



News Release

**ABC MEMBER FILES PROTEST AGAINST U.S.
DEPARTMENT OF LABOR PROJECT LABOR AGREEMENT**

***CONTRACT DISCRIMINATES AGAINST MAJORITY OF NEW HAMPSHIRE'S
CONSTRUCTION WORKFORCE***

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WASHINGTON, D.C. – Associated Builders and Contractors (ABC) member company North Branch Construction, a Concord, N.H.-based general contractor, Oct. 5 filed a bid protest with the Government Accountability Office (GAO) against the U.S. Department of Labor (DOL). The complaint accuses the DOL of violating federal law by mandating the use of a project labor agreement (PLA) – a controversial contract that strongly favors union-signatory contractors, increases the cost of construction up to 18 percent, and restricts competition from nonunion contractors and their qualified workforce – in its bid specifications for the construction of a federal DOL Job Corps center in Manchester, N.H.

The complaint states that the DOL's inclusion of the PLA, "unduly restricts competition, is wholly unsupported and violates the Competition in Contracting Act, Executive Order 13502, the Small Business Act, and numerous procurement regulations," and requests that the GAO order the DOL to remove any PLA requirement from the solicitation.

"PLAs are special interest handouts that deny taxpayers the accountability they deserve from government contracts," said Ken Holmes, president of North Branch Construction. "This DOL PLA discriminates against New Hampshire's qualified and experienced nonunion employees and businesses, such as North Branch Construction, who all deserve a fair opportunity to provide the public with the best construction product at the best price."

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.

"More than 91 percent of New Hampshire's construction workforce does not belong to a labor union, and since August 2008, New Hampshire's construction workforce has suffered an 18.6 percent increase in unemployment," said Holmes. "A PLA on this project is bad economic policy, especially because a PLA will unnecessarily increase the cost of construction of this taxpayer-funded project, and it will prevent nonunion workers from competing – possibly increasing unemployment in our state."

(more)

The legal challenge is expected to heighten tensions over 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. The DOL PLA is believed to be the first government-mandated PLA on a federal construction project since Executive Order 13502 was issued, despite the fact that a final rule has not been implemented by the FAR Council.

North Branch Construction's bid protest is supported by ABC's Construction Legal Rights Foundation and the ABC New Hampshire/Vermont Chapter.

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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.