



# Project Labor Agreement Briefing

Virginia Code § **2.2-4321.2**

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# Project Labor Agreements-

Virginia Code § 2.2-4321.2 (HB 358/SB 182)

- Project Labor Agreement (PLA) – means a pre-hire, (*or pre bid*), collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project
- PLA's generally require contractors recognize the labor organization (union) as exclusive bargaining representative of all employees who work on the project; operate under union work rules; and follow union procedures for hiring, firing, and disciplining employees

# Project Labor Agreements-

## Virginia Code § 2.2-4321.2 (HB 358/SB 182)

- Establishes Labor cost standards pre-bid; Tend to result in higher wages
- May avoid labor disputes during construction
- Allows both unionized and non-union companies to bid
- May be unique to project and may include:
  - labor management committees to help resolve scheduling, quality control, health and safety issues during construction
  - provision for training and/or apprenticeship programs
- Not commonly used in this region - mostly used on very large projects; Northern VA Labor Federation identified most beneficial for projects with construction value over \$40 million
- Administrative impact on contractors, subcontractors and Owner
  - PLA cost difficult to determine; varies by project and PLA – Potentially minimal to 20% increase
- Ordinance not required to implement PLAs

# Project Labor Agreement- Pilot Project

## **Accotink Pump Station Rehab- WW-00001-013**

- Total Project Estimate=\$61M
- Construction Cost Projected over \$40M
- Need to Evaluate PLA Impact on Project Cost
- Project in Early Design Phase
- Projected Construction Bids in early 2023

## Project Labor Agreements- Next Steps for PLA/Prevailing Wage Ordinance

CY	Q1	Q2	Q3	Q4	
2021				✓	Procure expertise and resources to support Prevailing Wage and PLA programs.
2022	✓				BOS Action to approve Prevailing Wage Ordinance
	✓	✓			Develop Prevailing Wage and PLA Programs - Construction contract and compliance documents
			✓		Prevailing Wage Ordinance effective July 1. Begin administration and compliance verification
		✓	✓	✓	Negotiate PLA Pilot Project Agreement with Labor Union Reps
2023	✓				Bid PLA Pilot Project based on PLA Agreement

# Project Labor Agreements

# Questions