

Project Labor Agreements (PLA)

October 13, 2015

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Definition

- PLAs are contracts signed between construction trade unions and project owners, in this case, Alameda Unified School District, to create a master collective bargaining agreement that establishes working site conditions and management rights prior to the start of project construction

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Agenda

- Background
- Key Components
- Pros and Cons
 - Risks and Opportunities
- Mitigation of Risks
 - Scope of Agreement

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Background

- Board members expressed interest in learning more about PLAs, in relation to Measure I bond projects, at the June 23, 2015 BOE meeting
- Proponents of a PLA with AUSD presented information at the August 11, 2015 BOE meeting
- Board requested staff to look into the possibility of negotiating a PLA and report back to the Board
- Very few independent studies exist on the topic

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Key Components

- Handling of labor disputes
 - Contractors party to the PLA agree not to lock out workers
 - Unions agree not to go on strike
 - Both parties agree to a process to resolve disputes without labor disruptions
- Hiring process and conditions of employment
 - Labor unions are recognized as exclusive bargaining representatives
 - Contractors use union hall as a source of workers
 - Workers pay union dues
- Customized to local community needs

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Pros

- Reduces the risk of construction delays
- Apprenticeship program
- Higher skill levels developed by specialization
- Aims to provide local Alameda workforce development opportunities

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Cons

- Possibility of increased construction cost
 - Not due to wage rate, as prevailing wage is close to union wage in the Bay Area, but due to possibility of decreased competition. Less than 20% of construction industry has unionized labor, and thus some have argued that there could be a decrease in competitive bidding as a result of PLAs, while others have argued the opposite. In fact, research studies have been conducted that argue both claims, but it is difficult to determine definitively the validity of any specific claim and how it would affect any specific project.
- Possibility of delays due to less flexible division of labor and work rules

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Mitigation of Risks

- Other local school districts have entered into PLAs and mitigated risks involved with PLAs by tailoring scope of agreement regarding:
 - Minimum dollar thresholds
 - Minimum number of bids needed to trigger PLA
 - Types of projects covered
 - Types of products and services covered

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Next Steps

- Staff seeks board direction on whether to begin negotiations on a PLA.