

**State of New Jersey  
Executive Order #1****Governor James E. McGreevey**[Return to EO Index](#)

This executive order rescinds [EO #11](#) Whitman.

WHEREAS, the State of New Jersey has a compelling interest in awarding public works contracts so as to ensure the highest standards of quality and efficiency at the lowest responsible cost; and

WHEREAS, a project labor agreement, which is a form of pre-hire collective bargaining agreement covering all terms and conditions of a specific project, can endure the highest standards of quality and efficiency at the lowest responsible cost on appropriate public works projects; and

WHEREAS, the State of New Jersey has a compelling interest that a highly skilled workforce be employed on public works projects to ensure lower costs over the lifetime of the completed project for repairs and maintenance; and

WHEREAS, project labor agreements provide the State of New Jersey with a guarantee that public works projects will be completed with highly skilled workers; and

WHEREAS, project labor agreements provide for peaceful, orderly and mutually binding procedures for resolving labor issues without labor disruption; and

WHEREAS, project labor agreements allow public agencies to more accurately predict the actual cost of the public works project;

WHEREAS, the use of project labor agreements can be of specific benefit for complex construction projects of large scope such as the school construction projects that the State of New Jersey will imminently embark upon and that are the largest school construction projects in the history of New Jersey and that have been mandated by the Supreme Court of New Jersey; and

WHEREAS, the use of project labor agreements shall be considered on a project-by-project basis where such agreements benefit the interest of the State of New Jersey, from a cost, efficiency, quality, safety and/or timeliness standpoint; and

NOW, THEREFORE, I, James E. McGreevey, Governor of the State of New Jersey, by virtue of the authority vested in me by the Constitution and by the Statutes of this State, do hereby Order and Direct:

1. Executive Order No. 11 (Whitman) is hereby rescinded and is superseded by this Executive Order No. 1.
2. On a project-by-project basis, a state department, authority or instrumentality shall include a project labor agreement in a public works project where it has been determined that such agreement advances the state's interests of cost, efficiency, quality, safety, timeliness, skilled labor force, labor stability and the state's policy to advance minority- and women-owned businesses as set forth in Executive Order No. 84 (Florio).

3. Where it has been determined that a project labor agreement is appropriate for a particular public works project, a state department, authority or instrumentality responsible for implementing the project shall either (a) in good faith negotiate a project labor agreement, through the office of the Commissioner of Labor, with labor organizations engaged in the construction industry, or (b) condition the award of a project manager or general contractor upon a requirement that such manager or contractor negotiate in good faith a project labor agreement with labor organizations engaged in the construction industry and, if necessary, utilize the office of the Commissioner of Labor to reach such agreement.
4. Pursuant to this Order, any project labor agreement:
  - a. shall set forth effective, immediate and mutually binding procedures for resolving jurisdictional, labor disputes, and grievances arising before the completion of work;
  - b. shall contain guarantees against strikes, lockouts, or other similar actions.
  - c. shall standardize the terms and conditions of employment of labor on the public works project.
  - d. shall permit flexibility in work scheduling and shift hours and times.
  - e. shall ensure a reliable source of skilled and experienced labor.
  - f. shall further public policy objectives as to improved employment opportunities for minorities, women and the economically disadvantaged in the construction industry;
  - g. shall permit contractors and subcontractors to retain a percentage of their current workforce in addition to labor referred through the signatory labor organizations;
  - h. shall permit the selection of the lowest qualified bidder, without regard to union or non-union status at other construction sites, and
  - i. shall be made binding on all contractors and subcontractors on the public works project through the inclusion of appropriate bid specifications in all relevant bid documents.
5. Any decision to use a project labor agreement in connection with a public works project by a state agency, authority or instrumentality shall be supported by a written, publicly disclosed finding by such agency, authority or instrumentality seeing forth the justification for use of the project labor agreement.
6. All state agencies, authorities and instrumentalities are hereby ordered to ensure that all public works projects are implemented in a manner consistent with the terms of this Order and are in full compliance with all statutes, regulations and executive orders, including Executive Order No. 84 (Florio).
7. This Order shall take effect immediately and is intended to have prospective effect only.

Given, under my hand and seal this  
17<sup>th</sup> day of January  
in the Year of Our Lord, Two  
Thousand and Two, and of the  
Independence of the United  
States, the Two Hundred and

Twenty Sixth.

/s/ James E. McGreevey  
Governor

Attest:

/s/ Paul A. Levinsohn  
Chief Counsel to the Governor

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