

WHY PUBLIC SECTOR PROJECT LABOR AGREEMENTS ARE GOOD FOR LOCAL GOVERNMENTS

- ***Why are public sector project labor agreements (PLAs) needed?*** PLAs are valuable tools for public project owners – including cities, counties, school districts, and other political subdivisions – that help ensure construction projects are completed on-time and on-budget, without delays and unexpected costs.
- ***How do public sector PLAs benefit project owners?*** PLAs ensure a steady supply of skilled labor, provide an efficient means of resolving disputes over labor conditions, and coordinate the work of multiple crafts. PLAs are designed to: save money for the project owner and the taxpayer provide fair and safe working conditions, and to meet the particular needs of the project and project owner.
- ***What is a public sector PLA?*** A PLA is a type of pre-hire agreement between the owner, project manager, or general contractor and labor organizations for work done on a construction project. PLAs govern wages, benefits, and working conditions for workers on a specific project, provide for referrals of skilled labor from union hiring halls, prevent work stoppages of any kind, and provide for efficient arbitration to resolve disputes over labor conditions.
- ***Are public sector PLAs legal?*** Yes. The United States Supreme Court and the Minnesota Court of Appeals have upheld these agreements. See Building and Construction Trades Council v. Associated Builders and Contractors, 507 U.S. 218 (1993); Queen City Constr., Inc. v. City of Rochester, 604 N.W. 2d 368 (Minn.App.1999).
- ***How common are public sector PLAs?*** They are not only legal, but common in Minnesota. Examples of projects built with a public sector PLA include: Rochester Civic Center, the Anoka/Hennepin School District new high school and elementary school projects, the Metrodome, the Minneapolis Convention Center, the Hennepin County Government Center, and the St. Paul Civic Center.
- ***Can any contractor bid under a public sector PLA?*** Yes. Both union and non-union contractors can submit a successful bid. The non-union contractor does not have to “become union,” but only is required to abide by the terms and conditions of the PLA for the duration of the project.