



**Western
Pennsylvania
Chapter**

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News Release

FOR IMMEDIATE RELEASE

Potential PLA would cost McKeesport taxpayers more

McKeesport, Pa – Members of Associated Builders and Contractors (ABC) of Western Pennsylvania met Wednesday, May 26 with the McKeesport Area School District Building and Grounds Committee, which is currently on a “fact-finding” mission concerning union-only Project Labor Agreement (PLA) and the district’s upcoming \$62 million consolidation construction project.

A union-only PLA would prohibit merit shop firms from bidding on the project due to provisions designed to favor union contractors and workers, such as forcing non-union companies to hire from the union halls, and compelling non-union workers to contribute to union pension funds, which are grossly underfunded. Eighty-five percent of the construction workforce is non-union, and a union-only PLA would exclude all but 15% of construction workers.

“It was so important for ABC to get its message not just to the school board members, but to the general public, as well,” said ABC of Western PA Chairman Robert A. Glancy, president of R.A. Glancy & Sons. “Studies prove PLAs cost taxpayers more money because there are fewer contractors bidding the project, resulting in less competition. Less competition equals higher costs.”

ABC member Richard Bosco, Ryco, Inc., participates in the school district’s School-to-Work program, through which he hires two graduates each year and pays for their four-year apprenticeship program. Bosco stated that, if the district attaches a union-only PLA, their own graduates would be ineligible to work on the project.

Other local school districts have experienced consequences for attaching PLAs to their construction projects. Shaler Area School District’s PLA on its \$30 million high school renovation project resulted in only two bids from general contractors. The district would have saved a minimum of \$1.5 million if there had been no PLA, allowing open shop contractors to bid on the project. A late completion caused the district to delay the start of classes for the high school twice.

Baldwin-Whitehall School District instituted a PLA on its 2005 high school renovation. Limiting the competition to union contractors caused a 1.5 tax millage increase in both 2006 and 2007, resulting in a \$4.75 million cost increase.

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Local school boards that did not attach PLAs to their construction projects saved their districts millions. In 2006, Quaker Valley School District saved its taxpayers \$1.4 million by awarding its Osborne Elementary School Renovation and Addition project to a merit shop contractor. Pine Richland School District awarded its 2007 New Upper Elementary School project to a merit shop contractor at \$18.9 million. The closest union bidder was \$21.3 million; \$2.4 million more.

“Open shop contractors are just as qualified and safe, if not more so, than union contractors. Merit shop contractors complete their projects at consistently lower costs, all while paying prevailing rate,” said Glancy. “It would be a shame to preclude these local contractors and their workers from even bidding on this project.”

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Associated Builders and Contractors of Western Pennsylvania is part of a national association representing more than 25,000 merit shop construction and construction-related firms in 77 chapters across the United States. For more information, visit ABC of Western PA's Web site, www.abcwpa.org.