

NEWS RELEASE

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HOLDEN: JOB CORPS PROJECT SHOULD NOT REQUIRE THE UNION LABEL

CONCORD, NH - The U.S. Department of Labor (DOL) Jan. 30 issued a solicitation to construct a \$20 million to \$50 million Federal Job Corps Center in Manchester, New Hampshire. The solicitation requires contractors sign a project labor agreement (PLA) with unions in order to win construction contracts to build this project built with federal taxpayer dollars.

“The government-mandated PLA has the potential to again delay this project, increase costs, reduce competition from qualified New Hampshire businesses and deny badly needed jobs to skilled New Hampshire construction workers who have freely chosen not to belong to a union,” said Associated Builders and Contractors (ABC) New Hampshire/Vermont President Mark Holden.

“The Obama Administration and the USDOL chose politics over sound policy by requiring contractors to execute a PLA with unions to be eligible to perform work on the project,” said Holden. “This politically motivated special interest handout is bad news for New Hampshire taxpayers, businesses and construction workers.”

Background

The PLA, drafted and mandated by the DOL, requires contractors to hire most of their employees through union hiring halls, follow archaic union work rules, obey multiple union collective bargaining agreements, and pay into union pension and benefit plans even if they have their own plans.

The project, regardless of whether a PLA is mandated, is subject to federal government-determined prevailing wage and benefit rates established by the Davis-Bacon Act that are typically union scale.

Government-mandated PLAs typically discourage qualified nonunion contractors and their skilled nonunion employees from competing for taxpayer-funded construction projects.

Studies of public construction projects subject to prevailing wage laws indicate PLA mandates increase the cost of construction between 12 percent and 18 percent compared to similar non-PLA projects subject to prevailing wage laws.

The PLA mandate is the result of federal regulations and federal agency policies stemming from President Obama’s pro-government-mandated PLA Executive Order 13502, which encourages federal agencies to mandate PLAs on a case-by-case basis for federal construction projects exceeding \$25 million in total cost.

Costly Report Supports Second Attempt by DOL to Mandate a PLA

On November 5, 2009, the USDOL cancelled its first solicitation for bids to construct the Manchester Job Corps Center under a government-mandated PLA.

“The cancellation came in response to a bid protest filed at the Government Accountability Office (GAO) on behalf of nonunion contractors who employ 90 percent of the construction workforce in New Hampshire,” said Holden. “In the face of the bid protest, the USDOL cancelled the solicitation, preferring to let this project sit idle and delay construction industry job creation if the project’s contracts couldn’t go to the White House and its party’s political supporters in Big Labor.”

Following the canceled solicitation, the USDOL retained the services of a consultant, Hill International, to prepare a report justifying and defending a PLA requirement. The report cost taxpayers \$128,000. USDOL also retained Hill international, at additional taxpayer expense, to represent them in anticipation of future litigation related to the PLA requirement.

“The Hill International report pays little attention to the serious concerns about PLA mandates from the merit shop contracting community and taxpayers,” said Holden. “The fact remains that New Hampshire does not have a history of government-mandated PLAs on construction projects, and for good reason.”

“The most notable construction project with a government-mandated PLA in our area was the infamous Big Dig in Boston,” said Holden. “We all know how well that worked out: Shoddy quality, billions over budget and years behind schedule.”

“The report insults the vast majority of New Hampshire construction workers and companies by suggesting that a union PLA mandate is necessary to provide on-time, on-budget, efficient, safe, and quality construction,” said Holden. “With 86 percent of construction workers in New Hampshire choosing not to belong to a union, it is offensive for the Obama Administration and the USDOL to promote a special interest agenda and risk further delaying the Job Corps Center project.”

Fair and Open Competition Works

“New Hampshire citizens should be proud of construction industry professionals working hard every day to build our schools, office buildings, hospitals and other facilities awarded through a fair process open to all interested and qualified bidders, union and nonunion alike,” said Holden. “Supporters of PLA mandates claim a PLA is beneficial, but in reality, PLAs discourage competition and are nothing more than anti-competitive schemes that hurt New Hampshire taxpayers.”

“A union PLA mandate does nothing to guarantee better quality, skills, productivity or compliance with local, state or federal regulations and. the union label is not needed for construction to be of top quality,” said Holden “Fair and open competition is the best way to ensure taxpayers get the best possible product at the best possible price.”

“It is important for all taxpayers to understand the impact this decision will have on them,” said Holden. “A PLA requirement will have a chilling impact on competition from qualified New Hampshire contractors and will dramatically inflate the construction cost of this taxpayer funded project.”

“At a time when a challenging economy is dependent on real solutions for job creation and accountability for every taxpayer dollar, this gift to Big Labor by the Obama Administration and the USDOL is outrageous.”

“We appreciate efforts of common-sense members of New Hampshire’s delegation in Washington, D.C., to get this project built using fair and open competition free from anti-competitive and costly PLA mandates,” said Holden.

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For information about government-mandated PLAs, please visit www.TheTruthAboutPLAs.com.

For information about this project and PLA controversy, please visit: <http://thetruthaboutplas.com/?p=6116>