

Public “Works” Update

Summer 2011

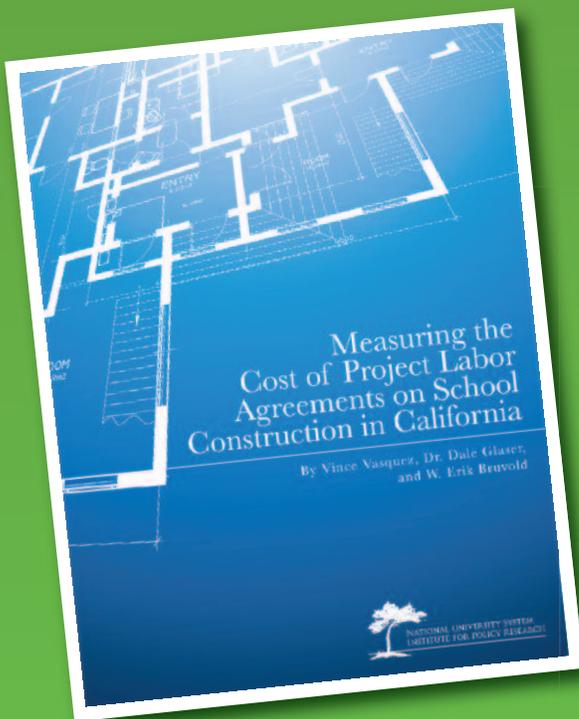
Facts for leaders who build and finance public projects



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University Study Uncovers Waste: Project Labor Agreements Increase School Construction Costs by 13% to 15%



When budgets are tight with teachers facing layoffs, there's no room for special favors & construction giveaways

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A “Must Read” for Public Works and Elected Officials Across California



In each case, we found that school construction costs were higher when Project Labor Agreements were used.

California school construction projects built under contracts that contain provisions known as Project Labor Agreements (PLAs) are a labor giveaway; costing 13% to 15% more than non-PLA projects according to a new study published today by the National University System Institute for Policy Research (NUSIPR).

A Comprehensive Study: The research is the most expansive review of the use of these agreements on school construction in US history, examining the inflation-adjusted square foot construction costs for 551 school projects across California built between 1995 and 2009.

In inflation-adjusted dollars, the presence of a PLA is expensive; linked to costs that are \$28.90 to \$32.49 per square foot higher.

Data You Can Trust:

The University of Southern California Keston Institute for Public Finance and Infrastructure Policy reviewed the study and validated the statistical analysis and conclusions.

What this Means for Students: California voters have approved \$64 billion in school construction bonds during the last decade. PLAs have significant financial consequences, none positive, during a time where classroom funding is being slashed and teachers facing layoff.

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Project Labor Agreements provide no tangible benefit to local government and public works projects. They add bureaucracy, red tape and bloated costs to taxpayers.

Taxpayer-funded contracts should be about the best work at the best price...always. That means allowing all qualified businesses, union and non-union, to compete fairly and win based on their ability to provide the best work at the best cost.

PLAs put government in the position of choosing winners and losers in the free market bidding of public works projects already subject to prevailing wage laws.

For more information about Project Labor Agreements, please contact Kevin D. Korenthal at contact@thecostofplas.com.

