

TEXT

(No. 70) E-7

## Draft of Executive Order on Use of Project Labor Agreements

Executive Order No. \_\_\_ of April \_\_\_, 1997

### Use of Project Labor Agreements for Federal and Federally Funded Construction Projects

Government investment in high-quality public infrastructure is necessary to the administration of military and civilian programs and services, and vital to sustained economic growth and the quality of life in our communities. The National Performance Review and other Executive Branch initiatives have sought to devise and modify government laws, regulations policies and practices in order to meet rigorous performance standards, minimize costs and eliminate waste and burdensome requirements. This executive order facilitating the use of project labor agreements is integral to the attainment of these objectives on federal and federally funded construction projects.

For decades project labor agreements have been used for public and private construction on projects that involve a large volume of work, extend over a substantial period of time, include a substantial number of contractors, subcontractors trades and craft workers, incur substantial costs or entail similar circumstances. These specially negotiated agreements between the project owner or construction manager and one or more labor organizations are reached at the outset of these projects in order to guarantee efficient, timely and quality work; establish fair and consistent labor standards and work rules; supply a skilled, experienced and highly competent workforce, establish set labor-related costs over the project's life; and assure stable labor-management relations legally binding dispute-resolution mechanisms and protection from strikes, lockouts and other such disruptions. Project labor agreements have been tailored to the particular circumstances of construction projects and have accurately determined their labor-related costs.

The Federal Government has a long and successful experience with project labor agreements, dating back to the construction of hydroelectric dams, atomic energy facilities and flood control projects in the 1930's and 1940's. States and municipalities likewise have undertaken major construction projects with project labor agreements. Most recently the Governors of Nevada, New Jersey and New York have issued executive orders recognizing the value of project labor agreements and setting forth criteria for their use in public works projects. In light of the continuing high demand for public capital investment, competing budgetary pressures and limited government resources, the Federal Government should reap the benefits of project labor agreements, where appropriate, on its own construction projects as a matter of consistent policy.

NOW, THEREFORE, to ensure the economical and efficient administration and completion of Federal Government construction contracts, and by the authority vested in me as President by the Constitution and the laws of the United States of America, including 40 U.S.C. § 486(a) and 3 U.S.C. § 301, it is hereby ordered:

**Section 1.** Executive departments or agencies authorized to implement or fund a project for the construction of a facility to be owned or used by a federal department, agency or other entitle shall determine on a

project-by-project basis (a) whether a project labor agreement will advance the government's procurement interest in economical, efficient, and timely high quality project performance by promoting labor-management stability and project compliance with application legal requirements governing safety and health equal employment opportunity, labor standards and other matters, and (b) whether laws applicable to the specific construction project preclude the use of the proposed project labor agreement.

**Section 2.** An executive department of agency that determines that the utilization of a project labor agreement will serve the goals set forth in section 1(a) of this order on a particular project may either (a) enter directly into such an agreement with one or more appropriate labor organization, or (b) require that every bidder on the project agree to negotiate or become a party to a project labor agreement for the project with one or more appropriate labor organizations.

**Section 3.** Any project labor agreement reached pursuant to this order:

(a) shall be made binding on all contractors and subcontractors on the construction project through the inclusion of appropriate bid specifications in all relevant bid documents;

(b) shall be available to all contractors and subcontractors wishing to compete for contracts and subcontractors on the project;

(c) shall be accessible to employees without discrimination on the basis of race, sex, religion, national origin, age, disability and union membership or non-membership;

(d) shall contain guarantees against strikes, lock-out, and similar work disruptions;

(e) shall set forth effective, prompt and mutually binding procedures for resolving jurisdictional and labor disputes arising during the project;

(f) shall provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work and safety and health; and

(g) shall fully conform to all applicable statutes, regulations and executive orders.

**Section 4.** This order does not require the use of a project labor agreement on any project on the entry into a project labor agreement with any particular labor organization.

**Section 5.** The heads of executive departments or agencies covered by this order shall establish within 45 days of the dates of this order, appropriate procedure to render the determination set forth in Section 1 of this order.

**Section 6.** This order is not intended to create any right or benefit, substantive or procedure enforceable by a nonfederal party against the United States, its departments, agencies or instrumentalities, its officers or employees, or any other person.

**Section 7.** (a) "Construction" as used in this order means the construction, rehabilitation, alteration, conversion, extension or repair of buildings, highways, structures and other facilities or other improvements to real property.