



PROJECT LABOR AGREEMENTS: A RECORD OF FAILURE & DISCRIMINATION

Eric Christen

Executive Director, CFEC

www.opencompca.com

ericdchristen@gmail.com

1

“PLAS GUARANTEE LOCAL HIRE.”

Union membership and representation for the construction industry in California, 2016-2023:

Year	Member %
2023	14.6%
2022	13.2%
2021	12.7%
2020	13.9%
2019	13.7%
2018	12.8%
2017	15.3
2016	16.7

U.S. Government Bureau of Labor Statistics

2

2

WHO IS CFEC AND WHAT IS A PLA?

- ✘ CFEC was created in 1998 to oppose Project Labor Agreements (PLAs).
- ✘ CFEC is comprised of both union and non-union companies and associations
- ✘ Almost without exception *every PLA contains the following provisions* that make them problematic for merit shop contractors, employees, and apprentices:

3

“PLAS REQUIRE FAIR AND OPEN COMPETITION”

All PLAs are boilerplate agreements that must be approved by AFL-CIO National in Washington D.C. and therefore require the following key provisions:

- ✘ Contractors are limited from 0-6 of their own workers. The rest must be union.
- ✘ All workers must pay union dues and fees (\$1,000+ out of their first check).
- ✘ All workers must pay into union health, welfare and pension plans despite already having their own plans with their current employers. Union vesting requirements are 5-10 years making it all but impossible for a union-free worker to realize these monies. This is wage theft.
- ✘ ALL PLAs explicitly exclude union-free apprentices in state approved apprentice programs.

4

IF YOU'VE READ ONE PLA YOU'VE READ THEM ALL

Core Workforce

Marin College

13.2 The Union will refer to such Contractor one journeyman employee from the hiring hall out-of-work list for the affected trade or craft, and will then refer one of such Contractor's Core Employees as a journeyman and shall repeat the process, one and one, until such Contractor's crew requirements are met or until such Contractor has hired four (4) Core Employees, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list(s).

Santa Rosa Junior College

13.3 As its first employee for work on the Project, the Union shall refer a worker pursuant to the referral procedures referenced in Section 13.1, above. The Contractor may then directly employ one (1) of its qualified "regular, experienced employees" that is referred pursuant to the referral procedures referenced in Section 13.1. This alternating procedure of referral shall continue until a maximum of five (5) qualified "regular, experienced employees" have been referred to the Contractor.

Sonoma County

10.1 The number of core workers authorized on the Project for Contractors utilizing core workers shall be as follows: Each Contractor may initially use up to five (5) core workers. Supervisors, managers and forepersons do not count toward core worker limit. When the Contractor requires employees for the Project in addition to its core workforce it shall utilize the Union referral system as follows: one worker from the hiring hall of the affected trade or craft and then one core worker. This process shall repeat until such Contractor's workforce requirements are met or until such Contractor has hired ten (6) core workers for that craft, whichever occurs first.

5

5

IF YOU'VE READ ONE PLA...(CONT.)

Benefits

Marin College

16.1 All employees covered by this Agreement shall be classified and paid in accordance with the classification and wage scales contained in the appropriate local collective bargaining agreements which have been negotiated by the historically recognized bargaining parties and in compliance with the applicable general prevailing wage determination made by the Director of Industrial Relations pursuant to the California Labor Code.

Santa Rosa Junior College

16.1 All employees covered by this Agreement shall be classified and paid in accordance with the classification and wage and fringe benefit funds and scales contained in the applicable Schedule A Agreement and in compliance with the applicable general prevailing wage determination made by the California Director of Industrial Relations pursuant to the California Labor Code.

Sonoma County

13.1 All employees covered by this Agreement shall be classified and paid wages and other compensation in accordance with the then current multi-employer Master Agreement of the applicable Union, and in compliance with the applicable prevailing wage rate determination established pursuant to the California Labor Code by the Department of Industrial Relations.

6

6

“IF YOU’VE READ ONE PLA....”(CONT.)

Apprentices

Marin College

*15.3 The Unions agree to cooperate with the Contractor in furnishing apprentices as requested up to the maximum percentage permitted by the **Schedule A or applicable Joint Apprenticeship Committee.***

Santa Rosa Junior College

*15.2 The Contractors agree to employ, and the Unions agree to cooperate in furnishing, **apprentices from state certified jointly administered apprenticeship programs.***

Sonoma County

*12.2 The parties recognize the need to maintain continuing support of and expand programs designed to develop adequate numbers of skilled workers in the construction industry, and the desire to encourage the participation of high school students and graduates and residents of Sonoma County in the construction industry. To these ends, Contractors, the Trades Council, and the Unions will support the construction training courses, programs, pre-apprenticeship and **joint apprenticeship programs** in which they participate and which are certified by the State of California, and will encourage high school students and graduates and residents of Sonoma County to commence and progress in such programs.*

7

7

“PLAS ARE COMMON & POPULAR”

- ✘ There are 1,100 educational entities in California. 798 have approved bonds over the past 20 years & **49** have used PLAs
- ✘ There are 482 cities in California. **47** have used PLAs.
- ✘ There are 58 counties in California. **10** have used PLAs.
- ✘ There are 5 counties that border Napa County & **2** have used PLAs.
- ✘ There are 78 school districts in these 5 counties & **3** have used PLAs.
- ✘ There are 127 cities in these 5 counties & **3** have used PLAs.

8

“A PLA GUARANTEES ON TIME, ON BUDGET & QUALITY.”

Business Insider’s Story on the Massively Over Budget and Behind Schedule Transbay Transit Center in San Francisco

• A \$2 billion transit center in San Francisco shut down just months after it opened. Here's everything that's gone wrong.

Greg Sandoval/Business Insider

Long before its opening in August, the Salesforce Transit Center was a major source of controversy in San Francisco.

In the eight years since breaking ground, the center has been embroiled in a number of legal battles, including a longstanding feud with [Millennium Tower](#), a 58-story luxury skyscraper that opened in 2009. The tower is now sinking and tilting, and its developers say the transit center is to blame.

Meanwhile, the Salesforce Center has seen its own structural flaws: In late September, the terminal was closed due to a [cracked beam](#) on the third floor deck, generating concerns about the building's safety.

9

9

THE TRUTH ABOUT PLAS

Sonoma County

- ✘ In 2014 they approved a PLA for all projects \$10 million+. In Almost 10 years not one project went out under the PLA.
- ✘ When there was discussion in 2020 to lower the threshold an August 11th 2020 staff report spelled out for them what they would pay with a PLA over and above what the actual market rate would have been for their Adult Detention Behavioral Health Unit: *“Reasonable estimates for the cost of adding a Project Labor Agreement to a project of this size range between 10% and 14%. Extrapolating these percentages from the \$48,800,000 budget for this SSB-863 project yields an additional cost of between \$3,672,590 and \$3,856,220.”*
- ✘ In September of 2023 the County BOS voted to lower the PLA threshold to \$1 million.

10

10

“PLAS DON’T INCREASE COSTS OR REDUCE BIDDERS”

Santa Rosa City Schools

- ✘ In 2021, behind closed doors and with no public input, the SRCS Trustees approved a PLA for most bond work.
- ✘ Last month, due to a reduced bidding pool and “higher than anticipated costs” they removed certain work from the PLA:

“While the original agreement is not due to expire this year, there have been times when SRCS has had difficulty finding contractors for smaller projects who meet the requirements, especially when working with very specialized services such as bird netting. SRCS administration and the North Bay Building and Construction Trades council believe an extension of the current agreement with an exception for projects under the CUPCCAA informal bidding limit (currently \$200,000) when needed, will benefit both organizations. All other terms of the agreement would remain unchanged.”

11

11

“PLAS DON’T REDUCE BIDDERS.”

City of Santa Rosa

In March of this year, city staff sent out an email begging contractors to bid the Laguna Treatment Plant Aeration Basins Improvements Project because of fear there would be few if any bidders. The results? Not one company chose to bid the project. Why? The PLA.

11. Question: TerraCon has contacted all the fusion services companies that they know of for performing the HDPE pipe fusion on this project, none of the companies are willing to sign the PLA for this contract. The companies have no problem paying prevailing wage but they will not sign a PLA. Please let us know if the scope of HDPE pipe fusion can be waived from the scope of the PLA on this project.

Response: Response will be provided in a future addendum.

12

“PLAS DON’T INCREASE COSTS.”

Santa Rosa Junior College

- ✘ SRJC had its first Project Labor Agreement approved for a project on September 12, 2017, the Burbank Auditorium Modernization Project.
- ✘ The project was scheduled to be completed in mid-2019 but was not actually completed until mid-2020.
- ✘ The project was supposed to have cost \$25 million but ended up costing \$32 million.
- ✘ The District’s second PLA covered project was the Lindley Center for STEM Education. Originally expected to cost \$74.8 million the project ended up costing over \$100 million.

13

“PLAS GUARANTEE ON TIME & ON BUDGET.”

Marin College

The College’s Miwok Center, at their Indian Valley Campus, was originally contracted for \$23,312,147 while its final cost was a staggering **\$35,658,173**.

The original “completion date” was June of 2020 but it wasn’t completed until October of 2021.

14

14

QUESTIONS THAT REQUIRE ANSWERS:

- ✘ How have all of your previous projects that were PLA-fee done with regards to timely completion, budget, local hires, veteran hires, and quality of work?
- ✘ How many strikes, slowdowns, and work stoppages have occurred on your projects?
- ✘ Do PLAs in fact prevent such things from occurring?
- ✘ Have you conducted a survey of contractors who have bid projects in the past to measure what their opinions are regarding PLAs and asking them if they would bid a project with one?
- ✘ Has the board been presented with copies of each union's "Schedule A" and "Master Agreement"?
- ✘ What are the "dues" and "fees" for each union?
- ✘ Why should non-union firms who already provide benefits be forced to pay into union plans?
- ✘ What are vesting requirements for each trade union?
- ✘ Why should non-union apprentices be excluded from your projects?
- ✘ How much will it cost you simply to oversee the PLA?

15