusively for students of the High School. They will coordinate with guidance counselors and other school administrators to identify high school students who have an interest in and aptitude for the construction industry, and to expose those students to the types of opportunities for entry into the industry available to them.

(2) The Building Trades will actively recruit Torrington residents to enter Building Trades Apprentice Programs this calendar year. This will ensure that these recruitments will be ready to work on site in the early stages of construction on the Middle/High School construction project. This work will also give residents much needed experience in their respective trades.

(3) The Building Trades will commit to holding career fairs at Torrington High School through calendar year of 2031. During these career fairs, the Building Trades will actively recruit and enroll Torrington High School students and alumni into their apprenticeship programs. They will work closely with school administrators and community leaders post-construction to continue to provide opportunities for residents.

(4) The Building Trades will work closely with the City of Torrington's Career Pathways program (specifically their STEM/ Hi-Tech Manufacturing courses), and will offer their training services four times per year to the teachers who run the STEM/Hi-Tech Manufacturing Career Pathways program through calendar year 2031.

(5) The Building Trades, in partnership with the Foundation of Fair Contracting of Connecticut (FFC), will monitor resident work hours on the project. A sub-committee

made up of Building Trades leaders will make sure that the goals are being met. They would like to include O&G and representatives from the community to attend these monthly meetings if they see fit.

(6) In Spring/Summer of 2022 thru the Spring/Summer of 2031, the Building Trades will hold a career fair at Torrington High School. Using the career fair, the Building Trades will identify 12-15 residents and students to enroll four times a year (48-60 students as a goal) into their 2-week pre-apprenticeship program. The participants will be enrolled in respective Building Trades apprenticeship programs. Enclosed herein is the Pre-apprenticeship Flow Chart.

(7) The Building Trades will include a hiring goal of 25% Torrington residents and 30% Litchfield county residents on the Middle/High School construction project.

(8) The Building Trades will offer construction-related workshops with Torrington High School students while the Middle/High School project is under construction.

_____ _____
Building Trades President, or their designee Date

_____ _____
Torrington School Bldg Committee Chairman Date

_____ _____
City of Torrington Date

_____ _____
Torrington Board of Education Date

Location:
COLLECTIVE BARGAINING; CONSTRUCTION CONTRACTS; GOVERNMENT PURCHASING; TRADE UNIONS;
Scope:
Program Description;

OLR RESEARCH REPORT

November 2, 2011 2011-R-0360

PROS AND CONS OF USING PROJECT LABOR AGREEMENTS

By: John Moran, Principal Analyst

You asked for the arguments for and against using project labor agreements (PLAs) in construction projects that receive government funding. You also asked about community workforce agreements (CWA), which are provisions in PLAs that include targeted building trade hiring provisions to create employment and career paths for low-income or under-represented people. This report includes components of CWAs in the debate over PLAs.

SUMMARY

A PLA is a collective bargaining agreement that applies to a specific construction project and lasts only for the duration of the project. Essentially, it guarantees the project will use union labor.

Governments can require that recipients of government funding for a construction project use PLAs. Also, private sector companies may choose to enter into PLAs for a specific project or series of projects (Toyota and Wal-Mart are examples of corporations that have chosen to use them). The entity seeking to complete the construction project enters into an agreement with a union or group of unions, such as an area trade union council, before seeking bids from contractors to do the work. That way any contractor interested in submitting a bid knows the job will require union labor.

A PLA generally specifies the wages and fringe benefits to be paid on a project, and it usually includes binding procedures to resolve labor disputes. PLAs typically include a provision barring unions from striking and contractors from locking out workers. A PLA generally requires (1) contractors to hire workers through a union hiring hall or (2) employees to become union members after being hired. A PLA applies to all contractors and subcontractors on a project.

There is considerable debate between the opponents and proponents of PLAs. Opponents say PLAs are anti-competitive and increase costs. Proponents say they ensure decent wages, a quality workforce, and timely completion of projects within budget.

The non-partisan Congressional Research Service issued a report on PLAs on July 1, 2010, indicating the evidence is inconclusive regarding the cost of PLAS on construction projects (see

attachment Project Labor Agreements, CRS R41310).

PROS

Proponents of PLAs argue that the agreements have several advantages, including that they:

1. provide uniform wages, benefits, overtime pay, hours, working conditions, and work rules for work on major construction projects;

2. provide contractors with a reliable and uninterrupted supply of qualified workers at predictable costs;

3. ensure that a project will be completed on time and on budget due to the supply of qualified labor and relative ease of project management;

4. ensure no labor strife by prohibiting strikes and lockouts and including binding procedures to resolve labor disputes;

5. make large projects easier to manage by placing unions under one contract, the PLA, rather than dealing with several unions that may have different wage and benefit structures;

6. may include provisions to recruit and train workers by requiring contactors to participate in recruitment, apprenticeship, and training programs for women, minorities, veterans, and other under-represented groups (this is a common CWA provision);

7. reduces misclassification of workers and the related underpayment of payroll taxes, workers compensation, and other requirements;

8. may mean a larger percentage of construction wages stay in state; and

9. may improve worker safety by requiring contractors and workers to comply with project safety rules.

PLA proponents note that the positive impact of creating career paths for women, minorities, veterans, and other under-represented populations (a common CWA component) may not be easily measured in the short term. But they say that developing qualified workers in the construction trades, and including people who historically were underrepresented in the trades, has a positive long-term economic benefit for the individuals who receive the jobs and for the construction industry as a whole.

CONS

Opponents argue that PLAs have several disadvantages, including that they:

1. increase costs by mandating union wages and work rules and inhibiting competition;

2. are anti-competitive because nonunion contractors may choose not to bid because either their members would be required to join a union if the contractor wins the bid or the contractor would not be able to use its own workers if the PLA required hiring through the union hiring hall;

3. are inherently unfair to nonunion contractors and nonunion employees;

4. are an unnecessary mandate (if imposed by law);

5. hinder the use of nonunion contractor training programs that may operate more efficiently and are job specific, instead of union apprenticeship programs of a fixed duration; and

6. are unnecessary because of existing prequalification procedures that screen contractors that bid on public projects.

PLA critics also note that the issue is not always that PLAs are detrimental. Sometimes, they argue, having a PLA is not proof of an improved situation. For example, the available evidence does not show that PLA construction projects are safer than non-PLA projects.

WEBSITES

For more information see following websites:

1. www.plaswork.org (pro PLA), and
2. www.thetruthaboutplas.com (anti PLA).

Attachment

Topic:
CONTRACTORS; LABOR UNIONS; LABOR (GENERAL); CONSTRUCTION INDUSTRIES;
Location:
CONSTRUCTION CONTRACTS;

September 25, 1998 98-R-1082

Revised

FROM: Laura Jordan, Research Attorney

RE: Project Labor Agreements

You asked the following questions about project labor agreements (PLAs).

(PLAs are agreements negotiated between a construction project manager or general contractor and a coalition of building trades unions to govern the labor relations aspects of a particular project. They typically require use of union hiring halls; a uniform procedure for resolving labor disputes; comprehensive, long-term no-strike commitments; and agreement of all contractors and subcontractors to its terms. The last requirement is achieved by making agreement to the PLA a part of the project bid specifications.)

1. What is the history of the Central Connecticut State University project agreement?

The Central Connecticut State University construction project will produce a new building to house the university's business school and a new parking garage. It will cost $21 million.

The Department of Public Works (DPW) sent out a request for proposals (RFP) in March 1998. The RFP required bidders to agree to a PLA under which the bidder would (1) recognize the Connecticut Building and Construction Trades Council (CBCTC) as the only bargaining representative for all employees working on the project and (2) agree to hire 90% of its project workers based on CBCTC recommendations.

The Connecticut chapter of the Associated Builders and Contractors (ABC), a nationwide organization of non-union construction and construction-related contractors, filed a lawsuit against the state claiming that DPW violated ABC's constitutional rights by forcing it to associate with unions to compete for the state contract. It also claimed that the DPW commissioner exceeded his statutory authority by including a PLA in the RFP. This is the first time a Connecticut court has considered these issues.

The Superior Court for Hartford and New Britain has issued an injunction that stops construction while the court considers the merits of the case. A decision in the case is expected by the end of 1998.

2. How many public construction projects in Connecticut have been performed under a PLA and what do these projects cost?

Below is a list of state- and municipal-funded projects that have used a PLA. All of the projects are large and costly. For example, the East Haven High School project cost $30.1 million, the Bridgeport wastewater treatment plant project cost $45 million, and the Danbury water treatment facility project cost about $42 million.

1. East Haven High School
2. Hill Regional Allied Health Center and Business Career High School in New Haven (a magnet school)
3. Hamden High School
4. Ansonia High School
5. Mead School in Ansonia
6. Snow Elementary School in Middletown
7. Prendergast School in Ansonia
8. Central Connecticut State University (new office/classroom building and parking garage)
9. Middletown Court House
10. New Britain Courthouse
11. Bridgeport Regional Sports and Entertainment Complex (Minor League baseball field)
12. Waterbury Mall – Phase I – Site Remediation Project
13. Bridgeport Waste Water Treatment Plant
14. Danbury Water Treatment Facility
15. Waterbury Waste Water Treatment Plant
16. Bristol Resource Recovery Project
17. Lisbon Resource Recovery Project

3. Has the State ever used a PLA in a construction contract before?

Yes. The contract for the CCSU project includes a PLA clause. Also, PLAs were used in the Middletown and New Britain courthouse projects although the construction companies in charge of those projects, and not the state, incorporated PLAs.

4. Are PLAs successful in terms of producing quality work, saving money, and meeting deadlines?

No Evaluation of PLAs in General

No formal evaluation of PLAs exists and opinions as to whether PLAs positively affect construction projects go both ways. In May 1998 the Government Accounting Office (GAO) reported on the extent of PLA use in the public and the private sectors. A copy of this report is attached. The GAO noted that experts agree that it would be difficult to conduct a study of whether PLAs positively affect construction projects in general because they are typically used for large, costly projects that are unique and difficult to compare because their success could depend on numerous factors that are independent of a PLA. PLAs have been used by the federal, state, and municipal governments for projects like the Grand Coullee Dam, certain National Aeronautics and Space Administration facilities, the Denver International Airport, the Boston Harbor clean-up, and the Boston Central Artery/Tunnel.

Two studies are currently being conducted on the general effect of PLAs on construction projects. The first has been commissioned by ABC. The second study, which was commissioned by the Connecticut

Construction Labor Management Council, will be prepared by the University of Rhode Island and should be complete in Spring 1999.

Project-Specific Evaluations of PLAs

The GAO report notes three evaluations of the effect PLAs had on specific projects. The first analysis focused on the New York State Dormitory Authority project at the Roswell Park Cancer Institute. The analysis prepared by ABC concluded that construction bids were 26% higher after the contract was amended to include a PLA.

The second analysis, commissioned by the New York Thruway Authority, focused on the Tappan Zee Bridge project. The report found that by using a PLA, New York saved $6 million in labor cost. Without the PLA, the report claimed, the state would have had to negotiate 19 different local collective bargaining agreements with varying provisions; this savings represented about 4.6% of the project's total cost of $130 million. Another benefit of the PLA, the report noted, was that the 19 labor agreements would have expired and required re-negotiation during the life of the project. The project could have faced a strike at the expiration of each contract.

The third report analyzed the use of a PLA for the National Ignition Facility at the California Department of Education's Lawrence Livermore National Laboratory. The report, written by the project contractor, estimated that by using a PLA the state would save between $2.6 and $4.4 million on the $1.2 billion construction project.

Opponent and Proponent Opinions

Opponents say that PLAs do not save money because they:

1. hinder competition by unfairly favoring the use of unions (agreements typically specify that a large percentage of project workers must be hired through union hiring halls, which consists of union and non-union employees);

2. result in higher costs because fewer general contractors are willing to bid on a project that includes a PLA; and

3. result in higher costs due to high union wages and benefits and increased union work rules.

A *Hartford Courant* editorial noted one example where a PLA would have cost a town project an additional $1.5 million. In this case, Middletown put out an RFP with a PLA clause; 72 interested parties received the RFP and only four responded. The lowest bid was $9.1 million, which was over the town's budget of $8.5 million. When the town re-issued the RFP without the PLA clause, it received 10 bids, the lowest of which was for $7.6 million, or $.9 million under the town's budget. The *Courant* also noted that PLAs sometimes require general contractors to hire unnecessary workers.

In general, opponents see PLAs as one of several union strategies to regain a market share that was lost to non-union construction workers over a 60-year period (they cite a 60% decline in union membership during this period). Critics such as Herbert Northrup and Linda Alario point to the fact that unionized construction workers constitute between 20% and 25% of all construction workers. As a result, they claim, PLAs unfairly require non-unionized workers, which constitute the majority of construction workers, to conform to union rules (see *"Boston Harbor" – Type Project Labor Agreements in Construction: Nature, Rationals, and Legal Challenges"* 19 Journal of Labor Research 1, Winter 1998).

Northrup and Alario state that:

[i]f unionized contractors have the capability of winning bids without government-mandated PLAs, then they do not need such agreements to stifle competition. We thus must conclude that restraints imposed by government-

directed PLAs are political decisions which have little or no economic rationale, nor can they be defended on grounds of labor peace, enhanced safety, or other such reasonable criteria" (19 Journal of Labor Research 21).

Proponents advocate PLA use on a case-by-case basis and argue that a PLA can be an effective labor-management relations tool. PLA supporters such as Bradford Coupe argue that opponents discredit PLA use based on a general dislike of unions rather than on a fair evaluation of facts. He argues that they should be used in the public sector whenever they serve the public interest (see "*Legal Considerations Affecting the Use of Public Sector Project Labor Agreements: A Proponent's View*" 19 Journal of Labor Research 99).

Attorney Robert Cheverie, who represents the Connecticut State Building Trades, identified economic benefits associated with PLAs. He stated that PLAs lower project costs because they:

1. standardize labor conditions and wages for all workers for the project's duration, which allow bidders to know their labor costs in advance;

2. eliminate work stoppages for the project's duration;

3. increase the likelihood that a project is completed on time due to a sufficient supply of labor referred by the union; and

4. increase productivity because workers trained through joint labor-management apprenticeship programs provide labor.

5. Do other states use project agreements and what has been their experience?

All states except Utah allow public construction projects to incorporate a PLA. The federal government, New York, New Jersey, Nevada, and Washington have executive orders or memoranda in place encouraging PLA use in public construction projects. See above for evaluations of projects employing PLAs.

LJ:PA

GOVERNMENT MANDATED LABOR AGREEMENTS IN PUBLIC CONSTRUCTION

Their History and Factors to Consider

Table of Contents

THE HISTORY OF GOVERNMENT MANDATED LABOR AGREEMENTS IN THE CONSTRUCTION INDUSTRY

How Public Officials and Their Representatives Have Changed The Purposes and Effects of Construction Project Labor Agreements

What are Construction Project Labor Agreements?

Project labor agreements are unique to the construction industry. Unlike collective bargaining agreements between other industrial employers and their unions, collective bargaining agreements in the construction industry usually apply only to work performed by signatory contractors in specified counties or other well-defined geographic areas. Project labor agreements are even more specialized and focus on one particular construction project. They are often referred to as "prehire" agreements because they are usually negotiated between construction contractors and one or more building trade union in advance of submitting a bid for the project, and before anyone is actually hired to perform the work.

The terms and conditions of a project labor agreement generally: (1) apply to all work performed on a specific project or at a specific location, (2) require recognition of the signatory union(s) as the exclusive bargaining representatives for covered workers, whether or not the workers are union members, (3) supersede all other collective bargaining agreements, (4) prohibit strikes and lockouts, (5) require hiring through union referral systems, (6) require all contractors and subcontractors to become signatory to the agreement, (7) establish standard work rules, hours and dispute resolution procedures and (8) establish wages and benefits. When the project is completed, neither the employer nor the union(s) have any further obligations to each other under the agreement.

What is the History of These Agreements?

Project labor agreements were conceived and originated by construction employers and building trade unions within the context of the collective bargaining that they regularly engage in. The necessity and utility of a project labor agreement were decisions made by employers and unions. Likewise, their negotiation was between, and at the option, of construction employers and building trade union representatives. Project labor agreements were intended to address specific problems either created or left unresolved by local area collective bargaining agreements with individual crafts, and date to a time when union construction dominated the national construction market.

Historically, contractors and unions have used project labor agreements for major projects of extended duration that require large numbers of many different crafts. For instance, in the federal sector project labor agreements were used for the construction of the Grand Coulee Dam in Washington State in 1938 and the Shasta Dam in California in 1940. During and after World War II, many large atomic energy and defense construction projects used project labor agreements for these reasons as well. The practice was more common when unions represented the majority of construction workers. For example, in 1947 unions represented 87.1 percent of

all construction workers. In 1973, unions represented 40.1 percent. However, in 1999 unions represented only 19.6 percent of the construction work force and the necessity and utility of project labor agreements as a competitive vehicle has diminished along with union representation in the industry.

It should also be noted that the industry has never universally supported project labor agreements as a means of enhancing competitiveness. Many contractors and subcontractors and their associations invest a great deal of time and resources to negotiate local area collective bargaining agreements with the individual building trade unions in their market. These agreements apply to all the work performed in a defined geographic area by the signatory contractors for the duration of their term, typically 3 years. They address all the terms and conditions included in project labor agreements, as well as circumstances unique to the local market.

Project labor agreements, by definition, are project-specific, with terms and conditions that are frequently different from those found in local agreements. Contractors and subcontractors competing for work on the basis of local agreements can be at a disadvantage. In addition, the terms and conditions of the project labor agreement can negatively impact negotiations on local agreements. The more frequently project labor agreements are used in an area, the less utility local collective bargaining agreements have. The incentive for their negotiation and execution frequently declines accordingly. Many construction labor and management representatives believe that the key to improving the competitiveness of the union sector of the industry is to improve the terms and conditions of local area collective bargaining agreements, and avoid unique and separate agreements that often undermine these agreements.

What Has Happened to These Agreements?

In many instances, project labor agreements remain what they have always been; i.e., privately initiated and negotiated agreements to be applied to public or private construction projects. Unfortunately, in many other instances public officials have either misunderstood or distorted their purposes and effects. While giving lip service to traditional project labor agreements, many public officials are now attempting to use them for something quite different.

Many public officials are using government mandated labor agreements (GMLAs) as a substitute for sound project management and contract drafting to achieve objectives traditionally, and better addressed, in contract specifications. This distortion of the private nature of project labor agreements and their objectives seeks to transform private contractual arrangements into a public mandate. In addition, GMLAs are sometimes used to achieve on behalf of the unions what they have been unable to accomplish on their own. By mandating union membership for all workers employed on a GMLA project as well as that all contractors and subcontractors become signatory, unions are spared from the necessity of demonstrating the merits of union membership to employees or convincing employers that being signatory to union agreements can be competitively advantageous.

What are the Different Purposes of the
Traditional Agreements and the Government Mandates?

The traditional objective of a project labor agreement is to enhance the competitive posture of the signatory contractor with respect to a specific project. An agreement unique to the project may be preferable because the local collective bargaining agreements that would otherwise apply to the work for signatory contractors contain terms and conditions that are not as cost-effective as those used by competitors. Negotiations are usually initiated by the contractor, but sometimes by the union(s), before a bid is formulated. To improve their competitive position and secure the work for their companies and members, contractors and unions engage in what is often called "concession bargaining." This may include modification of the terms and conditions of existing local agreements to create an agreement unique to the project, or it may include the negotiation of entirely new terms and conditions. If an acceptable agreement is concluded, it becomes the basis for a contractor's bid and controls the performance of the work if the contractor is awarded the project.

GMLAs purport to have the same objectives; i.e., to reach an agreement that will create cost efficiencies on public construction that cannot be achieved by open competition between contractors using local collective bargaining agreements and open shop contractors. However, the market characteristics that require such a dramatic departure from the open competitive bidding procedures traditionally used to award public construction contracts, and usually mandated by law, are rarely explained or documented. Instead, GMLAs are often motivated by political considerations, not economic factors, and frequently substitute government representatives for experienced construction industry negotiators to arrive at the agreement. GMLAs executed under these circumstances are often used more as a vehicle to reward supportive building trade unions than as a means to achieve the most cost-effective expenditure of taxpayer dollars.

What are the Different Effects of Government Mandated
Labor Agreements vs. Traditional Project labor Agreements

Impact on Collective Bargaining

In the practice associated with traditional project labor agreements, contractors and/or subcontractors and building trade unions mutually decide whether a project labor agreement is appropriate for a particular project. If the parties agree, they then negotiate mutually acceptable terms and conditions to be used as the basis for bidding and performing the work. However, a government mandated labor agreement (GMLA) is not optional and is often motivated by political considerations.

Because of their mandatory character and the inexperience of those often negotiating their terms, GMLAs on publicly funded construction can impact local collective bargaining. GMLAs frequently set patterns and establish precedents for the industry that do not exist in the private market. Unions can be put in a position to insist that contractors accept the terms and conditions of GMLAs for private work. Contractors will find it difficult to refuse these demands when a substantial portion of the union work force is employed on construction subject to

GMLAs. In this type of market, there are few disadvantages to unions of a strike directed at work not subject to a GMLA, since GMLA work can continue to employ the bulk of the union work force. In areas where these projects constitute a significant volume of the work, government mandates for these agreements will seriously compromise local employers in the negotiation of local area labor agreements.

Impact on Competition

A GMLA can significantly increase the cost of a project for open shop contractors by eliminating the flexibility to employ multi-skilled and semi-skilled personnel and to deploy them accordingly. The effects of these inefficiencies are compounded by the requirement that the majority of the work force be referred through union hiring halls. Typically, the employer is permitted to select the first 5 or 10 nonsupervisory employees. Additional employees must be referred by the appropriate union hiring hall. Under the criteria used by most hiring halls, craft workers who are not members of the union are not likely to be referred to the project. Contractors on GMLA projects are thus working with a largely unfamiliar labor force.

In addition, a GMLA typically causes open shop contractors to incur new expenses and operate less efficiently by subjecting them to other terms and conditions of collective bargaining agreements that would not be required under the operation of the Davis-Bacon Act, or most other prevailing wage laws that typically apply to publicly funded construction work. These terms and conditions include overtime for more than 8 hours of work in a day, travel time, "show-up" pay, supervisor or crew size minimums, as well as others. For example, the mandatory union benefit fund contributions normally required by GMLAs force contractors that provide employee benefits in a different fashion to (1) suspend those benefits, (2) to pay twice or (3) simply decline to work on the project. In addition, most employees that are not members of the GMLA signatory union(s) before starting work on the project will not qualify for the benefits because of time-based vesting and eligibility requirements. In fact, some employees may actually lose some or all of their benefits. These factors increase the cost of the project significantly and prevent many qualified, economical open shop contractors, as well as union contractors that are not already contributors to the GMLA signatory unions' benefit plans -- especially small businesses -- from bidding on the project.

Likewise, a GMLA can increase the cost of the project for the union contractor. Rather than bidding and performing work on the project based on the costs related to the terms and conditions the contractor has agreed upon with its signatory unions, upon substantial investments of time and resources over years of negotiations, the contractor under a GMLA is subjected to the costs of new terms and conditions often with different and more numerous unions. This can create jurisdictional disputes that would not otherwise exist. Because contractors are not usually given an opportunity to participate in the negotiations for a GMLA, there is no opportunity to harmonize the terms of different contracts to achieve a cost-efficient outcome. Moreover, even when included in the negotiations, the contractor has little bargaining leverage once the public agency has decided that a GMLA will be used. Knowing that a deal must be struck as a condition of the construction contract, the unions are in a position to demand and hold out for costly wages (above applicable prevailing wage standards), hours and other terms and conditions.

Faced with these uncertainties, many contractors will simply decline to bid on public work that requires compliance with a GMLA. Others will incorporate the estimated costs imposed by the GMLA into their bid, reducing their competitiveness or increasing the costs to the public

Impact on Workers

Workers seeking employment on GMLA projects are required to join one or more designated unions and pay union dues, or agency fees instead of union dues in right-to-work states, regardless of their preference for union representation and without an opportunity to vote on that choice. Furthermore, whether or not they are employed on the project will depend on how their experience and past union affiliations conform to union hiring hall priorities, not on credentials evaluated by employers.

Impact on Cost-Effectiveness

The General Accounting Office (GAO) was unable to document any cost efficiencies achieved by GMLAs on federal construction and, furthermore, concluded that such alleged efficiencies could probably never be documented [*Project Labor Agreements: The Extent of Their Use and Related Information* (GAO/GGD-98-92, May 1998)]. In addition, research conducted on GMLA projects in Alaska, California, Nevada and New York by Wharton School of Business Professor Herbert R. Northrup, Ph.D., documented less competition and increased costs [*Journal of Labor Research*, John M. Olin Institute for Employment Practice and Policy, Department of Economics, George Mason University, Vol. XIX, No. 1 (Winter 1998)].

Do the Differences Have Any Legal Significance?

In 1993 the U.S. Supreme Court ruled on the legality of a government mandated labor agreement for the Boston Harbor clean up project [*Building & Construction Trades Council v. Associated Builders & Contractors* ("*Boston Harbor*"), 113 S. Ct. 1190 (1993)]. The Massachusetts Water Authority (MWA) imposed the agreement through its construction manager. The Court was asked only to decide whether the MWA was acting as a purchaser of construction services, as opposed to a government regulator of labor relations, and if so, whether its imposition of the agreement was lawful.

Accordingly, the Supreme Court issued a very narrow decision. The Court ruled that public entities could use project labor agreements only "to the extent that a private purchaser may choose a contractor based upon that contractor's willingness to enter into a prehire agreement." That extent, in turn, is limited by the National Labor Relations Act (NLRA) to employers "engaged primarily in the building and construction industry." The Court was not asked, and did not decide, whether the MWA or any other public agency is such an employer.

The *Boston Harbor* decision has been advanced by proponents of government mandated labor agreements as an unqualified endorsement of these agreements for publicly funded construction. However, the Court's decision contains no such endorsement. Among the many federal and state legal issues left unresolved are:

(1) Whether GMLAs have a disproportionately adverse impact on minority and women business enterprises, in violation of Title VI of the 1964 Civil Rights Act and/or its state counterparts.

(2) Whether GMLAs violate the construction industry provisions of the NLRA permitting only employers "engaged primarily in the building and construction industry" to enter into prehire agreements.

(3) Whether GMLAs between an owner and a labor organization violate the NLRA prohibition against agreements restricting an employer's right to do business with any other employer or person.

(4) Whether the Competition in Contracting Act or other federal statutes prohibit GMLAs on federally funded construction.

(5) Whether state competitive bidding laws prohibit GMLAs.

What is AGC's Policy on Project Labor Agreements?

The Associated General Contractors of America, Inc., (AGC) does not oppose traditional project labor agreements. Even though they have some negative effects on local area collective bargaining, AGC strongly supports open competition and the traditional agreements have tended to encourage such competition. Without hindering other firms, or dictating labor policy for other firms, these agreements have enabled some union contractors to be more competitive.

AGC is committed to free and unrestricted construction markets. AGC opposes the imposition of exclusionary project labor agreements by public owners, or their representatives, on any publicly funded construction project. A public owner or its representative should not require the use, or negotiation, of a government mandated labor agreement that would compel any firm to change its labor policy or practice in order to compete for or to perform work on a publicly financed project.

AGC believes that GMLAs on publicly funded construction are a solution in search of a problem. AGC is not aware of any documentation that indicates that the terms and conditions allegedly ameliorated by GMLAs (work stoppages and labor unrest, uniform work rules and providing labor through union hiring halls) have materially impacted the costs or schedules of public construction, or that free and open competition without the impediments created by GMLAs are not equally effective. Likewise, there is no evidence that public resources are used in a more productive fashion by imposing the same one-size-fits-all agreement on all competitors for public works.

To the extent that GMLAs remove the free market economic forces that underlie both the competitive bidding laws and the collective bargaining process, they subvert the objectives of those laws and that process and make it difficult, if not impossible, for the public to benefit from the full competition that it is entitled to expect. AGC does not believe that this is a proper role for government at any level or a proper use of public funds.

GOVERNMENT MANDATED LABOR AGREEMENTS IN PUBLIC CONSTRUCTION: FACTORS TO CONSIDER

Questions That Public Officials and Their Representatives Need to Address

1. How is labor policy normally addressed on publicly awarded construction projects?

2. Have any publicly awarded construction projects suffered from any of the problems allegedly addressed by government mandated labor agreements (GMLAs), such as labor unrest or labor shortages? If so, did they affect the cost or completion of the project?

3. What firms normally perform the same type of project in the private and public markets for which a GMLA is being contemplated? Are the contractors and subcontractors that normally perform this type of construction union or open shop?

4. How would a GMLA affect the ability of open shop contractors and subcontractors in the area to compete for and perform work on a project subject to a GMLA?

5. How many contractors and subcontractors that normally compete for and perform public construction work are signatory to local area collective bargaining agreements with the building trade unions? How would a GMLA impact the union contractors and subcontractors that normally compete for and perform public construction work?

6. What are the terms and conditions of those local area collective bargaining agreements?

   Note: It is important to know the characteristics of the market to determine whether a GMLA is appropriate or necessary. In a market dominated by the open shop sector, unions may not be able to provide the quantity of workers necessary to perform the project. In addition, many local area collective bargaining agreements already contain the benefits that GMLAs are said to provide, such as common grievance and arbitration procedures among crafts, common jurisdictional dispute resolution procedures, common work rules, hours of employment, holiday and shift provisions, and no-strike and no-lockout clauses.

   Regardless of the market characteristics, contractors that perceive it to be in their best interest to seek a project labor agreement with the building trade unions in order to compete for or to perform work on a public project are free to do so.

7. If it were decided to impose a GMLA, who would negotiate its terms and conditions?

8. How would the terms and conditions of a GMLA improve on the terms and conditions of the local area collective bargaining agreements?

Note: Because of their mandatory character and the typical inexperience of those often negotiating their terms, GMLAs frequently include costly terms and conditions. In addition, GMLAs can impact local area collective bargaining. GMLAs can set patterns and establish precedents for the industry that do not exist in either the public or private sector.

9. Will the project be subject to a prevailing wage law? If so, how would the requirements of the law differ from the provisions of a GMLA with respect to wages, fringe benefits and labor practices?

10. Would a GMLA require all contractors and subcontractors performing work on the project to become signatory to it?

11. Would a GMLA supercede all other existing agreements?

12. Are the unions that would be signatory to a GMLA the same unions that are signatory to the local area collective bargaining agreements?

13. Would a GMLA require contractors and subcontractors signatory to local area collective bargaining agreements to assign work to unions with which they have no prior affiliation or experience?

    Note: Open shop contractors have the flexibility to subcontract work to companies based upon cost-effective bids and performance, and to assign work according to the skill level it requires. Contractors signatory to local area collective bargaining agreements frequently have the same flexibility. In addition, many union general contractors are signatory to agreements with only two or three unions. A GMLA may require a contractor to employ the members of new or different unions, as well as comply with the wage, benefit and labor practices of as many as 15 different unions.

14. Would a GMLA require contributions to union benefit funds? If so, would union and open shop contractors be required to continue to contribute to existing funds, as well as additional union funds, to maintain benefits for their employees? Would those contractors' employees actually benefit from these additional contributions to the union funds?

    Note: Most construction benefit programs require uninterrupted contributions on behalf of participating employees to maintain coverage and eligibility. Benefit funds normally have time-based vesting and eligibility requirements that must be met before benefits can be received. Most employees that are not already members of the GMLA signatory unions before starting work on the project will not qualify for union benefits because of these requirements. In fact, some of these employees may actually lose some or all of their benefits.

15. Would a GMLA require all craft employees to become members of one or more designated trade unions? What is the ratio of union and nonunion construction craft workers in the local area?

Note: Employees not previously represented by a union will be under the terms of most GMLAs, regardless of their wishes and without an opportunity to vote on their preference. This may reduce the number of craft workers that would otherwise be interested in employment on the project.

16. Would a GMLA require all craft employees to become union members and pay union dues, or agency fees in lieu of dues in right-to-work states?

17. Would a GMLA require that all craft employees be hired through a referral from a union hiring hall? How many employees would be exempt from this requirement? What would be the hiring hall registration requirements and preferences? How would the GMLA affect the ability of contractors and subcontractors to employ their regular work force?

Note: The registration requirements and preferences of union hiring halls often require that workers be referred to projects based on previous union employment.

18. Would a GMLA provoke a judicial challenge? Would it be vulnerable to challenge under federal, state or local laws? Would such a challenge increase the cost of the project or delay its initiation and completion? Would a public hearing be required or appropriate under the relevant procurement laws and regulations?

Note: Many GMLAs have been challenged and overturned under state competitive bid laws. In addition, other issues impacting the legality of GMLAs include:

- *Whether GMLAs have a disproportionately adverse impact on minority and women business enterprises, in violation of Title VI of the 1964 Civil Rights Act and/or its state law counterparts.*

- *Whether the Competition in Contracting Act or other federal statutes permit federal agencies, or the recipients of federal funds, to mandate labor agreements on federally funded construction.*

- *Whether GMLAs violate the construction industry provisions of the National Labor Relations Act (NLRA) permitting employers "engaged primarily in the building and construction industry," but only such employers, to enter into pre-hire agreements.*

- *Whether GMLAs between an owner and a labor organization violate the NLRA prohibition against agreements restricting an employer's right to do business with any other employer or person.*

The U.S. Supreme Court decision in Boston Harbor did not address or resolve these issues.

If, after carefully considering all the above factors and other considerations, public officials or their representatives believe that a government mandated labor agreement is appropriate, the local chapter of the Associated General Contractors of America should be contacted for assistance in negotiating its terms and conditions.

The Beacon Hill Institute

The Effects of Project Labor Agreements on Public School Construction in Connecticut

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THE BEACON HILL INSTITUTE FOR PUBLIC POLICY RESEARCH

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Executive Summary

A project labor agreement (PLA) is an agreement between construction unions and contractors employed on a building project under which the contractors adhere to specified work rules and hiring procedures. Typically, PLAs require that all workers be hired through union halls, that non-union workers join a union and/or pay dues for the length of the project, and that union rules apply to work conditions and dispute resolution. Construction unions actively lobby governments to require PLAs to the end of securing work for their members and union-signatory contractors on projects funded by taxpayers.

Before this report, the Beacon Hill Institute completed an extensive statistical analysis of the effects on school construction bids and on construction costs of PLAs in Ohio, Massachusetts, New Jersey, Connecticut, and the state of New York. In the Ohio, Massachusetts, New Jersey, and Connecticut studies, our analysis found final construction costs to be significantly higher when a school construction project was executed under a PLA. In the New York study, we found that final bids for construction projects were higher under a PLA.[1]

Our first report on Connecticut covered the years of 1996-2002 and appeared in 2004.[2] That study found that PLAs increased both bid costs and final construction costs of public-school construction projects by almost 18 percent.

Since the 2004 study, Connecticut school districts have continued to build new schools and renovate existing schools. A 2014 School Building Projects Advisory Council report indicates that in Connecticut there were 72 new school building construction projects and 31 addition and

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[1] See http://beaconhill.org/labor-economics/ for links to our prior work on PLAs. A bid cost is a project's base construction bid that includes site work and, for many projects, both Project Labor Agreements and non-Project Labor Agreements.

[2] Paul Bachman, Jonathan Haughton, and David G. Tuerck, *Project Labor Agreements and the Cost of School Construction in Connecticut,* The Beacon Hill Institute at Suffolk University, September 2004. http://www.beaconhill.org/BHIStudies/PLA2004/PLAinCT23Nov2004.pdf.

renovation school projects between 2004 and 2013.[3] The *2013 School Construction Priorities* lists an additional 23 school construction projects with estimated costs over $1 million.[4] There is a substantial pool of more recent projects, from which it was possible to gather data.

For this report, we gathered data on construction awards and final construction costs for public school construction projects that did and did not use a PLA in Connecticut over the period 2001 to 2019. Fifteen of 52 PLA projects in our sample had final construction costs that came in over budget. We found that the presence of a PLA increases the final base construction costs of a school by $89.33 per square foot (in 2019 prices) relative to non-PLA projects. Because the average cost per square foot of construction is $450.15, PLAs raise the final construction cost of building schools by 19.84 percent.

We use control variables to separate the effects of PLAs on construction costs from other factors affecting construction costs. In this study, we control for the number of stories above grade, the square-footage of a new structure, whether the school is an elementary school or not, and other features that might make a school more expensive to build, such as the presence of a newly constructed school or a school construction project including significant renovations.

We utilize the findings to estimate the potential savings from not using a PLA on a construction project. We estimate that if the $2.031 billion of construction projects in our sample that were built with a PLA had been built without a PLA, taxpayers would have saved $503.463 million, or between $8.933 million per 100,000 square-foot project and $26.799 million per 300,000 square-foot project, if PLAs had not been used.

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[3] "Report by the School Building Projects Advisory Council," School Building Projects Advisory Council, (February 7, 2014), https://portal.ct.gov/-/media/DAS/Office-of-School-Construction-Grants/School-Building-Projects-Advisory-Board/sbpac_report_02072014.pdf?la=en.

[4] "2013 School Construction Priority List," Connecticut Department of Administrative Services, Office of School Construction Grants and Reviews, (December 14, 2012), https://portal.ct.gov/-/media/DAS/Office-of-School-Construction-Grants/Task-191---School-Construction-Property-List-Projects/2013.pdf?la=en.

Introduction

PLAs are a form of a "pre-hire" collective bargaining agreement between contractors and labor unions pertaining to a specific project, contract or work location. They are unique to the construction industry. The terms of a PLA generally recognize the participating unions as the sole bargaining representatives for the workers covered by the agreements, regardless of their current union membership status. They require most or all workers to be hired by general contractors and subcontractors through the union hall referral system. Non-union workers must join the signatory union of their respective craft and/or pay dues for the length of the project. The workers' wages, working hours, dispute resolution process and other work rules are also prescribed in the agreement. PLAs supersede all other collective bargaining agreements and prohibit strikes, slowdowns and lockouts for the duration of the project.[5]

PLAs can be mandatory, that is, required by a government entity such as a school board as a condition of bidding and winning a contract to perform construction services on a project. Alternatively, they can be agreed to voluntarily by contractors participating in an open and competitive bidding process. Mandatory PLAs are anti-competitive insofar as they discourage open shop contractors from bidding on projects to which the PLAs are attached. Voluntary PLAs are less likely to raise costs insofar as winning bidders would not agree to follow union rules and hiring procedures unless it was cost effective to do so and unless it therefore made bidders more efficient by allowing them to negotiate the terms and conditions of the PLA directly with unions.

In earlier studies, the Beacon Hill Institute (BHI) found that the presence of PLAs increased construction bid costs over non-PLA school projects in Ohio, Massachusetts, Connecticut, New

[5] U.S. General Accounting Office, *Project Labor Agreements: The Extent of Their Use and Related Information*, Publication No. GAO/GGD-98-82, (Washington D.C.: 1998), http://www.gao.gov/achives/1998/gg98082.pdf.

York and most recently, New Jersey.[6] Of the five, the studies of Ohio, Massachusetts, Connecticut and New Jersey showed that PLAs increased final construction costs as well.

Other researchers have found similar results. For example, a study conducted by the New Jersey Department of Labor and Workforce Development found that the "cost per square foot for PLA projects was $260.00, or 30.5 percent higher than for non-PLA projects, which averaged $199.19 per square foot" on school construction projects in New Jersey.[7] A study by National University System Institute for Policy Research on school construction projects in California found that costs were "13 to 15 percent higher when school districts construct a school under a PLA."[8]

This is the second of two Connecticut studies. In the first study, our analysis covered projects undertaken between 1996 and 2002. The current study extends our examination of the effects of PLAs on public school construction projects that took place in Connecticut since 2001.

Historical Background on PLAs

PLAs in the United States originated in the public works projects of the Great Depression, which included the Grand Coulee Dam in Washington State in 1938 and the Shasta Dam in California in 1940. Since World War II, PLAs have continued to be used on a limited basis for some large construction projects procured by government entities, from the construction of the Cape Canaveral Space Center in Florida to the Central Artery project (the "Big Dig") in Boston. PLAs

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[6] Paul Bachman, Darlene C. Chisholm, Jonathan Haughton, and David G. Tuerck, *Project Labor Agreements and the Cost of School Construction in Massachusetts,* The Beacon Hill Institute at Suffolk University, (September 2003). http://www.beaconhill.org/BHIStudies/PLAPolicyStudy12903.pdf. See also Paul Bachman, Jonathan Haughton, and David G. Tuerck, *Project Labor Agreements and the Cost of School Construction in Connecticut,* The Beacon Hill Institute at Suffolk University, September 2004. http://www.beaconhill.org/BHIStudies/PLA2004/PLAinCT23Nov2004.pdf.

[7] "Annual Report to the Governor and Legislature: Use of Project Labor Agreements in Public Works Building Projects in Fiscal Year 2008", New Jersey Department of Labor and Workforce Development, October 2010, http://lwd.dol.state.nj.us/labor/forms_pdfs/legal/2010/PLAReportOct2010.pdf, 3.

[8] Vince Vasquez, Dr. Dale Glaser, and W. Erik Bruvold, "Measuring the Cost of Project Labor Agreements on School Construction in California, " National University System Institute for Policy Research, 2010, http://www.nusinstitute.org/assets/resources/pageResources/Measuring-the-Cost-of-Project-Labor-Agreements-on-School-Construction-in-California.pdf, 1.

used on prominent private sector projects include the Alaskan Pipeline and Disney World in Florida.

The Arguments Against and For PLAs

Government-mandated PLAs on publicly financed construction projects are typically issued after lobbying campaigns from labor unions to help them increase market share and win work for union-signatory contractors. The logic of mandating PLAs is, however, increasingly dubious given the decline of union membership across the workforce and particularly in the construction sector. Only 12.8 percent of the U.S. private construction workforce currently belongs to unions, down from 15.6 percent in 2008.[9]

PLAs typically require that general contractors and subcontractors to hire most or all construction labor through union halls and union apprenticeship programs, contribute to multiemployer pension retirement plans and follow union work rules. PLAs force contractors to hire union workers in place of most or all of their own workforce. The contractors and any existing employees are required to contribute to union benefits plans even if they cover their own workers under their own policies. Typically, all workers are forced to pay union dues or fees and/or join a union in order to work on a PLA project. In addition, onerous work rules in typical PLAs restrict the contractors from using their own, often more flexible, operating rules and multiskilling procedures across multiple trades with their own non-union employees. These restrictive conditions cause costs to rise for a project subject to a government-mandated PLA.

Merit shop (non-union or open shop) contractors contend that their competitive advantages are nullified by a PLA even as they comply with other mandates such as prevailing wage laws. The result is that in practice, if not in principle, they are unable to bid competitively on jobs that have a PLA requirement. In turn, the absence of open shop bidders for PLA projects results in fewer bidders for the project, and with fewer bidders, the lowest bids come in higher than if open shop

[9] Union Membership and Coverage Database, December 29, 2019, http://www.unionstats.com/

contractors had participated. Therefore, the project cost will be higher, with fewer bidders attempting to under-bid each other for the contract. Some opponents also argue that requiring a PLA violates state competitive bidding laws that require a free and open bidding process.

Proponents of PLAs counter that PLAs keep projects on time and on budget and that they help to assure the use of qualified, skilled workers on a project. They argue that the agreements provide for harmonious work conditions by eliminating inefficiencies in existing union collective bargaining agreements and that they guarantee predictable wage costs for the life of the contract. They contend that the combination of work rules and provisions that prohibit strikes, slowdowns and lockouts keep the project on time while preventing cost overruns due to delays. They argue, furthermore, that the wage stipulations allow firms to estimate more accurately the labor costs for the life of the project and thus keep the project on budget.[10]

Proponents also argue that the work rules, such as overtime and vacation pay under PLAs are often less generous than the collective bargaining agreements for some trades. Thus, if a PLA stipulates that overtime pay begins only after 40 hours per week, and not after eight hours per day, as in some collective bargaining agreements, then the PLA will produce savings on overtime costs.

Advocates insist that the union training programs create a safer work environment, thereby reducing accidents and thus lowering the number of workers' compensation claims. Besides, they claim workers' union certifications and apprenticeship training programs ensure the qualifications of the workforce. These features, they argue, save money by reducing cost overruns. Also, proponents assert that through union apprenticeship programs, PLAs help to ensure local workers are hired and trained.

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[10] Gerald Mayer, "Project Labor Agreements." Congressional Research Service, R41310, July 1, 2010, https://www.cga.ct.gov/2011/rpt/2011-R-0360.htm.

Such claims, against and for PLAs, are merely anecdotal. It is the owner's responsibility, in soliciting bids for a project, to specify the terms of the contract, including completion time and the expected quality of the work to be performed. When the owner is a public entity that is responsible for several or many construction projects over a long-time horizon, that entity should turn to the data to determine whether the practice of mandating a PLA does reduce costs as proponents claim. As in past studies, we use data to determine if the pro-PLA claims are valid.

Legal Background

The controversy over PLAs on public construction projects has intensified, with a myriad of court challenges from both sides of the argument.

In 1993, the United States Supreme Court's *Boston Harbor* decision raised the stakes over the use of government-mandated PLAs on public projects. In 1988, a federal court ordered the Massachusetts Water Resources Authority to fund the cleanup of Boston Harbor. The Authority's project management firm, IFC Kaiser, negotiated a PLA with the local construction unions for the multibillion-dollar cleanup effort funded by taxpayer dollars. In a move that set a precedent, IFC Kaiser mandated a PLA as part of the project's bid specifications.[11] As a result, a non-union trade group filed a lawsuit contending that the PLA requirement violated the National Labor Relations Act (NLRA). However, the United States Supreme Court held that a state authority, acting as the owner of a construction project and as a market participant purchasing construction services, was legally permitted to enforce a pre-hire collective bargaining agreement negotiated by private parties.[12] Since the *Boston Harbor* decision, most PLA litigation has centered on the competitive bidding requirements of state and local law.

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[11] Herbert R. Northrup and Linda E. Alario, "Government-Mandated Project Labor Agreements in Construction, The Institutional Facts and Issues and Key Litigation: Moving Toward Union Monopoly on Federal and State Financed Projects," *Government Union Review* 19, no. 3, (2000): 60.

[12] Ibid.

New York State Chapter ABC, Inc. v. *New York State Thruway Authority* provided a significant ruling that affected the use of PLAs. The court ruled that PLAs are "neither absolutely prohibited nor absolutely permitted" on public construction projects in New York and that they should be considered on a case-by-case basis. The court ruled that the public owners of construction projects in New York must demonstrate that a PLA upholds the principles of the state's competitive bidding statutes and protects the public's interest by obtaining the lowest price for the highest quality work, and prevents "favoritism, improvidence, fraud and corruption in the awarding of public contracts."[13]

PLAs at the Federal Level

President George H.W. Bush's October 23, 1992, Executive Order 12818, "Open Bidding on Federally Funded Construction Projects," was the first serve in a PLA policy ping pong match between Republican and Democratic administrations that ensued after the *Boston Harbor* court case. The executive order prohibited federal agencies from requiring PLAs on federal construction projects.[14]

On February 1, 1993, President Clinton issued Executive Order 12836, "Revocation of Certain Executive Orders Concerning Federal Contracting," rescinding President Bush's Executive Order 12818.[15]

After his reelection, President Clinton attempted to implement a pro-PLA executive order that instructed federal agencies to determine if a PLA would "advance the government's procurement interest[s]" on federal construction projects and then to implement them on a project-by-project basis. However, that executive order was never signed.[16] After extensive political pressure from

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[13] New York State Chapter ABC, Inc. v. New York State Thruway Auth., 88 N.Y. 2d 56,643 NYS 2d 480,666 NE 2d 185 (1996).
[14] Northrup, 3.
[15] Exec. Order No. 12836, 3 C.F.R. (1993).
[16] Draft Executive Order on the Use of Project Labor Agreements, April 1997, http://thetruthaboutplas.com/wp-content/uploads/2009/06/draft-of-pro-pla-clinton-executive-order-never-happened-040197.pdf.

the Republican-controlled U.S. Senate, President Clinton instead issued a June 5, 1997, memorandum that merely encouraged the use of PLAs on contracts over $5 million for construction projects, including renovation and repair work, for federally owned facilities.[17]

Subsequently, few projects were conducted under government-mandated PLAs because the regulatory process that established the rules in which the federal government could require and use PLAs delayed implementation of the Clinton memo. Also, few federal agencies opted to mandate PLAs on federal construction projects, as documented in a May 5, 1998, *U.S.* Government Accountability Office (GAO) report: *Project Labor Agreements: The Extent of Their Use and Related Information*. The GAO report found that it is nearly impossible to show any savings or increased quality derived from the use of government-mandated PLAs.[18]

On February 17, 2001, under Executive Order 13202, President George W. Bush canceled the Clinton policy by effectively prohibiting government-mandated PLAs on federal and federally assisted construction projects. The executive order declared that neither the federal government nor any agency acting with federal assistance should require or prohibit construction contractors to sign union agreements as a condition of performing work on a government construction project.[19] On April 6, 2001, the Bush Administration amended Executive Order No. 13202 with Executive Order No. 13208, which exempted any project that already had at least one contract awarded with a PLA from Executive Order 13202.[20]

Some of the largest unions in the country, including the AFL-CIO, insisted that the order illegally interfered with their collective bargaining rights under the NLRA. They filed suit in federal court (*Building & Construction Trades* v. *Allbaugh*), and on November 7, 2001, a United States District

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[17] Ibid.,3.

[18] U.S. Government Accountability Office, Project Labor Agreements: The Extent of Their Use and Related Information, GGD-98-82, (May 29, 1998), http://www.gao.gov/products/GGD-98-82.

[19] Worcester Municipal Research Bureau, "Project Labor Agreements on Public Construction Projects: The Case for and Against," Report No. 01-4 (May 21, 2001): 7, http://www.wrrb.org/reports/public-administration/2001/05/the-use-of-project-labor-agreements-on-public-construction-projects/.

[20] Exec. Order No. 13208, 3 C.F.R. 187 (2001)

Court Judge issued an injunction blocking the President's order. The Justice Department appealed and, the U. S. Court of Appeals for the District of Columbia overturned the lower court decision and ordered the judge to lift the injunction on July 12, 2002. In handing down its decision, the appeals court found that the NLRA did not preempt the executive order as the AFL-CIO argued.[21] The unions disagreed and filed to have the case reviewed by the United States Supreme Court. In April 2003, the Supreme Court declined to review the case, and the President's 2001 executive order remained in place.[22]

On February 6, 2009, shortly after entering office, President Obama issued Executive Order 13502, which changed the federal government's policy to one that encouraged executive agencies to consider requiring, on a case-by-case basis, the use of PLAs related to large-scale construction projects (projects where the federal cost exceeded $25 million).[23] It also permitted state and local lawmakers to mandate PLAs on federally assisted projects procured by state and local authorities, a practice that had been prohibited under the George W. Bush orders. The Obama executive order claimed that, without a PLA, large-scale construction projects are likely to experience (1) labor "disputes," (2) difficulties in predicting labor costs, interruptions in labor supply, (3) a lack of coordination on construction projects, and (4) uncertainty about the terms and conditions of employment of workers – all of which ostensibly lead to delays and cost overruns.[24]

If the claims made in Executive Order 13502 were true, then federal construction projects initiated during the George W. Bush administration's ban on government-mandated PLAs should have been rife with labor disputes leading to cost overruns and delays. That was not the case, however. A 2009 study by the Beacon Hill Institute found no evidence of any labor disputes or delays on

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[21] "Bush Administration, Construction Unions in Fight Over Project Labor Agreements," *Bulletin Broadfaxing Network*, December 5, 2002.

[22] Halloran & Sage LLP, "Union Activity Across the Country," *Connecticut Employment Law Letter* 11, M. Lee Smith Publishers & Printers, (April 2003).

[23] U.S. Department of Labor, "Implementation of Project Labor Agreements in Federal Construction Projects: An Evaluation, Interactive Elements Corporation & Hill International," (February 25, 2011) https://www.dol.gov/asp/evaluation/reports/20110225.pdf.

[24] David G. Tuerck, Paul Bachman and Sarah Glassman, Project Labor Agreements: A Costly Solution in Search of a Problem, The Beacon Hill Institute, (August, 2009), http://www.beaconhill.org/BHIStudies/PLA2009/PLAFinal090923.pdf, 4.

the $57 billion of federal construction projects with a price over $25 million that were performed during George W. Bush's presidency.[25]

In 2009, the U.S. Department of Labor (DOL) selected Manchester, New Hampshire to build a new Jobs Corps Center with a PLA mandate. However, non-union contractors complained that many New Hampshire construction contractors and workers were non-union, and that the PLA would favor contractors from out of state. Nonetheless, the DOL solicited bids for the project under the PLA. A non-union contractor filed a bid protest with the GAO against the PLA mandate, and in the face of political pressure and an unfavorable ruling against the Labor Department, the PLA was eventually dropped, and the project rebid without a PLA. The second round of bidding produced three times as many bidders and bid prices that were 16 percent lower, ultimately saving taxpayers $6.2 million and allowing a local company to deliver the award-winning project on-time and on budget. [26]

To date, the Trump administration has not issued an executive order similar to the Bush orders restricting government-mandated PLAs on federal and federally assisted projects. To date, the Trump administration has not mandated any PLAs on any construction projects procured directly by a federal agency.

However, an unknown number of PLA mandates have proliferated on federally assisted projects procured by state and local governments. For example, according to a February 2019 report by the U.S. Department of Transportation's Federal Highway Administration (FHWA), from May 2010 to February 2019, state and local government authorities mandated PLAs on 418 state and local contracts (totaling $10.12 billion) receiving federal assistance from the FHWA.[27]

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[25] Ibid, 6.

[26] Ted Siefer, "NH firm wins contract to build $35M job center in Manchester after years-long fight," *The New Hampshire Union Leader*,(April 21, 2013), http://www.unionleader.com/apps/pbcs.dll/article?AID=2013130429519&NL=1&template=printart#sthash.Ewo1ItG4.dpuf.

[27] U.S. Department of Transportation, Federal Highway Administration, Interim Guidance on the use of Project Labor Agreements, (May 7, 2010), https://www.fhwa.dot.gov/construction/contracts/100507.cfm and subsequent data on the use of PLAs on federally assisted FHWA projects: https://thetruthaboutplas.com/wp-content/uploads/2019/03/FHWA-PLA_SummaryTables_022619-Created-032219.xlsx.

State governments also have enacted legislation on the use of PLAs. To date, a total of 25 states have adopted measures restricting the use of government-mandated PLAs on state, state-assisted and local construction projects to some degree.[28] Since 2011, 26 states enacted measures following the Obama administration's pro-PLA policy. Roughly eight states have enacted measures encouraging the use of PLAs on a case-by-case basis.

PLAs in Connecticut

The *Boston Harbor* decision opened the door for PLAs on public construction projects throughout the country, including Connecticut.

In Connecticut, the use of PLAs in construction projects has been especially contentious. The percentage of construction force union members to total employed workers in Connecticut stands at 20.1 percent, as of 2018.[29]

PLA opponents in Connecticut continued the trend in other states by challenging PLAs in court, contending that PLAs violate competitive bidding statues. In two separate, but related, court cases involving the use of a PLA in the construction of a parking garage in Hartford (*Connecticut Associated Builders and Contractors, et al. v. City of Hartford, 251 Conn. 169, 1999* and *Connecticut Associated Builders and Contractors, et al. v. Theodore Anson, Commissioner of Public Works, 251 Conn. 202, 1999*), the Connecticut Supreme Court held that contractors and trade associations did not have the right to challenge

[28] ABC Applauds Passage of Texas Law Ensuring Fair and Open Competition, June 3, 2019, https://thetruthaboutplas.com/2019/06/03/abc-applauds-passage-of-texas-law-ensuring-fair-and-open-competition/ and list of states with Fair and Open Competition Measures (as of May 2019): https://thetruthaboutplas.com/wp-content/uploads/2019/08/State-and-Local-Government-Mandated-Project-Labor-Agreement-Laws-as-of-053019.xlsx

[29] Union Membership and Coverage Database, Connecticut, December 29, 2019, http://www.unionstats.com/

the award of a contract unless there were alleged illegalities in the bidding process that "amount to fraud, corruption, favoritism or acts that undermine the objective and integrity of the competitive bidding process."[30] The Court, in essence, restricted the ability of non-union contractors to challenge PLAs in Connecticut courts.

PLAs have provoked further controversy in Connecticut. In January of 2012, the Connecticut Supreme Court reversed a Superior Court decision and gave standing to Electrical Contractors Inc. (ECI), a Hartford nonunion company, to sue the Hartford Board of Education after it won a bid on two school construction projects but declined to sign a PLA covering the projects. The Hartford Board of Education awarded the contract to another firm, and ECI sued the Board. The ruling reversed a Superior Court ruling that denied ECI standing to sue. The decision opened the door for other non-union contractors to sue over PLAs.[31]

The Connecticut Legislature and Governor responded by enacting Public Act 12-70 later in 2012. The Act explicitly allows the use of PLAs on public construction projects in Connecticut, undercutting the effects of the State Supreme Court ECI decision.[32] The bill allows Connecticut municipalities the decision of choosing whether to use a PLA for any school construction project which will cost more than $10 million.

Connecticut cities such as Bridgeport, Hartford, New Haven, New London and Waterbury have frequently required PLAs on school construction projects. Elsewhere in

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[30] "Construction Law Update: New Developments in Connecticut Construction Law," Pepe & Hazard LLP, Construction and Surety, Client Advisories; Internet; available at http://www.pepehazard.com/Publications/Publicationtext.cfm?pubid=19; accessed July 19, 2004.
[31] Supreme Court of Connecticut. ELECTRICAL CONTRACTORS, INC., et al. v. DEPARTMENT OF EDUCATION et al, No. 18525. (Decided: January 17, 2012), https://caselaw.findlaw.com/ct-supreme-court/1594236.html.
[32] "Malloy signs design-build, PLA law," Hartford Business.com, (July 11, 2012), http://m.hartfordbusiness.com/apps/pbcs.dll/article?AID=/20120711/NEWS01/120719936.

Connecticut, major public-works projects have used PLAs, including most recently the Gold Star Bridge, which will allegedly require a PLA and the Gold Star Bridge and Road and Bridge Rehabilitation project on I-84 and Route 8 in Waterbury.

Connecticut Governor Ned Lamont has requested that the new CT2030, which includes $21 billion in transportation projects, be built requiring the use of PLAs. [33]

Evidence on PLAs

The evidence on whether PLAs drive up construction costs had been mostly anecdotal until we started investigating PLAs in Massachusetts over a decade ago. The earlier evidence fell into two categories: (1) estimates by consultants that were made in the pre-bid stage of a project, with no attempt made to verify their cost-saving claims after the fact, and (2), estimates that restricted to only a few projects. No "analysis" of either kind provides any quantitative evidence that PLAs increase or reduce construction costs.

It is statistically possible to test whether PLAs raise construction costs by using the approach taken here and in our previous studies. In this study, we present data that relates to Connecticut public school building projects. We then report the results of our regression analysis and the cumulative effect of these results on the construction costs.

Data Sources

We started with data from the Office of School Construction Grants & Review School Priority Lists from 2001 and on, which contains school construction projects whose

[33] "Big payoff to big labor in Gov. Lamont's new transportation plan", (December 22, 2019), https://yankeeinstitute.org/2019/11/08/big-payoff-to-big-labor-in-gov-lamonts-new-transportation-plan/

sponsors sought assistance via grants from the state.[34] According to the Office of School Construction Grants & Review, "All school construction projects seeking State assistance are required to be authorized by the legislature, except for those described in C.G.S. 10-283(b)." The Lists contain data from these government offices including estimated construction costs, bid sizes, and estimated square footage of potential public-school construction projects. We went through each Priority List after 2001 to determine which public-school construction projects were authorized in order to create a starting point for our database. We also used a Connecticut Education directory derived from Connecticut Data to find any additional public-school construction projects not contained within the Priority Lists.[35]

We then contacted local school districts and contractors for various school construction projects in order to obtain final construction costs and other essential data. We could not find certain data, such has the number of bids per trade package, and whether or not the requested projects were rebid without a PLA after the initial round of bidding under a PLA.

Adjusting for Inflation

Our sample of 95 school construction projects covers the period 2001 to the present. To compare the final construction costs of PLA with non-PLA schools, it was necessary to correct for the fact that construction costs rose during this period. We used the U.S. Department of Labor's Bureau of Labor Statistics index for "New School Building Construction" to make the

[34] "School Construction Priority List," Connecticut Department of Administrative Services, Office of School Construction Grants and Reviews, (December 14, 2019), https://portal.ct.gov/DAS/Office-of-School-Construction-Grants/School-Construction-Priority-List-Projects

[35] Education Directory, December 29, 2019, https://data.ct.gov/Education/Education-Directory/9k2y-kqxn

needed correction. Because the index begins in 2005, we used the compound annual growth rate (CAGR) of 3.7 percent for all years from 2005 to 2019 as the growth rate to estimate the index for the years 2001-2004.[36]

Table 1 compares the characteristics of the school construction projects with a PLA ("PLA projects") with those where there was no such agreement ("non-PLA projects").

Table 1: Summary Statistics for Construction Projects by PLA Status

Variable	Final Construction Costs (2019 $ millions)	Size of project (square feet)	Final Construction cost/square foot (2019 $)	Number of stories
Mean				
PLA	55,700,000	117,529	483.73	2.77
Non-PLA	45,400,000	110,733	410.47	1.95
Standard Deviation				
PLA	31,700,000	65,143	104.99	0.85
Non-PLA	31,300,000	73,822	121.25	0.75
Minimum				
PLA	14,500,000	30,000	266.25	1
Non-PLA	6,245,000	14,500	218.97	1
Maximum				
PLA	155,000,000	295,000	690.95	5
Non-PLA	144,000,000	312,000	649.39	4

A notable pattern in the data is that PLA projects, on average, cost $73 ($483 minus $410) more per square foot (in 2019 prices) than non-PLA projects. However, this is not conclusive, because it is possible that PLA projects are systematically different – for instance more complex.

A regression analysis allows us to determine whether the difference in PLA versus non-PLA projects is robust to differences in project size and other variables. To capture the effect of economies of scale, we include a variable for the logarithm of square footage of construction,

[36] U.S. Department of Labor, Bureau of Labor Statistics, Producer Price Index, PPI industry data for new school building construction, Series ID: PCU236222236222 (accessed December 6, 2019), https://www.bls.gov/data/.

which ensures that the effect of additional size diminishes as the project becomes bigger. In addition, we include a measure of the number of stories, the presence of a gym, theater, auditorium, and multiple cafeterias. We also include a variable, we call "new," to account for projects that were brand new, where costs are higher in certain cases than projects that are renovated as new or had significant renovations. We also accounted for other features such as whether the project is an elementary school. In our regressions, the dependent variable is the final construction costs per square foot (in 2019 prices). The most critical independent variable is a dummy variable that is set equal to 1 for PLA projects and to 0 for non-PLA projects. The ordinary least squares regression results are presented in Table 2.

Our results show that the PLA projects added $89.33 per square foot (in 2019 prices) to the final hard base construction costs. The important point here is that this amount represents the effect of PLA projects after controlling for other measurable influences on costs; these other influences are important for explaining why construction costs differ from project to project. The estimates in Table 2 show that it matters whether the project is built under PLA arrangements.

Table 2: Ordinary Least Squares Estimation of Final Construction Costs Per Square Foot

Variable	Coefficient	Standard error	p-value (one-tailed test)
Constant	641.25	265.25	.009
PLA	89.33	28.19	.001
New	40.78	26.22	.062
Gym	26.76	30.90	.195
Theatre	15.24	39.35	.350
Multiple cafeterias	-33.66	92.89	.359
Log Square Feet	-18.92	22.65	.203
Elementary	-25.72	28.70	.186
Stories	-18.92	16.45	.127
Auditorium	8.42	28.20	.383
Other	29.96	29.76	.159

Pool	-42.75	77.49	.291

Adjusted R^2 is .10. Sample size is 96.

A one-tailed test of the statistical significance of the PLA coefficient gives a p-value of .001, which means that there is less than a .1 percent chance that we have accidentally found that PLA projects are more expensive than non-PLA projects. Put another way, there is at least a 99.9 percent probability that PLA projects are more expensive than non-PLA projects, holding other measurable aspects of a project constant.

The equation also shows that projects with a gym are more expensive, as are schools with a theater or auditorium. The negative coefficient for the logarithm of square feet captures the effect of economies of scale on cost. Surprisingly, the inclusion of more than one cafeteria and a pool reduces cost per square foot. One explanation is that schools large enough to have more than one cafeteria or a pool are exhibiting the same economies-of-scale effect that is shown by the logarithm of square feet variable.

With an adjusted $R^2 = 0.10$, the equation "explains" 10 percent of the variation in construction bid costs across projects. Clearly, other factors also influence the cost of construction – the exact nature of the site such as soils, the materials used for flooring and roofing, the outside finish and the like. But as a practical matter, it is impossible to collect data on every factor that increases or decreases cost. Our specification is no different from any other specification in recognizing this fact.

For the PLA effect shown here to be overstated, it would have to be the case that PLA projects systematically use more expensive materials, or add more enhancements and "bells and whistles," than non-PLA projects. In some cases, certain magnet schools built in Connecticut under a PLA have more advanced buildouts than non-magnet schools built without a PLA in effect. However, we excluded multiple outliers from our analysis to remove this effect. This gives us confidence that the PLA effect shown here is real. Furthermore, we attempted to ascertain the prevalence of elements that might make a project more expensive in our data collection process.

Robustness

It is helpful to explore the robustness of our results. In other words, is there still a PLA effect if we look only at elementary school construction projects or at small, medium or large projects? The results of this exercise are summarized in Table 3.

Table 3: Regression Estimates of the "PLA Effect" For Different Sub-Samples and Model Specifications

Sub-sample	PLA effect ($/sqr ft.)	p-value (one-tailed test)	Other variables included	Sample size (# of PLA projects)	Adjusted R^2	Mean cost/sq. ft Non-PLA projects	Mean cost/sq. ft PLA projects
Final costs (baseline)	89.33	.001	Gym, theater, stories, elementary, auditorium, multiple cafes, log sqrft., new*, pool	96 (52)	.10	410.47	483.73
Award cost ($/sqrft.)	60.33	.050	Gym, theater, stories, elementary, auditorium, multiple cafes, log sqrft., new*, pool	95 (51)	.05	445.91	496.98
Small projects only	109.71	.010	Gym, theater, stories, elementary, auditorium, multiple cafes, log sqrft.*, new, pool	47 (24)	.12	409.72	515.58
Medium projects only	67.90	.140	Gym, theater, stories, elementary*, auditorium, multiple cafes**, log sqrft.*, new*, pool**	34 (19)	-.14	431.79	457.29
Large projects only	109.74	.073	Gym*, theater, stories, sqrft., elementary**, auditorium, multiple cafes**, log sqrft.*, new, pool	11 (6)	.10	367.39	481.06
Elementary schools only	120.91	.025	Gym*, theater, stories, log sqrft.*, elementary**, auditorium, multiple cafes**, new*, pool	30 (12)	.11	390.42	487.08
Middle & HS only	96.48	.004	Gym*, theater, stories*, auditorium, multiple cafes**, log sqrft.*, new*, pool	66 (40)	.04	424.35	482.71
Weighted by sqrft.	81.45	.000	Gym, theater, stories*, elementary*, auditorium, multiple cafes, log sqrft.*, new*, pool	96 (52)	.14	410.47	483.73

Notes: log sqrft. = logarithm of square footage for each project; stories is the number of stories above ground; elementary = 1 if elementary school or primary school, 0 if junior high or high school; gym =1 if school has a gym, 0 if not; theatre =1 if school has a theatre, 0 if not; auditorium = 1 if the school has an auditorium, 0 if not; multiple cafes = 1 if school has multiple cafeterias, 0 if not; pool = 1 if school has pool, 0 if not; New=1 if the school was newly constructed or renovated. * denotes statistical significance at the 95 percent confidence interval. **denotes omitted variables.

The first column indicates the sample, or sub-sample, used in estimating the regression equation. We performed this analysis by running separate regressions for the following samples:

1. the "baseline" sample, which consists of all the cases for which information was available on final construction costs; this was also used to give results weighted by project size ("weighted by sqrft");
2. small projects, medium size projects and large projects;
3. elementary and non-elementary schools; and
4. a sample consisting of the cases for which information was available on bid costs.[37]

The "PLA effect" column shows the estimate of the effect of having a PLA on the cost of construction (in dollars per square foot, in 2019 prices), and the corresponding "p-value" column measures the statistical significance of these coefficients. The PLA effect is statistically significant at the 5 percent level or better, except for small schools and elementary schools. The size of the PLA effect differs, depending on the sample examined. The results of the "baseline" regression analysis presented in Table 2 are reproduced in the first row of Table 3.

Following standard practice, our regressions use ordinary least squares (OLS), which means that each observation (here, a school building project) carries equal weight in the regression. However, we also estimated our preferred equation using weights, where each project is given a weight that is in proportion to the square footage that it represents. This means that a project of 150,000 square feet, for instance, would have twice as much weight in the equation as a project of

[37] Small projects are defined as those below 100,000 square feet, while large projects are those above 200,000 square feet. Medium size projects are those falling between 100,000 and 200,000 square feet.

75,000 square feet. The weighted regression shows a PLA effect of $81.45 per square foot, again statistically significant.

Conclusion

Based on data on construction costs and related variables for school projects in Connecticut since 2001, we find the following:

(i) PLA projects added $89.33 per square foot to cost (in 2019 prices) relative to non-PLA projects. Because the average cost per square foot of construction is $450.15, PLAs raised the base construction costs of building schools by 19.84 percent.

(ii) We are more than 99.9 percent confident of this finding, based on the available data.

(iii) The finding that PLA projects have higher construction costs is robust, in that:

a. The effect persists even when the data are subdivided, so that the effect is evident separately for mid-size projects, large projects, middle schools and high schools.

b. A regression that weights observations by project size also shows the effect.

(iv) Out of the 52 PLA projects, 15 had final construction costs that came in over budget. The budgets of all 52 PLA projects in our sample were based on the use of a PLA.

In sum, the evidence that PLAs have increased the cost of school construction in Connecticut since 2001 is strong. Taken together, the 52 PLA projects in our sample accounted for 5.636 million square feet of construction with a combined cost of $2.031 billion, based on the projects that we were able to include in our study. Our estimates show that taxpayers would have saved $503.463 million, or over $9.681 million per project, if PLAs had not been used.[38]

[38] $503.463 million = 5.636 million square ft. multiplied by $89.33 per square ft.

Appendix

BHI utilized a multi-step data collection process. In the first step, we contacted school districts in Connecticut to obtain the most recent list all projects for public schools in Connecticut since the year 2001. Specifically, we requested:

- Winning base construction bid (excluding insurance, bonds and other soft costs);
- Type of school, (elementary, middle or high school);
- Number of stories above grade;
- Final construction cost;
- Whether the base construction bid include demolition/site work costs;
- Whether there was a PLA (Project Labor Agreement) requirement on the project;
- Was the project a new school or an addition/renovation;
- Number of square feet of new and/or renovated building space;
- Whether the project includes any of the following: auditorium, swimming pool, multiple cafeterias, gymnasium, studio and other features that would add to the project cost;
- Number of bids for each trade package;
- Were the final construction costs within the original budget;
- Was the original project budget based on the use of a PLA (for PLA projects only);
- Was the project rebid without a PLA, after the initial round of bidding under a PLA.

School districts in Connecticut returned information on school projects, such as the name of the school district or municipality, the contact information, final construction cost (if available) and square footage for all projects within the request. However, some data did not include the final school construction cost data, as schools were not required to keep record after a certain amount of time.

From July 2019 through October 2019, BHI contacted each district by email and phone explaining the type of information we were requesting. BHI followed up by mailing Freedom of Information Acts (FOIA) letters to the superintendents of each public-school district in Connecticut (see

example letter below). We made follow-up phone calls to every school district that failed to respond, starting one week after the letters were emailed. We made subsequent follow-up attempts with each district using telephone calls and emails multiple times.

We augmented the data collection process by conducting internet searches that included websites of the school districts, construction firms, construction management firms, architectural firms, and other construction related websites and documents. We obtained some information from these searches on the final construction costs, award amounts, number of square feet, stories above grade, and features, such as gymnasium and other features. Independent internet searches also provided information as to the PLA status of some projects, but these projects were only added to the data base if the information was confirmed by the school district or other officials.

Sample FOIA Letter

Dear **[Superintendent]**:

Under the Connecticut **Freedom of Information Act § 1-200 et seq.,** I am requesting an opportunity to obtain data that pertain to the school construction project in your local school

district. We need the following data for the school construction projects **[Connecticut Municipality]**. More specifically, we need the following data for the following school projects:

- Winning base construction bid;
- Number of stories above grade;
- Final base construction cost;
- Does the base construction bid include demolition/site-work costs;
- Whether there was a PLA (Project Labor Agreement) * requirement on the project;
- Number of square feet of the new building;
- Number of bids for each trade package;
- Were the final construction costs within the original budget;
- Was the original project budget based on the use of a PLA (for PLA projects only);
- Was the project rebid without a PLA, after the initial round of bidding under a PLA.

If there are any fees for searching or copying these records, please inform me if the cost will exceed $10. However, I would also like to request a waiver of all fees in that the disclosure of the requested information is in the public interest. This information is not being sought for commercial purposes.

Sincerely,

Beacon Hill Institute

About the BHI Staff

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The Beacon Hill Institute focuses on federal, state and local economic policies as they affect citizens and businesses. The Institute conducts research and educational programs to provide timely, concise and readable analyses that help voters, policymakers and opinion leaders understand today's leading public policy issues.

BUILDING TRADES

CONNECTICUT

GREATER HARTFORD/NEW BRITAIN BUILDING TRADES COUNCIL

and

The Town of Torrington

Working together to put Torrington residents to work!

March 25, 2021

WHAT IS A PROJECT LABOR AGREEMENT (PLA)?

A pre-hire agreement between a building owner/municipality and a Building Trades Council specifying wages, work conditions, and hiring goals for workers.

Guarantees the owner/municipality an available pool of skilled and qualified workers for a given project.

Is the ***ONLY*** way municipalities can ensure their residents will work on the project without investing major resources into an ordinance and monitoring system.

Is the ***ONLY*** way municipalities can ensure their residents entering into a trade on these projects are given career opportunities and not just a short-term job.

Specific language in the PLA allows non-union workers the ability to perform work on the project without joining a union.

GREATER HARTFORD/NEW BRITAIN BUILDING TRADES APPRENTICESHIP PROGRAMS

The traditional 4-year college track isn't for everyone. We need to make sure people can learn the skills necessary to have a family-sustaining career, with good wages, health care and retirement security.

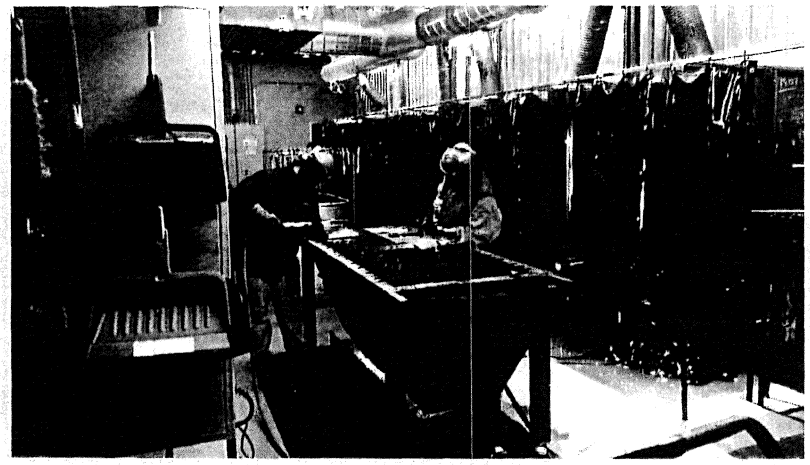
"Apprenticeship programs are the *other* 4-year degree"

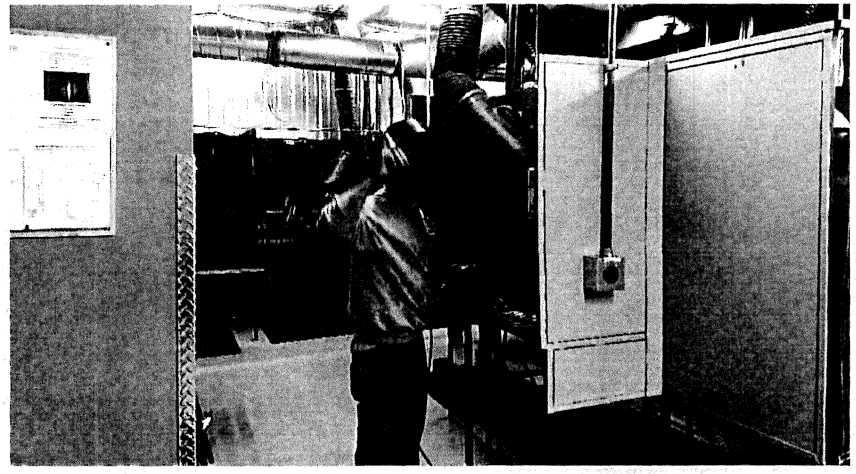
WHAT ARE THE BUILDING TRADES APPRENTICESHIP PROGRAMS?

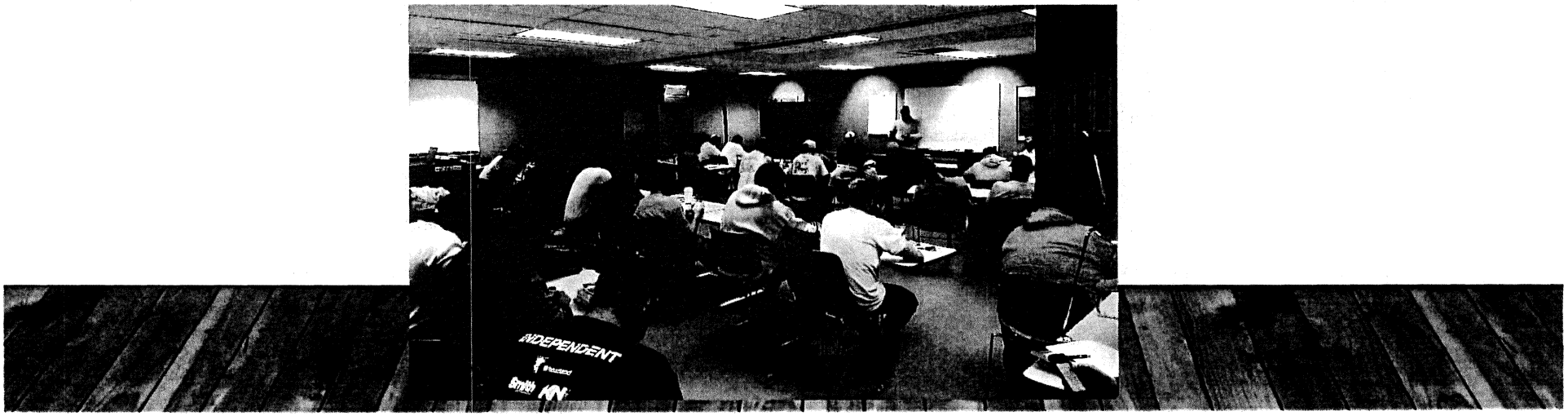
- The building trades are made up of 13 different construction trades. Each trade has their own state approved apprenticeship program. Those programs can be 4-6 years, depending on the specialization.
- Apprentices are trained in everything from OSHA to craft-specific certifications, on-the-job training and classroom hours.
- The Building Trades Unions encompass over 1,900 training centers across North America. We privately fund our apprenticeship training programs through collectively bargained contributions that exceed $1.3 Billion per year. 74% of all U.S. construction apprentices are enrolled in a union funded training program.

SHEET METAL WORKERS' LOCAL 40
100 OLD FORGE ROAD, ROCKY HILL
10,000 SQUARE FEET

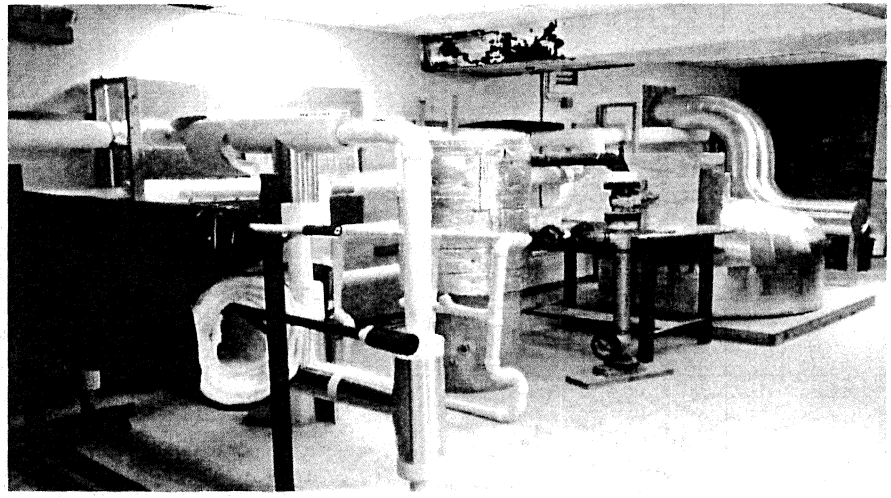
Ironworkers' Local 15
49 Locust Street, Hartford
5,000 Square Feet

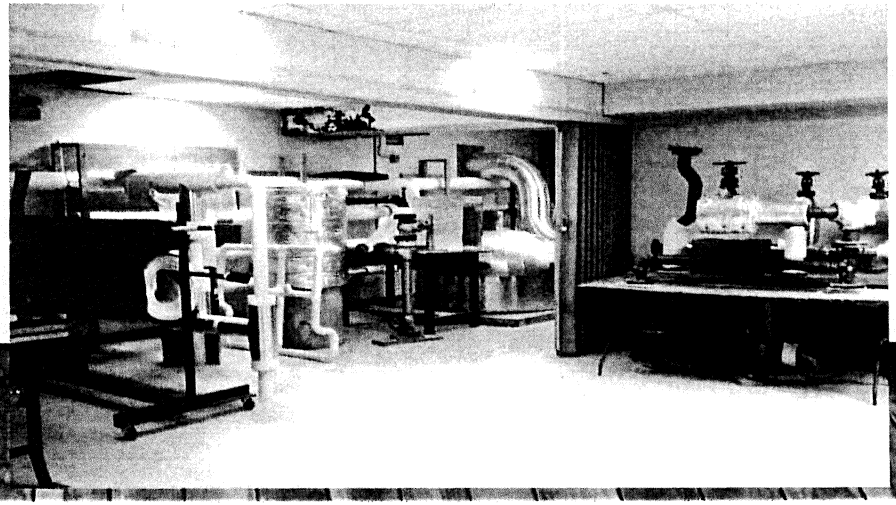




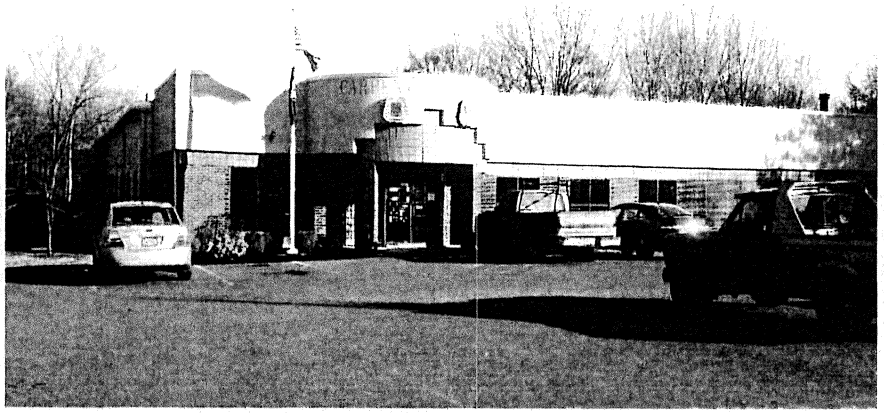


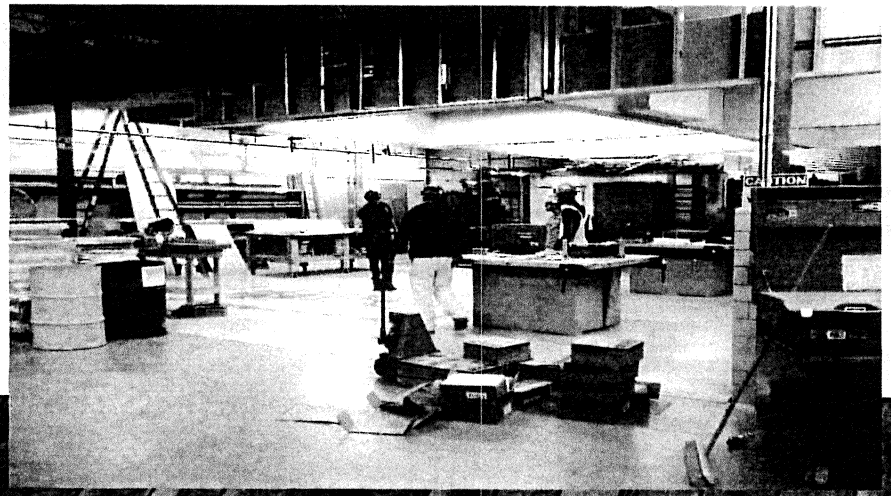
Insulators' Local 33
1200 Square Feet
616 Colony Rd. Wallingford



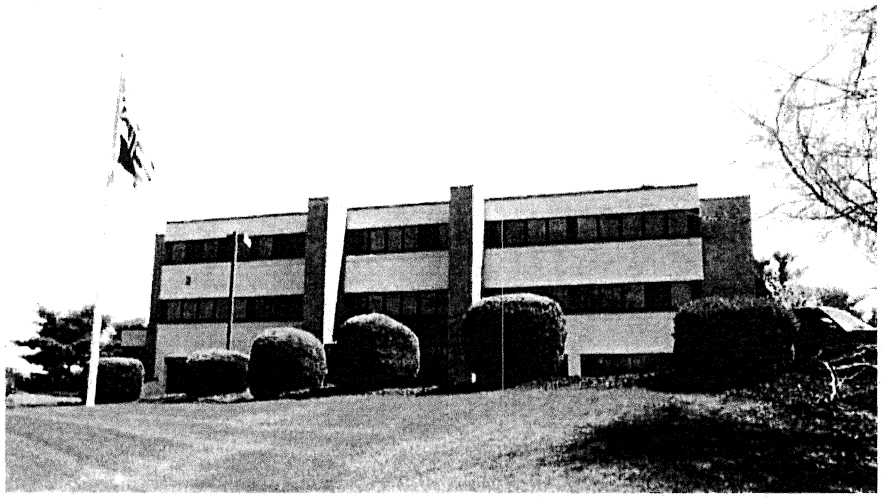


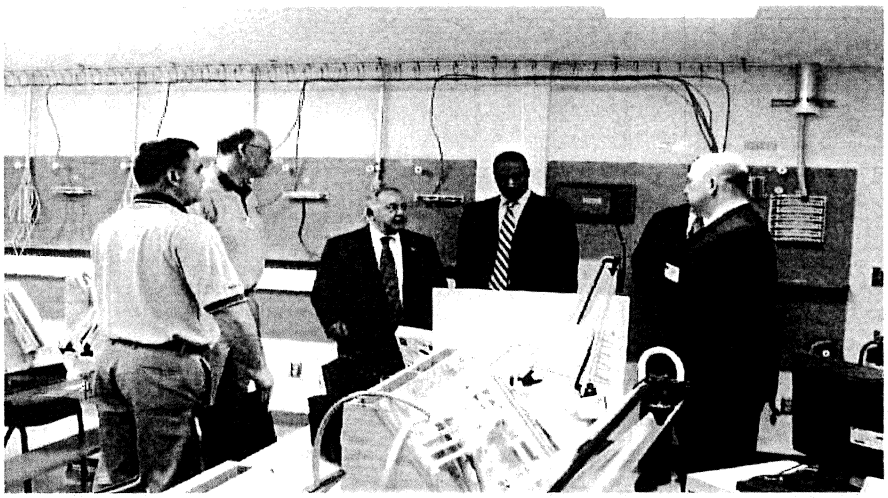
Connecticut Carpenters
20,000 Square Feet
500 Main Street, Yalesville

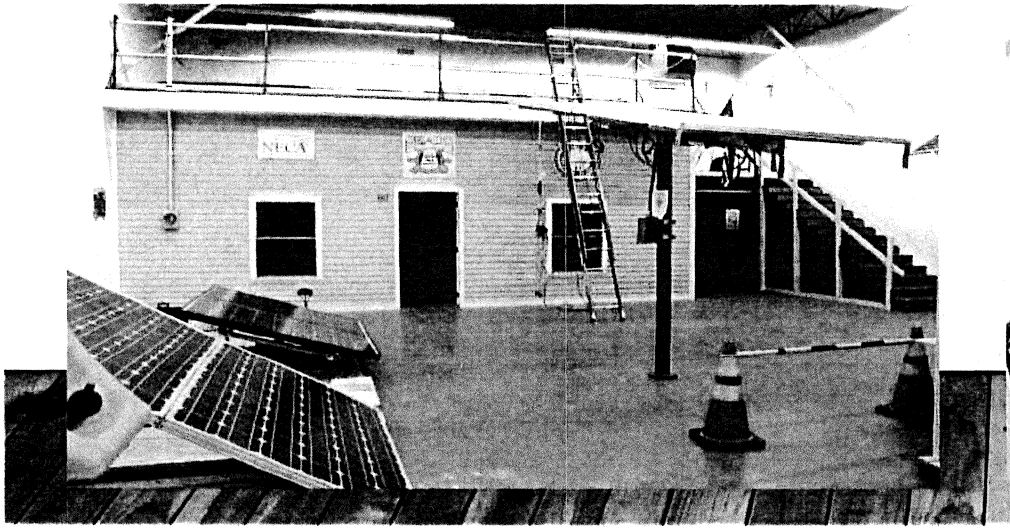


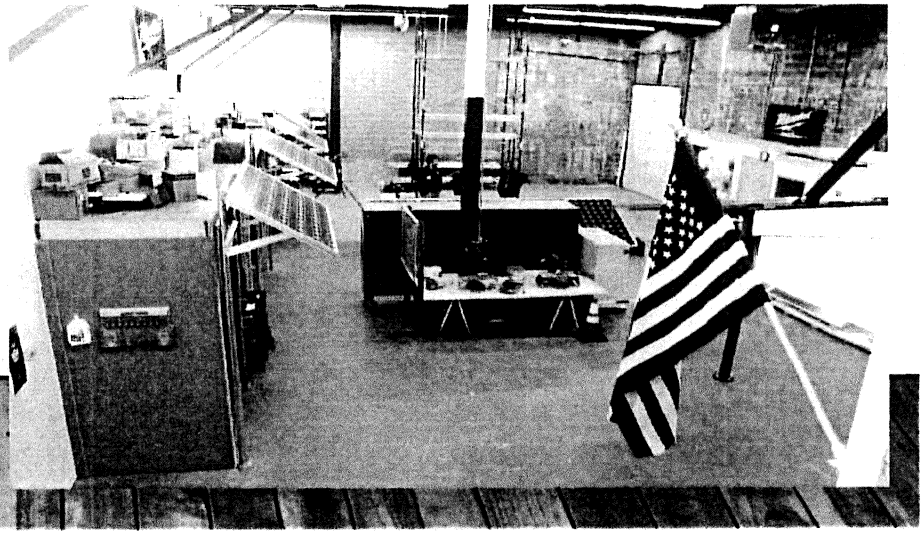


Electricians Local 35
208 Murphy Rd, Hartford, CT 06114

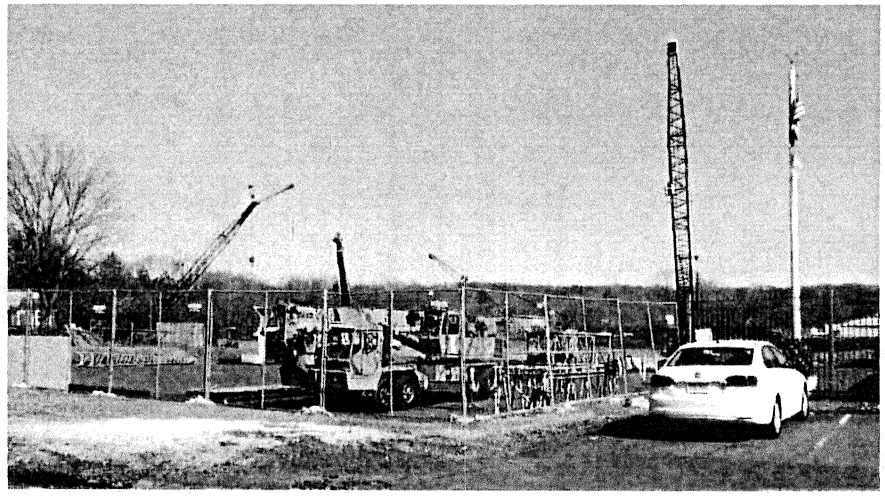


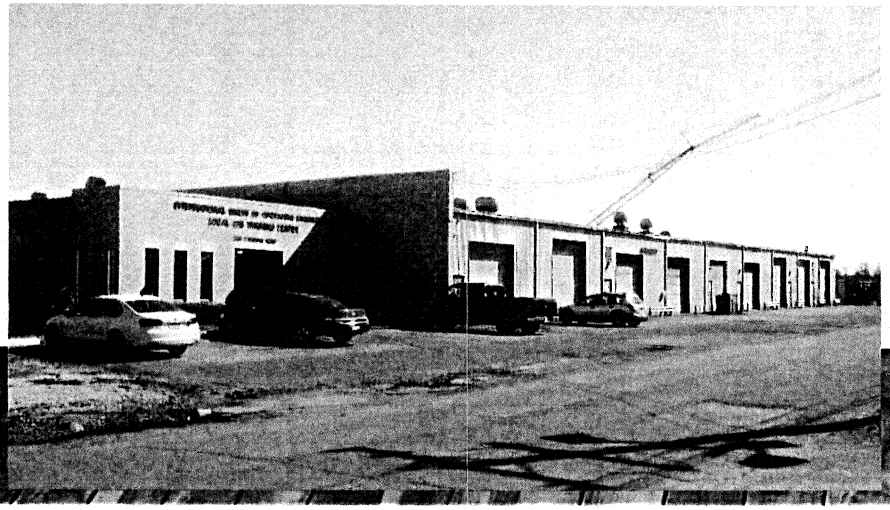




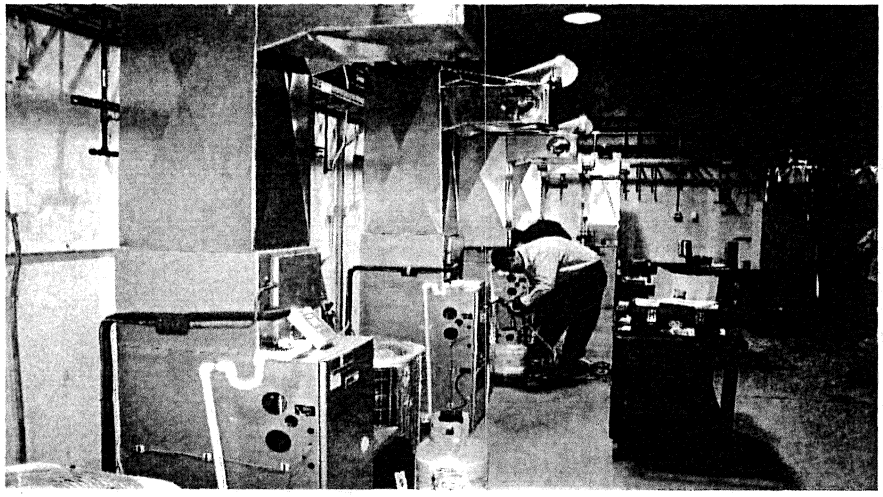


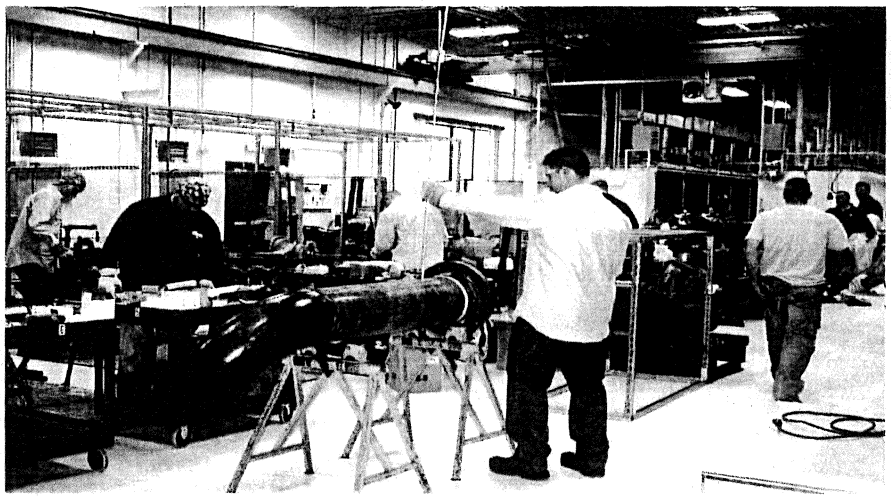
OPERATING ENGINEERS LOCAL 478
20,000 SQUARE FEET AND 5 ACRES
240 CHESHIRE ROAD, MERIDEN

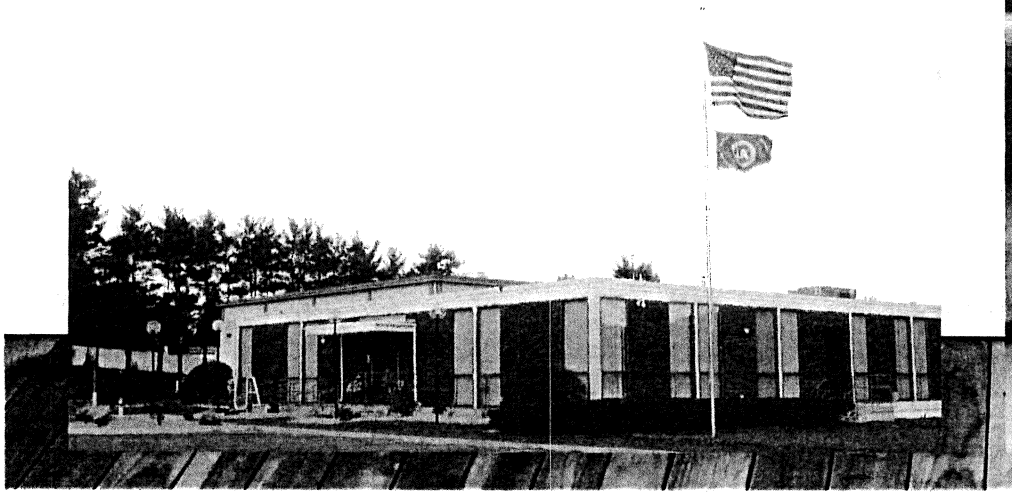


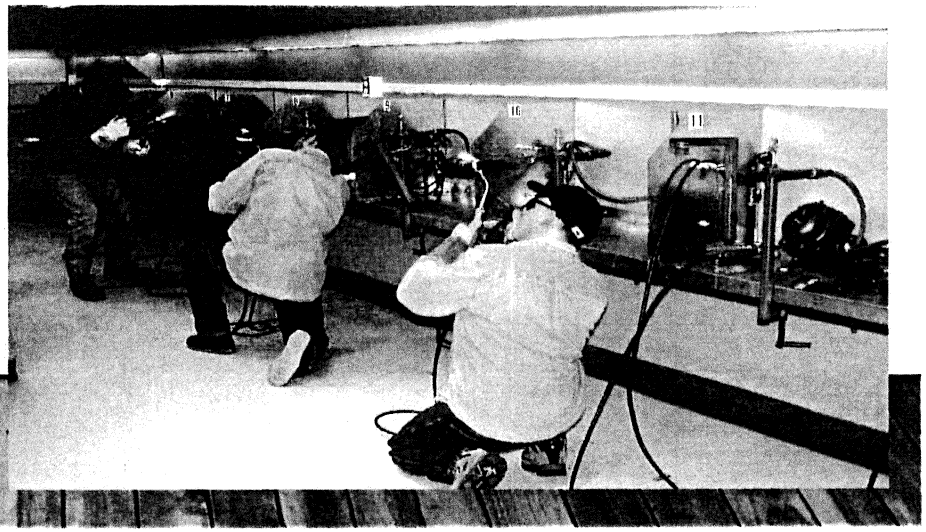


Plumbers and Pipefitters' Local 777
32,000 Square feet
450 Murdock Ave., Meriden



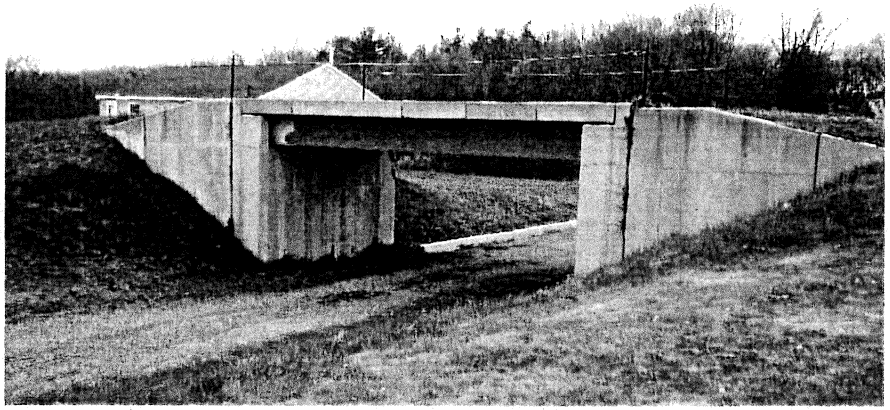




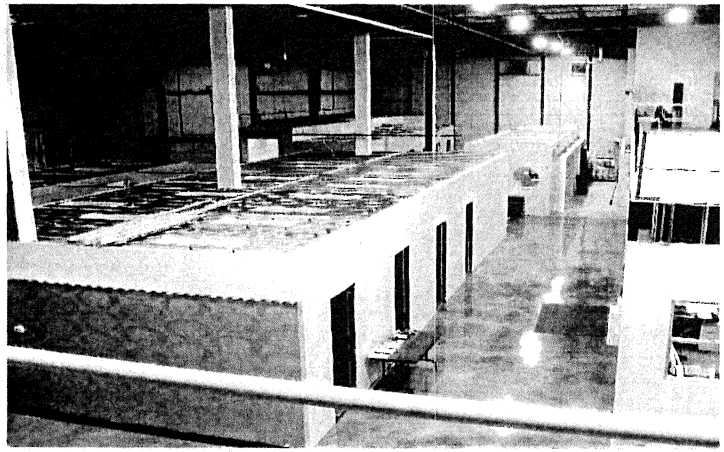


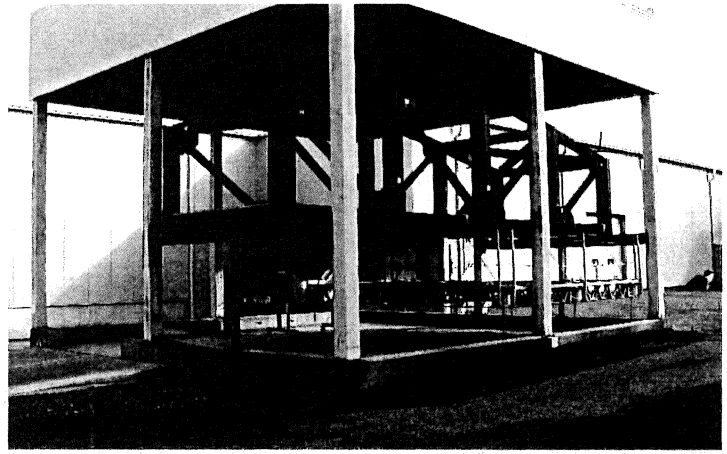
CONNECTICUT LABORERS' INTERNATIONAL DISTRICT COUNCIL

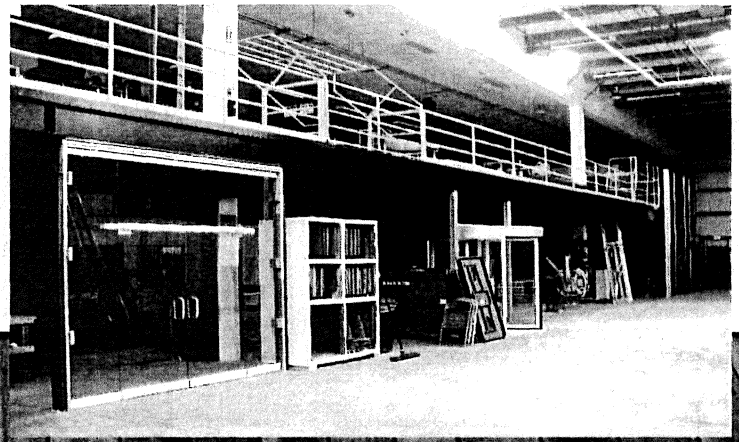
37 Deerfield Road, Pomfret Center



PAINTERS & ALLIED TRADES, DC 11
79 BRADLEY STREET, MIDDLETOWN







VETERAN OPPORTUNITIES

Helmets to Hardhats gives any returning veteran direct access into one of the CSBT apprenticeship programs.

Helmets to Hardhats has registered 663 returning veterans for careers in Connecticut

PLAs set goals for hiring veterans for these projects, which we plan to include in this agreement.

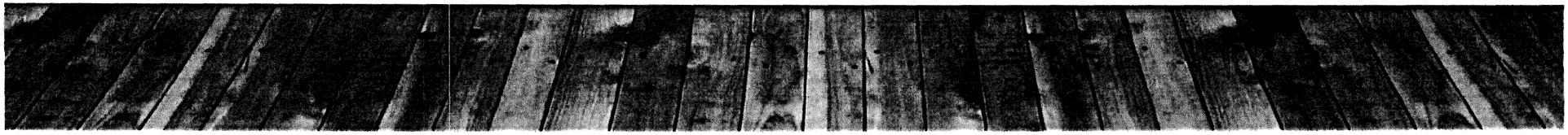
BUILDING PATHWAYS CONNECTICUT

BUILDING PATHWAYS

BUILDING PATHWAYS CONNECTICUT

Building Pathways CT is an apprenticeship readiness program that is specifically looking to increase the number of women in the trades. This union-led, union-directed program was developed through the Joint Apprenticeship Training Committees of various unions and is overseen by the Joint Apprenticeship Training Committee Directors.

The Building Pathways program has been certified as a "pre-apprenticeship" program by the CT Department of Labor and as a result the work completed during the 7-week course can apply toward apprenticeship training hours if approved by the union.



MYTH AGAINST PLA'S

They increase costs and decrease competition by excluding contractors

THE REALITY…

Labor costs on a project are typically only 30% of a project with material making up the other 70%

Labor costs need to be reduced by 33% to cause a 10% total project decrease

Large scale municipal projects are prevailing rate projects, labor costs are fixed.

THE EFFECTS OF PROJECT LABOR AGREEMENTS ON THE COST OF SCHOOL CONSTRUCTION IN NEW ENGLAND
MICHIGAN STATE/UNIVERSITY OF TENNESSEE

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"We do not find evidence that the presence of a project labor agreement increases school construction costs..."

Corresponding author is Dale Belman, School of Labor and Industrial Relations, South Kedzie Hall, MSU, East Lansing, MI 48823. He may be reached by e-mail at drdale@msu.edu

Executive Summary

Controversy has stormed over the use of project labor agreements (PLAs), as union and non-union contractors have battled over the application of these pre-hire labor contracts in public construction projects. In particular, the debate over PLAs has centered around their potential to reduce the costs of such projects, a burden bourne by taxpayers when it comes to public-sector construction. Using data from F.W. Dodge, the Beacon Hill Institute heated up this argument in 2003 by using simple regression models to imply that the presence of PLAs had an enormous impact on a cost-per-square-foot measure of school construction in Massachusetts. This current study represents a significant expansion of Beacon Hill's work, as it explores a rich data set of explicit school characteristics in an effort to build more complete, accurate cost models of school construction. This is particularly important given the possibility that schools built under PLAs are inherently more complex, a result that would inaccurately attribute increased expense to the presence of the PLA itself in simple cost models. Thus, using a survey of local officials and architects of schools built between 1996-2002, our study finds the following:

- We do not find evidence that the presence of a project labor agreement increases school construction costs in cost models that account for school complexity and differences in location,.
- Simple cost models incorrectly attribute increased construction expense to PLA presence in the absence of measures of particular school characteristics, as this study implicates that schools built under a PLA tend to have more advanced features.
- Extending the sample area beyond Massachusetts damps the perceived cost effect of project labor agreements.
- There exists a sizeable discrepancy between the cost estimates of schools from the F.W. Dodge Construction Reports and the actual cost paid by the school district, suggesting future caution in the reliance on such reports.
- Estimates of the cost models are particularly sensitive to outliers and the specific sample selected, specifically because of the idiosyncratic nature of school construction and the small sample size (n=70) addressed here.

Given the idiosyncratic nature of school construction, and the small sample, our study is not meant to serve as the final word on the cost impacts of project labor agreements on public-sector projects. With that in mind, the current research finds no statistically significant evidence that PLAs impact the actual cost paid by taxpayers for school construction projects. Perhaps more importantly, the findings of this study indicate the appropriateness of highly-developed cost models, and the potential bias of the PLA effect in overly-simplified attempts to isolate its impact.

CORNELL UNIVERSITY

PUBLISHED 2009

Project Labor Agreements in New York State: *In the Public Interest*

Fred B. Kotler, J.D.

Associate Director
Construction Industry Program
School of Industrial and Labor Relations
Cornell University

March 2009

Cornell University
ILR School

Conclusion

- **A project labor agreement (PLA) is a pre-hire, uniform agreement for a particular project** that standardizes schedules, work rules and other terms and conditions among various crafts for the length of the project, and provides for dispute resolution procedures as alternatives to strikes and lockouts.

- **PLAs have long been used in the private sector to promote stability, efficiency, and productivity** on construction job sites. Since the US Supreme Court Boston Harbor decision in 1993, such agreements have been available to state, county, and municipal construction users.

- **Public-sector Project Labor Agreements (PLAs shown to have a proper business purpose, co** bidding statutes, by providing direct and ind

- **PLAs are a valuable construction managemen labor cost reduction.**

- A key point made here is t at there is no evi **project labor agreement ther limit the pool construction costs. Su ims by PLA oppo** data and faulty me y. PLAs—in New elsewhere—have respecting fair

- **PLAs' cost** These labo

  - Direct cost

    - Alternative of—workers' c sation costs
    - Elimination or red on of premium ra contractor flexibility or scheduling
    - Reduction and standardization of the n
    - Increased utilization of apprentices

"...there is no evidence to support the claims that project labor agreements either limit the pool of bidders or drive up actual construction costs."

  - Indirect cost savings provisions

    - Uninterrupted production, removal of potential friction, and heightened cooperation between labor and management made possible by
      - A uniform contract expiration date for all crafts
      - No strike provisions
      - Expedited dispute resolution procedures and joint committee structures to address a broad range of jobsite issues including jurisdiction
      - Contractors having immediate access to a pool of skilled labor during the hiring phase and throughout the life of the project

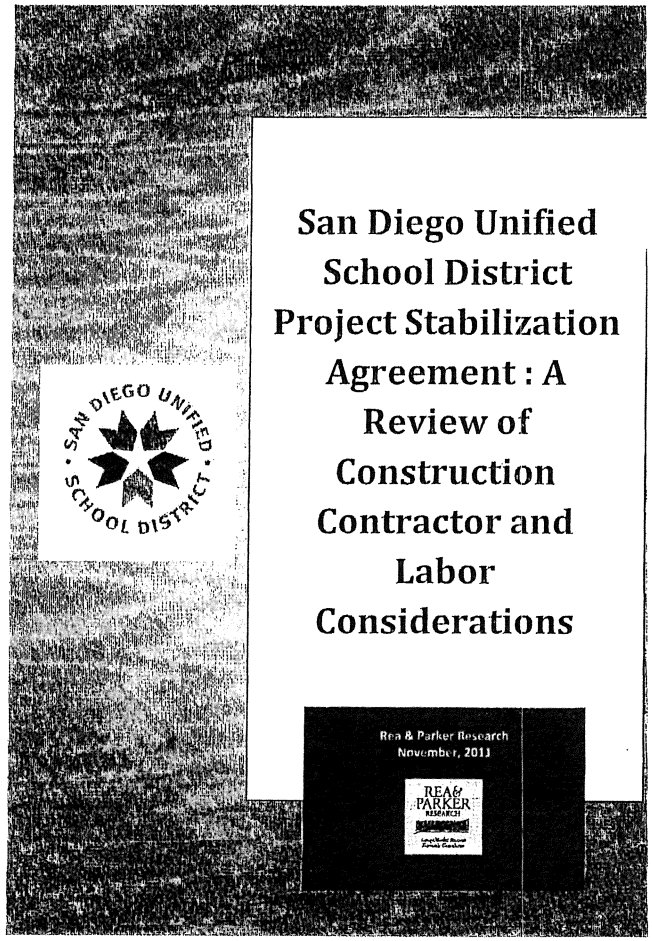
- **Public-sector PLAs are not "union-only" agreements.** PLA signatories are not necessarily bound bidding statutes, su open to both union

- **Contract awards mu** properly conditione PLA.

"Public-sector PLAs are not 'union-only' agreements"

Fred B. Kotler, J.D. is Associ and Labor Relations at Cornel Cost of Worker Misclassificati *establishing the New York Stat Kotler has written numerous reports and training materials related to the construction industry and is a frequent presenter at industry related seminars and conferences. Before coming to Cornell in 1994, Mr. Kotler served as Director, Labor Education at Northern Michigan University. He attended Harvard University, the University of California, Berkeley, and received his law degree from the University of San Francisco. Mr. Kotler can be reached at fbk2@cornell.edu.*

SAN DIEGO UNIFIED SCHOOL DISTRICT PROJECT STABILIZATION AGREEMENT: A REVIEW OF CONSTRUCTION CONTRACTOR AND LABOR CONSIDERATIONS



KEY FINDINGS

- There has been no increase in the cost of the winning bids for school construction projec under the San Diego Unified School District (SDUSD) Project Stabilization Agreement (P than were the winning bids for non-PSA projects under Proposition S that was approv November, 2008.
- The number of general contractor bidders and participating subcontractors per proj declined for PSA projects; however, this decline is not reflected in any increase in co SDUSD.
- Profit margins for contractors have declined under the PSA, but these contractors appear to be absorbing these increased costs rather than increasing their bids—thereby imposing no additional cost upon SDUSD taxpayers.
- Project completion time is faster under the PSA than for Proposition S projects that predated the PSA. Faster completion allows for the District to experience less overhead per project and for the more efficient replacement school improvements to be in operation more quickly.
- Quality of construction, as indicated by contractor and construction manager interviews and by survey responses, is unchanged between projects constructed under the PSA and those that were contracted prior to the PSA.
- Workers from targeted zip codes (economically disadvantaged portions of the District) have increased during the past six months and are presently close to achieving the very ambitious target of 35 percent that was set in the PSA.
- The achievement of the high level of workers from targeted zip codes is due predominantly to union referrals that are focused upon obtaining workers from these zip codes. This increase in targeted area workers is not reflected among non-union core workers or existing workers for union signatory contractors.
- There has been an increase in reporting violations and deficiencies pertaining to labor compliance since the PSA was adopted; however, there is no discernible or perceived impact on construction quality or duration of construction caused by these deficiencie Furthermore, it can be interpreted that this increase is due to increased attention to wo payroll and benefits under the PSA than before, which is beneficial to the payme prevailing wages to the working population.
- The Los Angeles Unified School District PSA required approximately 5 years to ach operational efficiency. SDUSD's PSA has been in effect for only 2 years and, by the measur included in this report, is significantly ahead of the LAUSD schedule.

ii

San Diego Unified School District
Construction Cost, Labor, Contractor Survey & PSA Report

Rea & Parker Research
November, 2011

"There has been no increase in the cost of the winning bids for school construction projects..."

"Project completion time is faster..."

"...allows for the district to experience less overhead..."

Published 2011

MYTH AGAINST PLA'S

Residency and Apprentice requirements can be achieved on non-PLA projects.

THE REALITY...

H.C. Wilcox Technical School

208,658.06 Man-hours reported

19,807.5 Apprentice hours (9.5%)

2797.25 Resident hours (1.3%)

3005.22 Out of state hours (1.4%)

Only 21 of 765 workers from Meriden

Approximately $3,277,000 Wages & Benefits Lost to Residents on Project.

THE REALITY...

Francis T. Maloney High School

Meriden, CT

465,548.24 Man-hours reported

$25,699,461.04 Total wages and benefits earned

97,825.50 Resident hours (21%)

$5,122,972.94 Total Meriden Wages and Benefits

129 Meriden residents on project

111 Meriden residents entered membership for projects

41 Meriden apprentices worked on the project

WHERE THE MYTHS COME FROM…

"prevents any non-union worker from working"

Associated Builders and Contractors, Inc.

Connecticut Chapter

To: Killingly Town Council
From: Lelah Campo, CT ABC
Date: November 13, 2007
Subject: Project Labor Agreements

As you begin the exciting and daunting task of improving building the new high school you will face many difficult and complex decisions. One of those decisions will have to be whether or not to sign a union-only project labor contract (PLA).

There has been a recommendation that the Town of Killingly sign a "union-only" PLA. This would be a separate and distinct contract from a normal construction contract and would dictate the rules for all labor on the project.

Every PLA that CT ABC has read in the state of Connecticut includes discriminatory language that prevents any non-union worker from working on a project where a PLA has been signed. That is the primary reason why non-union contractors are forced to decide not to bid projects with PLAs.

In addition to discriminating against non-union construction workers, PLAs also impact the cost of construction. To understand how they impact cost, it is important to understand that the construction industry is primarily non-union. In Connecticut, unions comprise only 20% of the workforce. As a result, the consistent impact Connecticut has seen when a PLA is implemented is a drastic increase in price. It is simple economics – when you limit supply – you increase price.

So how does a town or city achieve their goals when building a project? The answer is to draft a solid, well rounded contract that will include the language necessary to eliminate contractors who do not possess the needed skills and experience to complete the project on time, on budget and in a socially responsible manner.

Some issues that can be addressed in a construction contract:

- Employment of local workers
- Excellent safety record
- Track record of complying with state and locals laws

2138 Silas Deane Highway, Suite 101 · Rocky Hill, CT 06067 · 860.529.5886 · f: 860.529.6778 · www.ctabc.org

Proponents for PLAs will stress that the only way to have a quality project is a labor agreement. Unions will imply that they will not be able to work on the project if it is open and competitively bid. Remember: the only thing a PLA really guarantees is that 100% of the workforce will be union and paying into the union funds. The rest – is marketing.

Projects that are open and competitively bid are built successfully every day. Union and non-union craftsmen work side by side in harmony. In fact, on the average Connecticut construction project union contractors are low bidder on as much as 50% of the total contract value. What the union business agents are paid to do is to try to secure the entire project – and the best way to do that is to eliminate the competition.

CT ABC is here to assist you in any way that we can. We understand that this issue is complex and politically divisive. Please consider us a resource for information in regards to construction and labor issues.

Sincerely,

Lelah M. Campo,
President

Contractors are forced to decide not to bid

"drastic increase in price"

"Employment of local workers " thout PLA

wi

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KILLINGLY RESULTS AFTER DECIDING TO UTILIZE A PLA

TOWN OF KILLINGLY

TOWN MANAGER'S OFFICE

172 Main Street, P.O. Box 6000, Danielson, CT 06239

Tel: 860-779-5335 Fax: 860-779-5382

March 16, 2010

Mr. Keith Brothers, President
New London Building and Construction Trades Council
268 Thomas Road
Groton, CT 06340

Dear Mr. Brothers:

Construction on the new Killingly High School and Regional Vocational-Agriculture Center is nearing completion. This letter is to recognize the efforts of the building and construction trade unions toward the achievement of the goals of employing local and Windham County residents on the new High School project as provided in the Project Labor Agreement (PLA) between the New London Building and Construction Trades Council and the Town of Killingly.

Measuring the goals for local and county employment was based on hours worked under each of the contracts executed between the trades contractors and their sub-contractors and the Town. The specific goals were to have: (1) Killingly residents in the trades employed for 15% of the total hours of employment; (2) Windham County residents in the trades employed for 30% of the total hours of employment; (3) Windham County apprentices employed for 25% of the total apprentice hours.

The Town's construction management firm for the project, Gilbane Building Company, has been monitoring on a weekly basis the total hours of employment by trades and crafts workers and by apprentices from the start of construction. Gilbane used the weekly certified payrolls submitted by the trades contractors to measure the Killingly resident, Windham County resident and Windham County apprentice employment. The recent reports of hours worked show Killingly residents have been employed for 15% of the total hours of work; Windham County residents have been employed for 35% of the total hours of work and Windham County apprentices have been employed for 61% of the total apprentice hours of work. At this time, there have been a total of 387,960 hours worked with Killingly residents working 56,016 of those hours and Windham County residents working 134,860 of those hours. There have been a total of 35,381 apprentice hours worked with Windham County apprentices working 21,449 of those hours. Clearly, the payrolls earned by local and regional trades and crafts workers on this project have been significant and have provided an important boost to the local and

387,960 hours worked

regional economies. This impact has been especially important during the difficult economic circumstances of the past two years.

The Killingly Town Council actively encouraged and supported the PLA for the High School project. The members of the Town Council have received a weekly report on local and Windham County employment on the project and have often discussed the progress in achieving the local employment goals. Trade union representatives have addressed the Town Council on their sense of success with the local employment goals. The conclusion must be that the local employment goals have been a win-win situation.

Please feel free to contact me regarding any questions you may have regarding the new Killingly High School project.

Cordially,

Bruce E. Benway

Bruce E. Benway
Town Manager

BEB/dg
c: Robert Beauregard, Business Manager

"local employment goals have been a win-win situation."

61% Apprentice hours from Windham County Residents

Killingly Residents 56,016 hours

Windham County Residents 134,860 hours

TOWNS & CITIES THAT HAVE ENTERED INTO PLAS FOR SCHOOL CONSTRUCTION PROJECTS

- **Ansonia**
- **Branford**
- **Bridgeport**
- **Danbury**
- **East Haven**
- **Hamden**
- **Hartford**
- **Killingly**
- **Meriden**
- **Middletown**
- **New Britain**
- **New Haven**
- **New London**
- **North Haven**
- **Norwalk**
- **Seymour**
- **Stratford**
- **Waterbury**
- **West Haven**
- **Windham**

RECENT SUCCESS STORY...

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NEWS SPORTS OBITS OPINION PHOTOS EPAPER CLASSIFIED

Money left over from Meriden high school renovations to fund track study

The track at Maloney High School in Meriden, above and below, needs replacing. Tracks at both Maloney and Platt high schools will be updated using leftover funds from the schools renovation projects. Photos by Dave Zajac, Record-Journal

The track at Maloney High School in Meriden, above and below, needs replacing. Tracks at both Maloney and Platt high schools will be updated using leftover funds from the schools renovation projects. Photos by Dave Zajac, Record-Journal

April 02, 2018 05:05PM
By Leigh Tauss, Record-Journal staff

NEWS SPORTS OBITS OPINION PHOTOS EPAPER CLASSIFIED

April 02, 2018 05:05PM
By Leigh Tauss, Record-Journal staff

MERIDEN — Left over money from the Maloney and Platt High School renovations will be used to fund studies on replacing the athletic tracks at both schools

The City Council approved funding for the studies Monday.

Construction on the $107.5 million renovation of Maloney High School was completed in 2016 and the $111.8 million renovation of Platt wrapped up last fall. A total of $1.9 million is left in the Platt budget and $394,000 remains unspent for Maloney, according to Finance Director Michael Lupkas

Because the projects were state funded, the money will have to be used for projects at the schools or be returned to the state

City Councilor Brian Daniels, chairman of the Finance Committee, said the tracks were constructed in 1990 and are well past their 20-year life expectancy

"The tracks have been repaired as much as possible," Daniels said. "They are in horrible shape, to say the least."

The studies are estimated to cost between $30,000 and $50,000, Lupkas said. Once they are complete, the project will come back before the City Council for final approval.

Assistant School Superintendent Michael Grove hoped construction could begin in early 2019

"I think we got two brand new, great high schools and I think the last piece of both will be having new tracks to go along with them," Grove said.

ltauss@record-journal.com
203-317-2231
Twitter: @LeighTaussRJ

WHAT CAN A PLA CAN DO FOR TORRINGTON

Keeping tax dollars local

Civic Pride/ Project Oversight by residents

Career opportunities for residents, minorities, women, and veterans

Reduce state and local compliance agency burdens

SPECIFIC TORRINGTON PROPOSALS

There are over 200 Building Trades families in Torrington.

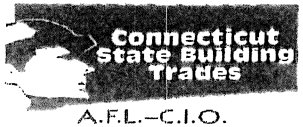
The Greater Hartford/New Britain Building Trades Council will hold a career fair in town.

Identify 12-15 residents to enroll into our 2-wk pre-apprenticeship program.

Include a hiring goal of 25% Torrington residents and 30% Litchfield county residents on the project.

Offer construction related workshops with Torrington high school while project is under construction.

Greater Hartford-New Britain
Building & Construction
Trades Council
Affiliated with the



A.F.L.–C.I.O.

resident

-President

Secretary-T

Proposed Pre-Apprentice Flow Chart for Torrington Residents

Career Fair at Torrington High School.
'he Building Trades and the Town of Torrington to identify 12-15 participants from town.

Training Module

- OSHA 10 (certificate class)
- Construction Math
- Fire Watch/Scaffolding User (certificate class)
- Aerial Lift Training (certificate class)
- Introduction to Building Trades Apprentice programs

Jpon completion the participants will have direct entry into a Building Trades Affiliated 'entice Program. The participants will have priority to work on the Torrington High School from start to finish with the Contractor's awarded work on the project.

49 Locust Street • Hartford, CT 06114
Building a Better Connecticut

PRE-APPRENTICESHIP FLOW CHART

FOR INFORMATION
PUBLIC ACT 12-70

Substitute Senate Bill No. 33

Public Act No. 12-70

AN ACT CONCERNING DEPARTMENT OF TRANSPORTATION PROJECT DELIVERY AND PROJECT LABOR AGREEMENTS FOR CERTAIN PUBLIC WORKS PROJECTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective from passage*) (a) The Commissioner of Transportation may, as an alternative to using a design bid build contract pursuant to chapter 248 of the general statutes, designate specific projects to be completed using a (1) construction-manager-at-risk contract with a guaranteed maximum price, or (2) design build contract.

(b) If the commissioner designates a project to use a construction-manager-at-risk contract with a guaranteed maximum price, the commissioner may enter into a single contract with an architect or engineer for the project design, as well as a single contract with a construction-manager-at-risk contractor who will provide input during the design process and be responsible for the construction of the project by selecting trade subcontractors using a low sealed bid process. The construction-manager-at-risk contract shall have an established guaranteed maximum price. The commissioner may select the architect, engineer or contractor from among the contractors selected and recommended by a selection panel. Any such contract for

effort.

Sec. 4. (NEW) (*Effective from passage*) For the purposes of this section and sections 5 and 6 of this act:

(1) "Project labor agreement" means a prehire agreement covering the terms and conditions for all persons who will perform work on a specific public works project;

(2) "Public entity" means the state and any agency, instrumentality or political subdivision thereof;

(3) "Public works project" means the construction, reconstruction, alteration, remodeling, repair or demolition of any public building or any other public works by a public entity.

Sec. 5. (NEW) (*Effective from passage*) (a) Notwithstanding the provisions of any general statute, regulation or requirement regarding procurement of goods or services, a public entity may require a project labor agreement for any public works project when such public entity has determined, on a project-by-project basis and acting within its discretion, that it is in the public's interest to require such an agreement. In making such determination, the public entity may consider the effects a project labor agreement may have on (1) the efficiency, cost and direct and indirect economic benefits to the public entity; (2) the availability of a skilled workforce to complete the public works project; (3) the prevention of construction delays; (4) the safety and quality of the public works project; (5) the advancement of minority and women owned businesses; and (6) employment opportunities for the community.

(b) A public entity's decision to require a project labor agreement shall not be evidence of fraud, corruption or favoritism.

(c) Any project labor agreement required by a public entity

pursuant to this section shall: (1) Set forth mutually binding procedures for resolving disputes that can be implemented without delay; (2) include guarantees against a strike, lockout or other concerted action aimed at slowing or stopping the progress of a public works project; (3) ensure a reliable source of skilled and experienced labor; (4) include goals for the number of apprentices and for a percentage of work to be performed by minorities, women and veterans; (5) invite all contractors to bid on the project without regard to whether the employees of any such contractor are members of a labor organization, as defined in section 31-101 of the general statutes; (6) permit the selection of the lowest responsible qualified bidder without regard to labor organization affiliation; (7) not require compulsory labor organization membership of employees working on the project; and (8) bind all contractors and subcontractors to the terms of the agreement.

(d) Any bidder for a public works project that does not agree to abide by the conditions of the project labor agreement or a requirement to negotiate a project labor agreement shall not be regarded as a responsible qualified bidder for such project.

Sec. 6. (NEW) (*Effective from passage*) Prior to a public entity entering into a design-build contract for new construction of a public school or for renovation or reconstruction of an existing public school with a value greater than or equal to ten million dollars, such public entity shall determine if the use of a project labor agreement would be in the public's interest in accordance with subsection (a) of section 5 of this act.

Sec. 7. (NEW) (*Effective from passage*) The provisions of sections 5 and 6 of this act are severable and if any provision is determined to contravene state or federal law, the remainder of sections 5 and 6 of this act shall remain in full force and effect.

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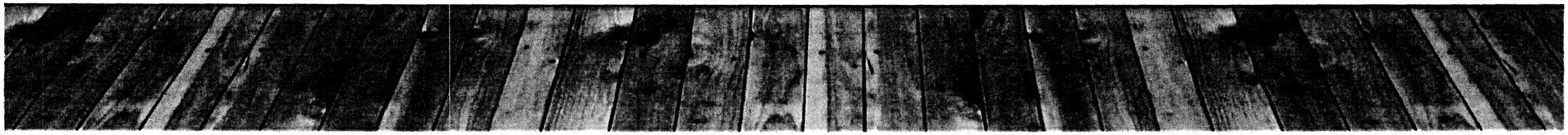

Connecticut benefits from project labor agreements

CT VIEWPOINTS :: by KEITH BROTHERS | DECEMBER 31, 2020 | VIEW AS "CLEAN READ"

The Connecticut Department of Transportation has continued to benefit from the use of Project Labor Agreements (PLA), a commonly used procurement method in the state.

Keith Brothers

Former Gov. Dannel Malloy directed the DOT to utilize a PLA for the I-84 Mixmaster project in Waterbury, which broke ground in June of 2018. This is a very large and complex project valued at over $330 million. And while the project is slated to complete in September of 2022, it has already garnered national recognition.

The American Association of State Highway and Transportation Officials gave the project the 2019 Operations Excellence Award in the Large Project category. They praised the project, offering that, "the operation and coordination on this project resulted in minimal

delays and disruption to travelers by limiting the number of closures on I-84 – closing only at night – while reducing the roadway width during peak hours to help ensure the traveling public could travel throughout the project, all while completing construction a year ahead of schedule."

Given the success of the Mixmaster, it is no surprise that DOT is planning to utilize a PLA on the Gold Star north-bound bridge project between New London and Groton. DOT is making a common-sense and fiscally sound decision to include a PLA in the contract for construction. It's a win-win for the state.

Under a PLA, all contractors are required to abide by collective bargaining agreements to meet the needs of a specific project. Those agreements dictate wages and benefits, like health insurance and retirement plans. Other important aspects might include provisions for utilizing apprentices, local hiring goals, set-aside goals for Black and brown and women-owned businesses, and a commitment to utilize returning veterans through programs like "Helmets to Hardhats." In short, PLAs ensure public and private owners can guarantee their tradesmen and tradeswomen are given career opportunities and not just a short-term job.

I was surprised by the Yankee Institute's blog post from December 17 criticizing DOT for deciding to construct the north-bound Gold Star bridge with a PLA. They seemingly only included quotes from non-union management and never reached out to me or any other representative of the State Building Trades Council. It's important to note that the Building Trades represent over 30,000 construction families in Connecticut. I very much doubt the Yankee Institute has a clear understanding what a PLA is or how the terms of one are negotiated.

The Yankee Institute's blog post takes particular issue with DOT's claim that a PLA provides for a safer work site. Yet, the Center for Construction Research and Training (CPWR) issued a report in 2018 titled, 'Union Effect on Safety Management and Safety Culture in the Construction Industry,' which found that, "The results indicate that union firms reported better performance of safety management and safety culture than non-union firms... Moreover, union firms were more likely and frequently to offer and require general safety and health training, and OSHA 10-hour and 30-hour training to their employees."

In their blog post, the Yankee Institute referenced an erroneous study published by another political think tank called the Beacon Hill Institute (BHI). The Boston Globe published an article on December 1, 2015 titled, 'Suffolk University cuts ties with conservative research group', which reported that BHI, "receives funding from private groups, including the conservative Koch Foundation..."

Opponents, like the Yankee Institute, use the old and tired argument that PLAs raise the cost of construction. Yet academic studies by UCLA, Cornell, and other leading institutions have consistently concluded that there is simply no evidence to back up this claim. UC Berkeley Center for Labor Research and Education published a study in 2017 which found that PLA projects do not reduce the number of bidders, nor do they increase project costs.

If PLAs raised the cost of construction, then profit-oriented corporations wouldn't consistently use them. General Dynamics Electric Boat signed a PLA for the $850 million expansion of their South Yard Assembly Building in Groton. The Science Applications International Corporation (SAIC) built the $225 million Renewable Energy Power Plant in Plainfield using a PLA. The Mohegan Tribe signed a PLA to build their $80 million government center, and Ørsted signed a significant PLA for building their offshore wind turbines along the East Coast.

DOT is not the only public contracting authority to see a value in PLAs. The University of Connecticut, the Department of Administrative Services (DAS), and municipalities from every corner of the state have used PLAs for their large-scale construction.

While I welcome vigorous debates on how best to attract good-paying jobs to Connecticut, I expect those with opposing views to be honest brokers. The naysayers are grasping at straws, trying to undermine the use of a common and beneficial procurement method that protects the integrity of our state's construction industry.

Let's keep to the facts. PLAs are a tool to ensure the hiring of Connecticut's workforce, and that our local workforce has good labor protections for them and their families. We applaud the state for continuing to recognize their value.

Keith Brothers is the Business Manager of the CT Laborers District Council and President of the Norwich-New London Building Trades Council.

Project labor agreements cost Connecticut taxpayers an extra $500 million, according to study

By Marc E. Fitch February 6, 2020
Labor, Uncategorized 3 Comments

A **new study** from the Beacon Hill Institute in Massachusetts found that project labor agreements cost Connecticut taxpayers an extra $500 million in school construction costs between 2001 and 2019.

Using a sample of 95 school construction and renovation projects in Connecticut totaling over $2 billion, the study found taxpayers paid between $8.9 and $26.7 million more per school construction project.

Related Posts

Labor Committee bill would allow automatic union deductions from pensions

By Marc E. Fitch
March 3, 2021 *Labor*
A Labor and Public Employees Committee bill set for a public hearing would allow the automatic deduction of union dues...

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"Our estimates show that taxpayers would have saved $503.463 million, or over $9.681 million per project, if PLAs had not been used," the study says.

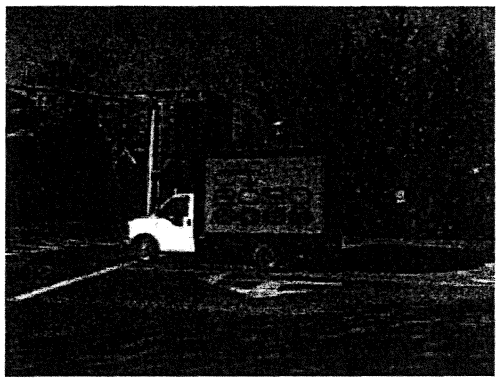
The findings could have big implications in Connecticut's debate over tolls and Gov. Ned Lamont's most recent transportation bill, which guarantees infrastructure projects will be completed using project labor agreements.

Project labor agreements essentially require a construction project to be completed using union labor, rather than non-union companies, but the overall effect, the study found, was to increase the cost of the project by 19 percent.

Lamont rode to victory in his gubernatorial campaign with the help of Connecticut's unions, which held rallies in his support and spent over $1 million in independent expenditures supporting Lamont.

A coalition of construction labor unions has spent over **$1 million** in lobbying for Lamont's various tolling plans over the course of 2019.

Unions have come out in force to support Lamont's plan, crowding the Capitol with pro-toll signs and even circling the Capitol with a box truck from Rhode Island advertising Lamont's CT2030 plan.



But the guarantee that infrastructure projects will be completed using project labor agreements has **spurred the ire** of Connecticut's non-union construction industry, which comprise between 80 and 85 percent of construction companies in the state.

"This study confirms what we've been saying all along," said Chris Fryxell, president of the Connecticut Chapter of the Associated Builders and Contractors in a press release. "Government-mandated project labor agreements unnecessarily and significantly drive up construction costs, forcing taxpayers to pay more."

> *The inclusion of the PLA language in this bill, affecting such a broad scope of projects is unprecedented and inappropriate.*
>
> *Chris Fryxell, president of the Connecticut Chapter of the Associated Builders and Contractors, testifying before the Transportation Committee*

Connecticut is required to put projects out to bid in order to secure the best price, but critics say mandating a project labor agreement means non-union

Lamont administration, unions clash over occupational licensing changes

By Marc E. Fitch
February 26, 2021 *Labor*
One Comment

Gov. Ned Lamont's push to ease occupational licensing requirements for military spouses and people moving into the state received support...

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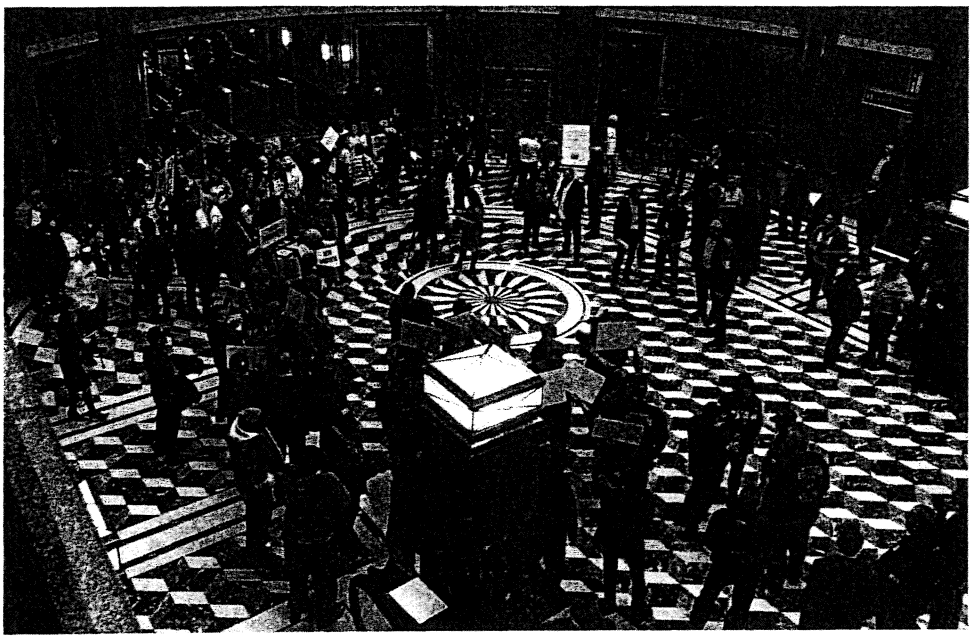
firms are unlikely to submit a bid because it forces them to hire workers from union halls, adhere to union rules or make their own employees dues-paying union members for the length of the project.

"PLAs effectively prevent those local, qualified workers and contractors from getting a fair opportunity to work on public projects paid for by their own tax dollars," Fryxell said.

Supporters of PLAs say the agreements guarantee the work will be completed on time by skilled and qualified workers who are guaranteed good wages, benefits and protections while they are on the job.

Testifying before the Transportation Committee on January 31, President of the CT AFL-CIO Sal Luciano said PLAs "are a much better process because it makes sure that companies don't cheat."

"It makes sure that the people you're bringing to the job are people from the community," Luciano said and pointed out that recently completed work on I-84 in Waterbury was done using a PLA. "They're famous for being on time because they quote you how much money it's going to cost, tell you when it's going to be done and they're very good at producing those on time."



Pro-toll union groups and members of No Tolls CT gather in the Legislative Office Building

The Beacon Hill study, however, says that such claims are "merely anecdotal" and pointed to several studies that have shown PLAs drive up the cost of construction substantially. Boston's infamous "Big Dig" — a major tunnel project that came in 190 percent over budget and eight years late — was done using a PLA.

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rydhrdsgfsd fgbhnjmgkk on Connecticut state and local unfunded retirement obligations top $124 billion

A study by the **New Jersey Department of Labor** in 2010 found PLAs increased the cost of school construction by 30 percent, while a similar study out of California by the **National University System Institute for Policy Research** found PLAs increased school construction costs by 13 to 15 percent.

School construction costs in Connecticut are generally paid for through a combination of state and local funds. Connecticut will issue bonds to pay up to 80 percent of school building costs, with the municipality footing the rest of the bill.

But Connecticut's spending and bonding history has begun to play havoc with the state's finances. Lamont is trying to put the state on a "debt diet," by restricting bonding, even after the legislature passed a $1.9 billion bonding cap in 2017.

"For years, our state has struggled with budgetary issues, including the availability of funds for construction projects," Fryxell said. "We should be looking to spend every tax dollar as wisely and efficiently as possible, and step one should be the elimination of government-mandated PLAs."

The inclusion of PLAs into Lamont's transportation bill before any projects have even come up for bid, could also have long-term effects. The governor hopes to leverage $172 million in truck-only toll revenue to pay for $19 billion in infrastructure projects.

Higher construction costs mean fewer projects will be able to be completed for the money and could send lawmakers back to the drawing board to find more revenue.

The nod to big labor in Lamont's transportation bill was not lost on toll protesters at the public hearing on January 31, some of whom brought signs lambasting the connection between Lamont and the unions.

Testifying before the Transportation Committee, Fryxell said the inclusion of PLAs in the transportation bill "discriminates" against non-union contractors.

"Government-mandated PLAs discriminate against the roughly 85 percent of Connecticut workers and contractors who have chosen not to join a union," Fryxell said. "You're restricting the bidding process, so you're eliminating a lot of competition, you are also dictating a lot of rules that I would say are uncommon in most construction projects."

All state and municipal projects over $1 million in Connecticut are subject to prevailing wage standards that dictate the pay and benefits of employees performing the work. State law also allows for PLAs on a project-by-project basis when it is shown there is an overall benefit to the public.

THE TRUTH ABOUT PROJECT LABOR AGREEMENTS

Exposing wasteful & discriminatory PLA mandates for all construction jobs. Say "NO" to union-only project labor agreements.

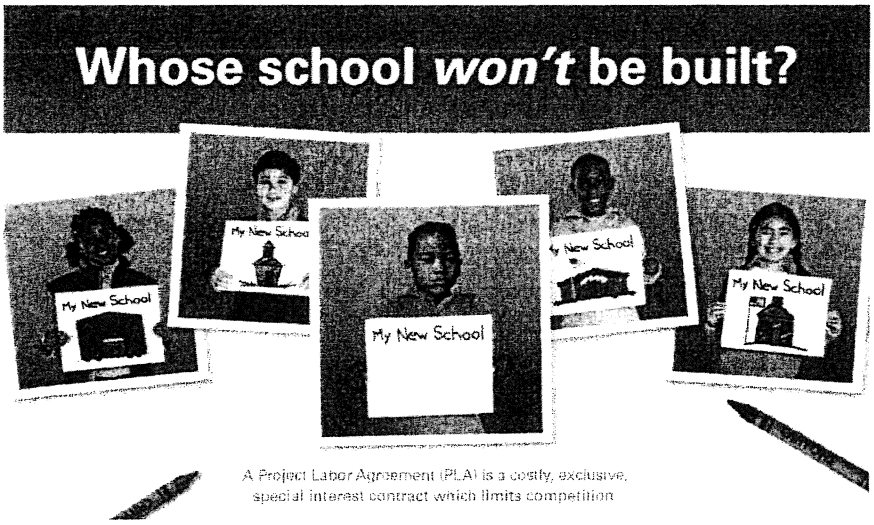
STUDY: PROJECT LABOR AGREEMENT MANDATES INFLATE THE COST OF CONNECTICUT SCHOOL CONSTRUCTION BY 19.8%

0 **February 13, 2020** Featured, School Construction, State & Local Construction

A study released in January 2020 by the Beacon Hill Institute found that Connecticut schools built under controversial government-mandated project labor agreements cost 19.8% more than schools that were bid and constructed through fair and open competition, free from PLA requirements.

The study, "The Effect of Project Labor Agreements on Public School Construction in Connecticut," which reviewed data on 95 school construction projects from 2001 to 2019, found that those built under a PLA mandate cost $89.33 more per square foot (in 2019 prices) relative to non-PLA projects. Taxpayers would have saved $503.5 million, or more than $9.7 million per project, if PLAs had not been used.

"This study confirms what we have been saying all along: Government-mandated project labor agreements unnecessarily and significantly drive up construction costs, forcing taxpayers to pay more," said Chris Fryxell, president of the Connecticut Chapter of the Associated Builders and Contractors. "For years, our state has struggled with fiscal and budgetary issues, including the availability of funds for construction projects. We should be looking to spend every tax dollar as wisely and efficiently as possible, and step one should be the elimination of government-mandated PLAs."



Fryxell noted that costs are not the only consequence of PLAs— they also have the effect of discriminating against local workers and contractors, based solely on their non-affiliation with a labor union. This can also allow out-of-state union contractors to obtain Connecticut public construction work ahead of local merit shop contractors if the local unions cannot meet labor demands for a project.

"Roughly 85% of the construction industry in Connecticut chooses not to sign on with a union," said Fryxell. "PLAs effectively prevent those local, qualified workers and contractors from getting a fair opportunity to work on public projects paid for by their own tax dollars, and that's just wrong."

Currently, 25 states prohibit government-mandated PLAs, but Connecticut is not among them. Fryxell urged legislators and government officials to read the report and look at the data when they make decisions on the use of PLAs.

"The latest study by the Beacon Hill Institute corroborates 2019 research in New Jersey, and previous research in California, Connecticut, Massachusetts, New York and Ohio that found anti-competitive government-mandated PLAs prevent taxpayers from getting the best return on their investment," said ABC Vice President of Regulatory, Labor and State Affairs Ben Brubeck. "There is a reason a total of 25 states have passed laws restricting government-mandated PLAs: All taxpayers deserve efficient, accountable and effective construction spending and investment in schools and infrastructure free from costly schemes that discourage competition from qualified, local workers and contractors."

ABC has long opposed wasteful and discriminatory PLA mandates, which past academic studies have shown drive up the cost of construction projects by 12% to 20% and which discriminate against the 87.4% of U.S. construction workers who choose not to join a union.

"ABC encourages lawmakers to take the study's findings into consideration as they deliberate legislation promoting government-mandated PLAs on public works projects," said Brubeck. "Additionally, ABC encourages President Trump to rescind President Obama's Executive Order 13502, which promotes costly PLA mandates on federal and federally assisted construction projects, and replace it with a common-sense policy that would guarantee fair and open competition from America's best construction companies and create opportunities for America's entire skilled construction workforce."

PLAs typically ensure construction contracts are awarded only to companies that agree to recognize unions as the representatives of their employees on that job; use the union hiring hall to obtain workers at the expense of existing qualified employees; follow inefficient union work rules; pay into union benefit and multi-employer pension plans workers will never benefit from unless they meet vesting requirements; and force workers to pay union dues and/or join a union as a condition of employment.

"Opponents of government-mandated PLAs argue these controversial agreements end fair and open competition and discourage local nonunion contractors from working on projects in their own communities, which effectively limits competition during the bidding process and drives up construction costs," said David G. Tuerck, president of the Beacon Hill Institute and co-author of the report. "Our recent study of 96 Connecticut school construction projects showed that PLAs added 19.84% to construction costs, with the result that the state spent $503 million more on those projects than it would have without the PLAs. This in accord with past studies we have done showing that PLAs consistently add more to costs or bids compared to non-PLA projects. The only possible interpretation is that PLAs are an expensive way of kowtowing to the construction unions wherever they are implemented."

ABC members overwhelming reported that government-mandated PLAs harm their businesses, hiring and workforce development practices and ability to complete work safely, on time and on budget, according to the results of a membership survey published in 2019.

Ninety-eight percent of survey respondents said they were less likely to bid on a taxpayer-funded construction contract if the bid specifications required the winning firm to sign a PLA with labor unions, and 97% of survey respondents said a construction contract that required a PLA would be more expensive compared to a contract procured via free and open competition.

Read More:

- Yankee Institute, *Project labor agreements cost Connecticut taxpayers an extra $500 million, according to study*, Marc E. Fitch, Feb. 6, 2020
- Republican American, *High price of union-friendly requirements*, Marc E. Fitch, Feb. 8, 2020

ABC Connecticut

Associated Builders and Contractors

The Case for Fair and Open Competition

Why a PLA is bad policy for Torrington School Construction

Christopher Fryxell, President
Associated Builders and Contractors, CT Chapter

What is a PLA

- A Project Labor Agreement (PLA) is a unique, pre-bid hiring contract that sets forth specific requirements that are *NOT* found in most construction contracts. In fact, 25 states prohibit the use of PLAs!
- Based on the State of CT Priority Construction List, since 2004, ***over 70%*** of School Construction dollars spent in Connecticut have ***NOT*** used a PLA.
- The specifications are usually that contractors who sign the PLA must adhere to union work rules, recognize the union as their representative on the job, pay into the union benefit funds, and hire from the union hall.

Who Supports PLAs?

- The only advocate for PLAs are the labor unions that benefit directly from having a job operate under the rules that favor union contractors and can ensure their employees get the work without concern for competition.
- PLAs are essentially a marketing tool used to monopolize the workforce on construction projects, so it is important to analyze some of the facts on what actually happens when a PLA is used.
- Most often, the decision to use a PLA is a political one, made to appease special interest, not a decision made with the best interests of the taxpayers in mind.

Opportunity: For All or for Some?

- It's important to note that the debate over PLAs is not a debate between union and non-union it's an option between opportunity for some vs. opportunity for all.
- A PLA limits the workforce to only members of the union hall. But the decision to forgo a PLA means all workers, union and non-union have an opportunity to compete for and work on projects.
- Most, if not all, non-PLA projects have a large and often majority union workforce.
- PLA = Only Union.
- No PLA = All qualified workers, union and non-union

Safety First

- There is no existing OSHA data that proves PLAs deliver accident free construction projects.
- Accidents happen on job sites everyday irrespective of the labor agreement for the project or whether a union or non-union firm was performing the work.
- Employees on prevailing wage jobs require an OSHA 10 Card whether they are union or non-union.

Myth: A PLA provides better trained workers

- **FACT –** Non-union employees have access to state approved apprenticeship programs and safety programs as well.
- Open shop companies take advantage of apprenticeship and craft training programs to ensure they have a highly skilled and competitive workforce.
- In 2007 CT ABC helped found the Construction Education Center (CEC). The CEC offers training including OSHA, CEUs, professional development and apprenticeship to non-union contractors. Outside of CT ABC there are many other avenues for non-union training, including the Technical High School System.

Protecting Jobsite Fairness

- A common misconception is that PLAs will provide better protection to workers on the jobsite.
- **Wages/Benefits**- Connecticut state law mandates that employees be paid the prevailing wage and the appropriate fringe benefit on all public projects.
- **Worker Classification-** The law mandates that workers on each job must be correctly classified as employees and receive benefits.
- **Insurance**- The law mandates that each employer carry the appropriate workers compensation insurance.
- State laws governing these projects are strict and well enforced. A PLA will not ensure anything different.

On Time, On Budget?

- It is often stated that PLAs will bring a job in on time, and on budget. There unfortunately is no magic contract that guarantees either.
- PLAs place no guarantee that a project will be completed within a set budget – in fact, history shows they are often the reason for significant cost overruns.

PLAs Depress Competition

- Due to the restrictive nature of a PLA – most if not all open shop contractors will not bid these jobs.
- Open shop companies make up roughly 86% of the construction industry in Connecticut. When 86% of the industry is eliminated to protect a select 14%, the result will be less bidders on the job.
- Fewer bidders will result in less competition in the bidding process, and ultimately higher costs which often run the project over budget.

"At bid time, when you expect 7 or 8 bids, you get 3 or 4; the more bids, the more competitive the bidder for the project."- *Mark Jepko, Project Coordinator, O&G (Union Contractor)- taken from Middletown's Woodrow Wilson Middle School Building Committee Minutes, 1/31/19.*

PLAs and CT School Construction: A Study

- A statistical study completed in 2020 by the Beacon Hill Institute reviewed 95 Connecticut school construction projects from 2001 to 2019.
- Using statistical analysis and controlling for variables they concluded that school construction projects in Connecticut using a PLA were 19.84% higher than similar projects without a PLA.
- Simple Math- an increase of 20% on a $160 million project is $32 million. Would that extra expense be paid by taxpayers or will the quality of the project be cut?

**Source: Beacon Hill Institute for Public Policy and Research, The Effects of Project Labor Agreements on Public School Construction in Connecticut, January 2020.*

Don't take it from us: AGC Stance on PLAs

- The Associated General Contractors also opposes government mandated labor agreements (GMLA). Excerpts from a report on their website:
  - "A GMLA can significantly increase the cost of a project for open shop contractors by eliminating the flexibility to employ multi-skilled and semi skilled personnel."
  - "Likewise, a GMLA can increase the cost of the project for a union contractor."
  - "Faced with these uncertainties, many contractors will simply decline to bid on public work that requires compliance with a GMLA."
  - "GMLAs remove the free market economic forces that underlie both the competitive bidding process , they subvert the objectives of those laws and that process and make it difficult, if not impossible, for the public to benefit from the full competition that it is entitled to expect."

*Source: Report on Associated General Contractors website: www.agc.org

*Note: in CT AGC members include O&G, Gilbane, Manafort and many more union contractors.

UConn: Cost Overruns from PLAs are Hurting Investment

"It is widely known in state government and much discussed at UConn among all management that had anything to do with construction projects that PLAs raised the cost of a project by somewhere around 10% or more. In fact, UConn actively tried to limit the use of PLAs within the limits of political viability e.g. what it could get away with before the unions complained to the governor's office generating an unwanted backlash from the boss. There has been and still is a management effort at UConn to free it from the costs created by regulations imposed by state government so that it can compete more cost-effectively with other universities. Such is the reality of an increasingly resource constrained environment in which we find ourselves."

–Alan Calandro, *former Chief of Staff for administration and finance at UConn and the former Director of the General Assembly's nonpartisan Office of Fiscal Analysis, CTMirror.org, 1/7/21*

PLAs and Local Workers

- **FACT:** Despite empty promises PLAs at best include "good faith effort" language to hire local labor on the project. Should the goals fall short there are no consequences.
- Hiring local workers is a reasonable goal for any municipality to have. But this "good faith effort" can be built into any construction contract, it does not require the use of a PLA.
- In fact - PLAs will prevent local open shop contractors from having the opportunity to work on jobs in their home town.

PLAs and MBE/SBE Contractors

- There are 531 MBE/SBE certified, DAS prequalified contractors in the state of CT. Of those only 110 (21%) are union contractors.
- If limited to MBE only, there are 226 certified, DAS prequalified contractors in CT- only 56 are union.
- In Litchfield County there are 17 SBE/MBE certified, DAS prequalified contractors and only 4 of those are union.
- If limited to MBE only- there are 8 certified, DAS prequalified contractors in Windham County and two of them are union contractors.

**Source: biznet.ct.gov, information as of 3/17/2021

Why the Open Shop Won't Bid

- The law states all contractors, union and non-union are *allowed* to bid on PLAs. But the law in theory and in practice are two different things.
- The clauses in PLAs are discriminatory against non-union contractors and make it almost impossible to bid the job competitively. These include but are not limited to:
  - Union Hiring Requirement
  - Union Contribution Requirement
  - Double Benefit Payment

Union Hiring Requirement

- **Requirement to hire from union halls** – PLAs require all or nearly all of the workers on a project be hired form the union hall.
- Open shop employers have workers that have been with them for years. They value them, they value their careers, and they trust them. In a tough economy, contractors do not want to leave their employees behind and replace them with a crew they have never worked with before.

Union Contribution Requirements

- **Requirement to pay into the union funds –** While working under a PLA agreement, contractors are often required to pay into the union funds as if they were an employee of the union.
- This could include everything from pension contributions that the employee will never see, to union representation fees usually earmarked to go towards that particular union's political activities.

Double Benefit Payments

- **Paying Double Benefits –** As mentioned before, if a non-union contractor has employees on the job they must pay into the union funds. Two major contributions are healthcare and retirement savings funds such as pensions or 401(K)s.
- However, it is impossible for the contractor to suspend that employee's company healthcare plan or 401(K) for the duration of the PLA project. So the contractor is forced to pay those benefits twice – it is not shocking that not many companies can competitively bid with that rule in place.

Impact on Torrington

- Potential Cost Overruns – A lack of bidders could set up a scenario where the initial project bids come in over budget. This may require the City to seek additional funding from taxpayers.
- Value Engineering/Scope Reduction- Another byproduct of the higher costs of PLAs is that towns are sometimes forced to "value engineer" the project, or find ways to reduce the quality of construction or materials in order to stay within budget. The effect is a lower quality product than was envisioned during design.
- Delays - The process of value engineering, or even having to re-bid certain trades can also lead to delays. Projects such as schools that have tight timelines cannot afford these costly delays.

Case Studies

- **Willimantic Renovate as New High School-** The town has struggled to control costs that have skyrocketed well over the $112 million approved at referendum. The building committee has had to scale back design, including the elimination of a swimming pool due to the determination to keep a PLA in place. The building committee agreed the PLA would need to be removed to get to the $112 million budget (Willimantic Chronicle, 9/18/19); however, the Council is still determined to use a PLA. Construction has not yet begun.
- **Meriden: Maloney High School-** Put out to bid with a PLA an received a low number of bids and was over budget by more than $9 million. The project also missed hiring goals. The scope of the project had to be reduced and project had to be re-bid.
- **Waterbury: Gilmartin and Duggan Schools-** Bids for both schools came in over budget- Gilmartin bids were 29% over budget. Cuts had to be made and cheaper designs adopted to get back on track. Local, women and minority hiring goals were not met. By contrast, the City Hall project was done at the same time without a PLA and was done on time and on budget.
- **Hartford- Dunkin' Donuts Park-** This PLA construction project was plagued by massive cost overruns, and extensive delays. The Yard Goats lost an entire season in the ballpark and there was extensive litigation including a federal investigation.

Case Studies cont'd...

- **New London- Bennie Dover Jackson Middle School-** Project has a mandated PLA and the bids came in millions over budget. Now the city is struggling to cut costs and "value engineer" the project to meet budget. Due to difficulties with escalating costs the project may be delayed before construction even begins.
- **CT State Pier Redevelopment-** The CT Port Authority, which has a recent history of unethical behavior, mandated a PLA on the state pier redevelopment project without a shred of evidence it would benefit the public. The $157 million project, which already has increasing costs, only received two bids for Construction Managers, both out of state companies.
- **Hartford- State Office Building-** On this $145 million project 17 out of the 35 bid packages received two bids or less including three packages with ZERO bids.
- **New York's Tappan Zee Bridge replacement-** Was 3 months late and more than $800 million over budget. The project had serious safety issues including a collapsed crane and there are now concerns about the structural integrity of the bridge after the discovery of broken bolts plaguing the bridge. A 2014 decision to use robot welders because unions did not have enough manpower to complete the project, raised eyebrows because it took away jobs from qualified local nonunion labor excluded by the PLA.
- **Boston's Big Dig-** This PLA project has become synonymous with construction boondoggle. Nine years late, $6 billion over budget and plagued by safety problems and construction deficiencies, this project didn't deliver on any of the promises of the PLA proponents.

No PLA Necessary for Quality and Value

- **South Windsor- Orchard Hill School-** Built without a PLA. Project went well. 17 of the 23 trade packages went to union shops and 56% of the workers were union workers. The State of CT has used this in presentations as the gold-standard and they are proceeding with additional school construction projects without PLAs.
- **Rocky Hill- Moser School-** Built without a PLA. Project was $11 million under the budget passed at referendum and ahead of schedule. Due to the efficient construction the town was able to add additional security betterments including School Guard Glass throughout the building. Union contractors were awarded 10 out of 21 bid packages or 40% of the total value.
- **Stamford: Strawberry Hill School-** Put out to bid with a PLA. Only two bids came in $17 million over budget. The project was re-bid without a PLA and received 8 bids and is on budget. Construction was completed without a PLA, on-time and on-budget with roughly 40% being done by union labor.

Recommendation: Bid the School Project Open and Competitively

- The only thing that a PLA will ensure is that 100% of the workforce on the project is union labor. A PLA will not provide a more cost effective job, a safer job, a better product, or any value whatsoever to the taxpayers of Torrington. The only beneficiary is the unions.
- Projects similar to this one are routinely completed in Connecticut, with union and non-union workers working side by side.
- The most effective way to bid the job is under a strong contract that focuses on safety, strict enforcement of state laws, and a competitive bidding process that provides the best value for the community and the children who will attend the school for years to come.

Newspaper Headlines

- **Stamford Advocate, 4/5/17-** Bids for Stamford School Project Nearly $17 million Over Budget
- **Meriden Record Journal 3/23/13-** Now What? Maloney Bids are Way Over Projections
- **Meriden Record Journal 6/18/13-** Platt Renovation Bids Come in High
- **Meriden Record Journal 8/15/14-** Meriden PLA Hiring Goals Still Unmet
- **New Haven Register 4/13/17-** Year Late, Over Budget: It's Opening Day for Hartford's Baseball Stadium
- **Waterbury Republican-American 11/8/09-** Contractors fail to hire enough city residents, women, minorities

Newspaper Headlines

- **Willimantic Chronicle, 9/18/2019-** WHS Project in Flux as Costs Balloon
- **New London Day, 4/24/20-** Bids for New London school project are millions over budget
- **New London Day, 3/4/21-** New London middle school construction project hits snag
- **New London Day, 12/15/20-** Connecticut Port Authority Faces Criticism, chooses firm for State Pier Redevelopment
- **Yankee Institute, 2/6/20-** Project labor agreements cost Connecticut taxpayers an extra $500 million, according to study

National Headlines

- **Politico, 3/16/18**- Final Costs of Tappan Zee Bridge Could Blow Past Budget
- **Hudson Valley Post, 3/10/21**- Engineering Experts: Cuomo Bridge 'Could Collapse Without Notice'
- **Wall Street Journal, 3/15/21**- Congressman Urges Safety Probe of Gov. Mario M. Cuomo Bridge
- **New York Post, 10/13/20-** How New York's 'project labor agreements' feed union corruption (written by director of construction division of the United Service Workers Union)
- **New York Post, 8/6/12**- Port Authority cracking down on drinking by WTC construction crews
- **Komo News 3/21/16**- Seattle tunnel injury claims total over $2.5 million so far

What will your headline be?

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