

**"Notice to Interested Parties:**

The Joint Guam Program Office (JGPO) was established to facilitate and manage provisions of the Defense Policy Review Initiative that call for the relocation of approximately 8,000 Marines and their 9,000 dependents from Okinawa to Guam. The Naval Facilities Engineering Command (NAVFAC) has been designated as the design and construction agent for this endeavor. Further, NAVFAC is responsible for all military construction contract award and administration for DoD on Guam.

In accordance with EO 13502, NDAA FY 2010 (Section 2834), and FAR 22.5, NAVFAC has considered requiring the use of a Project Labor Agreement (PLA) for DPRI construction projects in Guam. NAVFAC has gathered input from industry, organized labor, and government officials from both the federal government and the Government of Guam to assess whether requiring a PLA for DPRI construction projects on Guam would meet the economy and efficiency goals of the Executive Order.

**Key considerations:**

- DoD has executed construction projects in Guam for many decades and has not encountered delays due to labor-management instability. Likewise, on Guam DoD has not faced defective performance or non-compliance with federal and local laws by its construction contractor base that has or would jeopardize mission capability.

- PLAs have not been used for any prior DoD construction projects on Guam.

- There is no precedent for strikes or work stoppages by construction workers at military construction projects on Guam.

-As part of the EIS process and the Record of Decision (ROD), DoD indicated that it would implement Adaptive Program Management (APM) to adjust the pace and sequencing of DPRI related construction on Guam to avoid overstressing Guam's infrastructure and significant environmental impacts. Implementation of APM will mitigate the previously anticipated large surge in off-island construction workers.

- Indications were that the PLA wage and benefit rates would need to be much higher than the prevailing Davis-Bacon rates in order to attract sufficient CONUS workers. There was no evidence that implementation of a PLA and its increased labor costs would bring about enhanced efficiencies that would meet the economy goal of the EO.

Based primarily on the stated factors, NAVFAC has determined that the use of a PLA for the DPRI construction effort on Guam would not meet the EO's goals of increased economy and efficiency in the procurement process. Therefore, a PLA will not be required for DPRI construction projects.

**Point of Contact for further information:**

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