

# Project Labor Agreements

## Critical elements to assess when choosing a contractor...

- Does the contractor pay a living wage to its employees?
- Does the contractor pay medical benefits for its employees?
- Does the contractor promise a workforce skilled in new materials, procedures and standards?
- Does the contractor bring jobs in safely, on time and within budget with a reputation for honesty and integrity?
- Does the contractor follow all state and federal laws such as the National Labor Relations Act, Federal Labor Standards Act, Prevailing Wage Laws, and anti-discrimination laws?

**You deserve the best. The safest. On time. Within Budget.**

## What is a PLA?

A Project Labor Agreement (PLA) is a pre-hire agreement enabling contractors to bid on jobs with full knowledge of what their employment costs will be and assures them a ready supply of skilled labor through the referral systems commonly found in these agreements.

PLAs establish the basic terms and conditions not only for a single contractor but also for all the contractors and subcontractors who will operate on the project site. Along with the pre-hire aspects of the agreement, the PLA permits the project owner or manager to know from the beginning what the overall costs and conditions will be, while at the same time, establishing common labor conditions applicable across the entire worksite for the duration of the project.

## What are the benefits?

Among the economic benefits frequently provided by PLAs to public as well as private owners are the following:

1. Standardized conditions and pre-determined wages for all crafts on the project allow contractors to bid the work on an even playing field. PLAs eliminate any uncertainty about supply of and cost for labor for the life of the project.
2. Elimination of all work stoppages for the duration of the project, through a project-long no-strike, no lockout commitment, with binding procedures to resolve all disputes, assures productive labor relations.
3. Evaluation and re-negotiation, if necessary, of local conditions to meet the special needs of a project and its owner tailors the agreement to the work—for example, weather conditions, soil conditions, time tables, material delays, etc.
4. With the greater certainty of estimated costs assured by PLAs, the likelihood for cost over-runs and change orders are reduced, keeping final costs closer to the estimated cost of the project.
5. Jobs are more likely to be completed on schedule because of the contractors' access to an immediate supply of skilled craft workers referred through union hiring halls.
6. In addition to effective labor relations, increased productivity results from the skills of union workers trained through joint labor-management apprenticeship programs. These programs are Bureau of Apprenticeship and Training (BAT) certified, guaranteeing a skilled and productive workforce.



For more information, contact:

**West Central Illinois Building and Construction Trades Council**  
**Martin J. Helfers, Executive Director**  
400 NE Jefferson · Peoria, Illinois 61603 · 309-674-9243 · FAX 309-674-9714 ·  
[www.westcentralbtc.org](http://www.westcentralbtc.org)

## **Who will work on the project?**

The PLA guarantees that contractors will hire local area crafts people, thus guaranteeing the wages and benefits received by workers will be spent in our local economy. And there will be no shortage of manpower that would slow your project down. Our trained work force prides itself on making your project a success. Union construction craft people have spent years training through the apprenticeship programs – certified by the U.S. Department of Labor Bureau of Apprenticeship and Training – and upgrading their skills through the many journeyman level classes offered through their local union.

## **What about minority contractors and workers?**

Federal and state funded projects frequently require a certain percentage of the project be worked by minority contractors and affirmative action programs for hiring minorities and women workers from local communities. These provisions are often included in PLAs.

## **Who has used PLAs in this area?**

Many area public and private organizations have used PLAs to complete their projects on time and within budget. They include: Caterpillar Training Center; Sherex; Peoria Civic Center; Pekin Prison; Peoria Police Department; PMP/Kajima; Agrium Inc./The M.W. Kellogg Midwest Nitrogen Project; Riverfront Festival Park; Gateway Building; Mt. Sterling Correctional Center; Riverfront Tech Center; RecPlex; Peoria Heights School; Pleasant Hill School District #69; Rushville Juvenile Correctional Center; Illinois Veterans Home and RiverWest. These organizations have reaped the benefits of PLAs. More and more organizations, both public and private, are choosing to use PLAs to define the terms and costs of their projects in advance. These Illinois organizations have achieved quality, efficiency and value by matching innovative and ambitious technologies with a talented workforce.

## **In conclusion...**

Project labor agreements – by federal, state and local governments – have been used for at least six decades. They are lawful; they exclude no one; and they offer a number of important benefits to owners in the construction of their projects. In addition, as the U.S. Supreme Court has declared, “the use of project labor agreements in the public as well as the private sectors promotes the legislative goals” that Congress intended when it amended the National Labor Relations Act 35 years ago in order to accommodate the particular characteristics and needs of the construction industry.

**OSHA reports that 72 percent of construction fatalities have occurred on non-union job sites.**

**Union workers are at least 29 percent more productive than non-union construction workers.**

**-Dr. Steven G. Allen, Professor of Economics and Business, NCSU**

**The training that building trade unions receive is the most extensive in the construction industry. It is this superior training, combined with the union contractors strong commitment to safety, which assures that union construction jobs are operated safely, productively and at competitive prices.**  
**-Construction Industry Labor-Management 1990s Committee**

**Let us help you complete your project. We'll not only build it right, we'll build it right the first time.**

