

GOOD JOBS INITIATIVE

PROJECT LABOR, COMMUNITY WORKFORCE, AND COMMUNITY BENEFITS AGREEMENTS RESOURCE GUIDE

What is a Project Labor Agreement?

A Project Labor Agreement (PLA)¹ is a type of collective bargaining agreement unique to the construction industry.² PLAs are pre-hire collective bargaining agreements negotiated between one or more construction unions and one or more construction employers (contractors/project owners) that establish the terms and conditions of employment for a specific construction project.³ Essential elements of PLAs include: provisions that bind all contractors and subcontractors to the agreement; no-strike, no-lockout clauses; and grievance/arbitration procedures.⁴ Usually, PLAs also specify the wages and fringe benefits for all workers on a project⁵ and generally require contractors to hire workers for the project through a union hiring hall that is responsible for supplying skilled labor.⁶ PLAs may also include clauses: outlining goals for hiring local community members on projects; incorporating equity plans; detailing strategic recruitment policies for workers from underserved communities; and requiring participation of small businesses.⁷ PLAs can include any number of unique terms to help parties achieve their desired results.

What are the benefits of using PLAs?

PLAs organize complex construction projects and ensure their efficient and timely completion.⁸ Because PLAs (almost universally) contain no-strike, no-lock-out clauses they eliminate delays associated with labor unrest.⁹ PLAs are known for streamlining the administration of large projects by requiring all parties to enter into one agreement, that contains universal terms that govern the work.¹⁰ On a complex project contractors may end up working with multiple trades unions (laborers, electricians, operating engineers, painters, and plumbers, etc.) with varying work rules and individual collective bargaining agreements without one universal agreement contractors might end up negotiating individual collective bargaining agreements with each trade union.¹¹ Those individual agreements might stipulate different start times, methods for determining overtime, break times, holidays, and dispute resolution processes that make project administration costly, complex, and inefficient.¹² PLAs eliminate these issues through harmonization and coordination. In fact, the use of a PLA by the New York City School Construction Authority from 2005-2009 to facilitate the rehabilitation and renovation of schools led to a savings of \$221 million dollars over their five-year plan period because of the standardization of shifts across all trades of construction worker.¹³

PLAs provide skilled workers for projects and support programs that maintain and grow a diverse skilled workforce.¹⁴ Most PLAs will include provisions requiring contractors to hire workers through union hiring halls,¹⁵ ensuring that all referred workers are qualified (like journey-workers who have graduated from Registered Apprenticeship Programs certified by the Department of Labor). PLAs can also contain clauses stating that apprentices must accompany journey-workers on projects (sometimes there are specific ratios listed)—providing critical opportunities for entrants into the trades to gain necessary skills.¹⁶ PLAs might also contain provisions related to pre-apprentices (developing workers, often from underserved communities,¹⁷ who are preparing to enter Registered Apprenticeship Programs), guaranteeing their exposure to construction work. PLAs may also fund Registered Apprenticeship Programs via joint labor-management partnerships where both unions and employers invest in the development of skilled workers.¹⁸

Lastly, PLAs lead to improved worker safety and health.¹⁹ PLAs often contain specific provisions laying out required safety trainings²⁰ and improve workers' awareness and exercise of their right to accompany an OSHA inspector who is conducting an OSHA inspection.²¹

Do you have to become a union member to be covered by a PLA?

No. Workers covered under PLAs do not have to join unions to work on construction sites or to get referred to construction jobs via hiring halls.²² And it is illegal for unions to discriminate against non-union workers when making hiring hall referrals.²³ However, non-union workers covered under PLAs may have to pay agency fees to cover costs²⁴ associated with the duty of unions to fairly represent all workers (union and non-union) in the administration of collective bargaining agreements.²⁵



GOOD JOBS INITIATIVE

Are non-union contractors prohibited from bidding on construction projects when PLAs are required or incentivized?

No. Non-union contractors can choose to bid on projects where PLAs are required or incentivized.²⁶ Non-union contractors who choose to enter PLAs can do so without becoming a union employer for other projects.²⁷ PLAs are project-specific—they run for the length of the project.

Are PLAs legal in Right-to-Work states?

Yes. PLAs are legal in Right-to-Work States. States with Right-to-Work laws allow workers covered under collective bargaining agreements (receiving services from unions) to forgo paying agency fees for the costs of those services.²⁸ Right-to-work laws do not make PLAs illegal or impossible. There are many examples of PLAs in Right-to-Work states.

How are PLAs enforced?

PLAs are enforced through binding arbitration²⁹ or by the National Labor Relations Board (NLRB)³⁰ and federal courts. PLAs are legally binding agreements between construction contractors/project owners and construction unions that generally require all parties to resolve disputes over provisions in the PLA via grievance/arbitration procedures negotiated and agreed to by the parties.³¹ Workers on projects covered by PLAs may also grieve and arbitrate (via construction unions) issues governed by the PLA related to the terms and conditions of work (e.g., wages, benefits, etc.). In situations where issues are not subject to resolution through the negotiated grievance and arbitration process, the NLRB will review, assess, and enforce—as necessary. Finally, in some cases an issue handled by the NLRB may be appealed to a federal court that will resolve the matter.

What are Community Workforce Agreements (CWAs)?

CWAs are a specific type of PLA that includes community-oriented commitments relating to equitable workforce development, social justice, small business support, and/or other issues.³² For example, a CWA executed by the Port of Long Beach contained provisions focused on recruiting at-risk populations including individuals experiencing homelessness, single parents, and workers suffering from chronic unemployment.³³ The City of Portland adopted a CWA for a project centered on clean energy upgrades for homeowners designed to support and grow green businesses and businesses owned by historically disadvantaged or underrepresented groups.³⁴ And in Cleveland, University Hospital entered into a CWA with the Cleveland Building Trades Council that ensured residents of the City would make up 20% of the workforce and utilized a pre-apprenticeship program connected to a vocational high school.³⁵ Notably, CWAs (like traditional PLAs) also include provisions that bind all contractors and subcontractors to the agreement; guarantee that no strikes or lockouts will occur; and set-forth mutually agreed upon grievance/arbitration procedures. CWAs in the private sector are enforced the same way PLAs are enforced (see "How are PLAs enforced?" for further explanation).

What are Community Benefits Agreements?

Community Benefits Agreements are contracts between employers/developers/contractors/project owners and community organizations (including but not limited to unions).³⁶ These agreements, which can be in the manufacturing sector, the construction sector, or other industries, may include provisions related to affordable housing,³⁷ pollution reduction, or other community priorities.³⁸ For example, Jobs to Move America (a strategic policy center), a coalition of community organizations, and New Flyer (a large bus manufacturer) negotiated a Community Benefits Agreement covering communities in Birmingham that, in part, established goals for ensuring 45% of new hires and 20% of promotions support historically underrepresented workers (including veterans, women, and people of color).³⁹ In another example, in New York City—New York Community Bancorp entered into a Community Benefits Agreement with the National Community Reinvestment Coalition to provide affordable housing, residential mortgage lending, small business lending, and philanthropic donations to economically disadvantaged communities and communities of color.⁴⁰ Community Benefits Agreements are unique to each community and their terms will reflect the varied interest of their signatories. Some Community Benefits Agreements are Collective Bargaining Agreements between the contractor/employer and one or more unions setting terms and conditions of employment—others are not. If a Community Benefits Agreement is not a Collective Bargaining Agreement, it cannot set out terms related to wages, rates of pay, hours of employment, or conditions of work.⁴¹ Additionally, Community Benefits Agreements that are not Collective Bargaining Agreements are not enforced by the NLRB, however, signatories to this type of Community Benefits Agreement may enforce via State or Federal Courts.



GOOD JOBS INITIATIVE

Footnotes

- [1] This resource guide only addresses the use of private sector Project Labor Agreements as defined by 29 U.S.C. § 158 (f).
- [2] Cong. Rsch. Serv., R41310, Project Labor Agreements, at 1 (2012), https://www.everycrsreport.com/files/20120628_R41310_731846eb1c5bc373a7ea40ebd566f72ded8a8771.pdf.
- [3] 29 U.S.C. § 158 (f).
- [4] See Dale Berman & Matthew M. Bodah, Economic Policy Institute, Building Better: A Look at Best Practices for the Design of Project Labor Agreements, at 2-4 (2010), <https://files.epi.org/page/-/pdf/BP274.pdf>; Frank Manzo IV & Robert Bruno, Illinois Economic Policy Institute & University of Illinois at Urbana-Champaign, Efficiencies of Project Labor Agreements: Illinois Capital Development Board Projects, 2011-2013, at 1-2 (2015), <https://illinoisepi.org/site/wp-content/themes/hollow/docs/wages-labor-standards/Illinois-PLAs-in-CDB-Projects-FINAL.pdf>.
- [5] Cong. Rsch. Serv., R41310, Project Labor Agreements, at 2 (2012), https://www.everycrsreport.com/files/20120628_R41310_731846eb1c5bc373a7ea40ebd566f72ded8a8771.pdf.
- [6] U.S. Dep't of Labor, Implementation of Project Labor Agreements in Federal Construction Projects: An Evaluation at 3 (2011), <https://www.yumpu.com/en/document/read/4901552/implementation-of-project-labor-agreements-united-states->.
- [7] Id.
- [8] Dale Berman & Matthew M. Bodah, Economic Policy Institute, Building Better: A Look at Best Practices for the Design of Project Labor Agreements, at 10 (2010), <https://files.epi.org/page/-/pdf/BP274.pdf>.
- [9] Id. at 7-8.
- [10] Id. at 10-12.
- [11] Dale Berman & Matthew M. Bodah, Economic Policy Institute, Building Better: A Look at Best Practices for the Design of Project Labor Agreements, at 10 (2010), <https://files.epi.org/page/-/pdf/BP274.pdf>.
- [12] Id.
- [13] United States Department of Labor, Implementation of Project Labor Agreements in Federal Construction Projects: An Evaluation, at 4-5 (2011), <https://www.yumpu.com/en/document/read/4901552/implementation-of-project-labor-agreements-united-states->.
- [14] See Frank Manzo IV & Robert Bruno, Illinois Economic Policy Institute & University of Illinois at Urbana-Champaign, Efficiencies of Project Labor Agreements: Illinois Capital Development Board Projects, 2011-2013, at 4 (2015), <https://illinoisepi.org/site/wp-content/themes/hollow/docs/wages-labor-standards/Illinois-PLAs-in-CDB-Projects-FINAL.pdf>.
- [15] Dale Berman & Matthew M. Bodah, Economic Policy Institute, Building Better: A Look at Best Practices for the Design of Project Labor Agreements, at 7 (2010), <https://files.epi.org/page/-/pdf/BP274.pdf>.
- [16] Id. at 15.
- [17] Underserved communities are persons adversely affected by persistent poverty, discrimination, or inequality, including Black, Indigenous, people of color; LGBTQ+ individuals; women; immigrants; veterans; individuals with disabilities; individuals in rural communities; individuals without a college degree; individuals with or recovering from substance use disorder; and justice-involved individuals. Department of Labor, Good Jobs Principles, <https://www.dol.gov/sites/dolgov/files/goodjobs/Good-Jobs-Summit-Principles-Factsheet.pdf>.
- [18] Dale Berman & Matthew M. Bodah, Economic Policy Institute, Building Better: A Look at Best Practices for the Design of Project Labor Agreements, at 5 (2010), <https://files.epi.org/page/-/pdf/BP274.pdf>.
- [19] Dale Berman & Matthew M. Bodah, Economic Policy Institute, Building Better: A Look at Best Practices for the Design of Project Labor Agreements, at 2 (2010), <https://files.epi.org/page/-/pdf/BP274.pdf>.
- [20] Dulles Corridor Metrorail Project, Metropolitan Washington Airports Authority, at 3, 4 (2012), https://www.mwaa.com/sites/default/files/archive/mwaa.com/file/PROJECT_LABOR_AGREEMENTS-03-14-2012-rev2.pdf.
- [21] David Weil, Building Safety: The Role of Construction Unions in the Enforcement of OSHA*, XIII J. of Lab. Rsch. 121, 127 (1992), <https://www.fissuredworkplace.net/assets/Weil.Building-Safety.JLR.1992.pdf>.
- [22] See Vista Unified School District Project Labor Agreement for Construction and Major Rehabilitation Funded by Proposition LL, at 13 (2020), [https://go.boarddocs.com/ca/vusd/Board.nsf/files/BRHPJJ64DA60/\\$file/Final%20Revised%20VUSD%20PLA.PDF](https://go.boarddocs.com/ca/vusd/Board.nsf/files/BRHPJJ64DA60/$file/Final%20Revised%20VUSD%20PLA.PDF) (Section 5.9 states in relevant part "[e]mployees are not required to become or remain union members as a condition of performing Covered Work under this Agreement").
- [23] Hiring Halls, About NLRB, <https://www.nlr.gov/about-nlr/b-rights-we-protect/the-law/employees/hiring-halls>.



GOOD JOBS INITIATIVE

[24] 29 U.S.C. § 158(a)(3); Union Dues, About NLRB, <https://www.nlr.gov/about-nlr/rights-we-protect/the-law/employees/union-dues>.

[25] Ford Motor Co. v. Huffman, 345 U.S. 330, 337 (1953) (finding that unions' "statutory obligation to represent all members of an appropriate unit requires them to make an honest effort to serve the interests of all of those members, without hostility to any"); Right to Fair Representation, About NLRB, <https://www.nlr.gov/about-nlr/rights-we-protect/the-law/employees/right-to-fair-representation>.

[26] Jolie M. Siegel, Project Labor Agreements and Competitive Bidding Statutes, 3 U. Pa. J. of Lab. And Empl't Law 295, 303-06 (2001), <https://scholarship.law.upenn.edu/cjiv/viewcontent.cjiv?referer=&httpsredir=1&article=1076&context=jbl>.

[27] See City of Los Angeles Department of Works PLA/ Public Works Infrastructure Stabilization Policy Frequently Asked Questions for Project Labor Agreement 2015-2020, at 2 (2020), <https://bca.lacity.org/Uploads/hiring/PLA%20Frequently%20Asked%20Questions%20%28FAQ%29.pdf> (noting that contactors who sign a letter of assent agreeing to the terms of the DPW-PLA do not become union contractors).

[28] 29 U.S.C. § 14(b).

[29] Cong. Rsch. Serv., R41310, Project Labor Agreements, at 2 (2012), https://www.everycrsreport.com/files/20120628_R41310_731846eb1c5bc373a7ea40ebd566f72ded8a8771.pdf.

[30] 29 U.S.C. § 158(b)(3), (d).

[31] Cong. Rsch. Serv., R41310, Project Labor Agreements, at 2 (2012), https://www.everycrsreport.com/files/20120628_R41310_731846eb1c5bc373a7ea40ebd566f72ded8a8771.pdf.

[32] See Maria Figueroa et al., Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle Class Careers, Cornell University ILR School, at 6-7 (2011), https://faircontracting.org/wp-content/uploads/2022/04/PLA_REPORT_10_6_2011_FINAL.pdf.

[33] Id. at 10.

[34] Community Workforce Agreements, The Ohio State University Kirwan Institute for the Study of Race and Ethnicity, at 3, <https://www.oregon.gov/odot/equity/Documents/Ohio%20University%20Briefing%20Paper.pdf>.

[35] See Maria Figueroa Et Al., Community Workforce Provisions in Project Labor Agreements: A Tool for Building Middle Class Careers, Cornell University ILR School, at 31 (2011), https://faircontracting.org/wp-content/uploads/2022/04/PLA_REPORT_10_6_2011_FINAL.pdf.

[36] Community Benefits Agreements Toolkit, Local Initiatives Support Corporation, at 1, <https://static1.squarespace.com/static/5e907d1c6f62ac522c31b5f5/t/5f79deb2f54a4032051b0941/1601822409403/CBA+Toolkit+for+Website.pdf>.

[37] Julian Gross et al., Community Benefits Agreement: Making Development Projects Accountable, at 9 (2005), (<https://www.goodjobsfirst.org/wp-content/uploads/docs/pdf/cba2005final.pdf> (Noting that "[t]hese agreements guarantee thousands of new quality jobs, training opportunities, increased numbers of affordable housing units, green building practices, parks, child-care centers, and numerous other benefits.")).

[38] Ian Duncan & Spencer S. Hsu, Labor Leaders Hail Bus Maker Pact to Hire More Women, Minority Workers, The Washington Post (May 26, 2022, 2:29 PM), <https://www.washingtonpost.com/transportation/2022/05/26/new-flyer-benefits-bus-equity/>.

[39] Press Release, Jobs to Move America, Major Electric Vehicle Manufacturer Signs first Multi-State Agreement with Community and Civil Rights Group for Equitable Hiring and Good Jobs (May 26, 2022), [39] Press Release, Jobs to Move America, Major Electric Vehicle Manufacturer Signs first Multi-State Agreement with Community and Civil Rights Group for Equitable Hiring and Good Jobs (May 26, 2022), <https://jobstomoveamerica.org/press-release/major-electric-vehicle-manufacturer-signs-first-multi-state-agreement-with-community-and-civil-rights-group-for-equitable-hiring-and-good-jobs/>.

[40] Press Release, New York Community Bancorp, INC. Announces \$28 Billion Community Benefits Agreement with NCRC to Support Communities of Color, the Underserved, Small Businesses, Diversity, and Ongoing Commitment to Responsible Multi-Family Lending (Jan. 24, 2022), <https://www.prnewswire.com/news-releases/new-york-community-bancorp-inc-announces-28-billion-community-benefits-agreement-with-ncrc-to-support-communities-of-color-the-underserved-small-businesses-diversity-and-ongoing-commitment-to-responsible-multi-family-lending-301466676.html#:~:text=The%20Agreement%20includes%20%24.22%20billion,over%20a%20five%2Dyear%20period>

[41] See 29 U.S.C. §§ 152(5) (defining a labor organization and its purpose under the National Labor Relations Act).

Any links to non-federal websites on this page provide additional information that is consistent with the intended purpose of this federal site, but linking to such sites does not constitute an endorsement by the U.S. Department of Labor of the information or organization providing such information. For more information, please visit <https://www.dol.gov/general/disclaim>. <https://jobstomoveamerica.org/press-release/major-electric-vehicle-manufacturer-signs-first-multi-state-agreement-with-community-and-civil-rights-group-for-equitable-hiring-and-good-jobs/>.

