



News Release

ABC DEFEATS UNLAWFUL AND DISCRIMINATORY NEW HAMPSHIRE CONSTRUCTION CONTRACT

MOVE COMES IN RESPONSE TO ABC MEMBER PROTEST

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WASHINGTON, D.C. – Associated Builders and Contractors (ABC) today announced that the U.S. Department of Labor (DOL) has cancelled its solicitation for bids to construct a new Job Corps Center in Manchester, N.H. under a government-mandated project labor agreement (PLA). The cancellation came in response to a protest filed with the Government Accountability Office (GAO) by ABC member North Branch Construction of Concord, N.H., with ABC support and representation. North Branch Construction challenged the PLA as unlawful and discriminatory.

“This is a real win for the principle of fair and open competition in government procurement,” said North Branch Construction attorney Maurice Baskin of Venable LLP, ABC's General Counsel. “It is no coincidence that the Department of Labor cancelled its unlawful PLA mandate the day before the agency was required to file a response to our bid protest. We demonstrated that there was no justification for imposing a PLA on this project and that the PLA mandate violated the Competition in Contracting Act and other longstanding federal procurement requirements.”

“There is no justification for playing favorites in the government procurement process,” said ABC President and CEO Kirk Pickerel. “We hope that other federal agencies will heed this example and recognize that PLAs only result in delayed construction and harm to taxpayers. ABC will continue to protest any attempt to impose PLAs on federal construction projects in violation of competitive bidding laws.”

“The Department of Labor can still move this project forward by abandoning this illegal PLA,” said Ken Holmes, president of North Branch Construction. “Our company and other New Hampshire businesses deserve a fair opportunity to provide the public with the best construction product at the best price and we hope the Labor Department will build this project without a PLA in early 2010.”

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A PLA is a contract that discourages competition from nonunion contractors and their nonunion employees by requiring a construction project to be awarded only to contractors and subcontractors that agree to recognize unions as the representatives of their employees on that job; use the union hall to obtain workers; obey the union's restrictive apprenticeship and work rules; and contribute to union pension plans and other funds in which their employees will never benefit unless they join a union.

The bid protest challenged the legality of the federal government's recent shift in federal procurement policy concerning the use of discriminatory and costly PLAs. On Feb. 6, President Obama signed Executive Order 13502, which repealed a 2001-2008 prohibition on federal PLAs and encourages agencies to require PLAs on federal construction projects whose total costs exceed \$25 million. The Federal Acquisition Regulatory (FAR) Council is in the process of reviewing public comments on its controversial July 14 proposed rule that would implement Executive Order 13502 into federal procurement code. ABC filed detailed comments challenging the implementation of Executive Order 13502.

The DOL's Job Corps Center PLA was believed to be the first government-mandated PLA on a federal construction project since Executive Order 13502 was issued.

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Associated Builders and Contractors (ABC) is a national association with 79 chapters representing 25,000 merit shop construction and construction-related firms with two million employees. Visit us at www.abc.org. For more PLA-related information or to view the complaint, visit www.TheTruthAboutPLAs.com or www.abc.org/pla.