



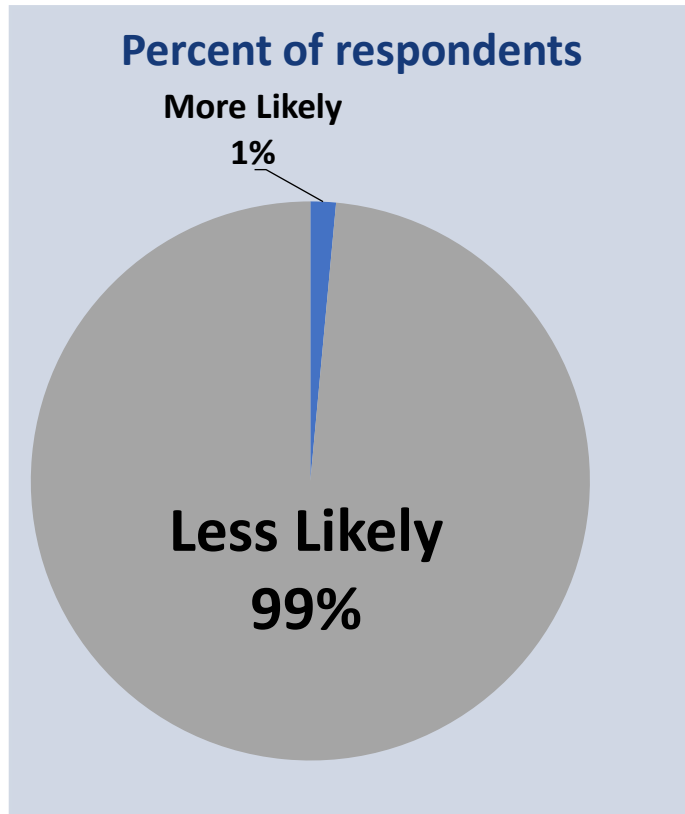
ABC 2022 Survey on Government-Mandated Project Labor Agreements and Biden Administration's Pro-PLA Policies

Created Sept. 27, 2022



PLA Proposed Rule Will Reduce Competition in Federal Contracting

Question: Based on what you know about the FAR Council’s proposed rule, which would require government-mandated PLAs for all federal contracts over \$35 million with limited exceptions, if this rule is finalized would you be more or less likely to begin or continue bidding on federal contracts in the future?

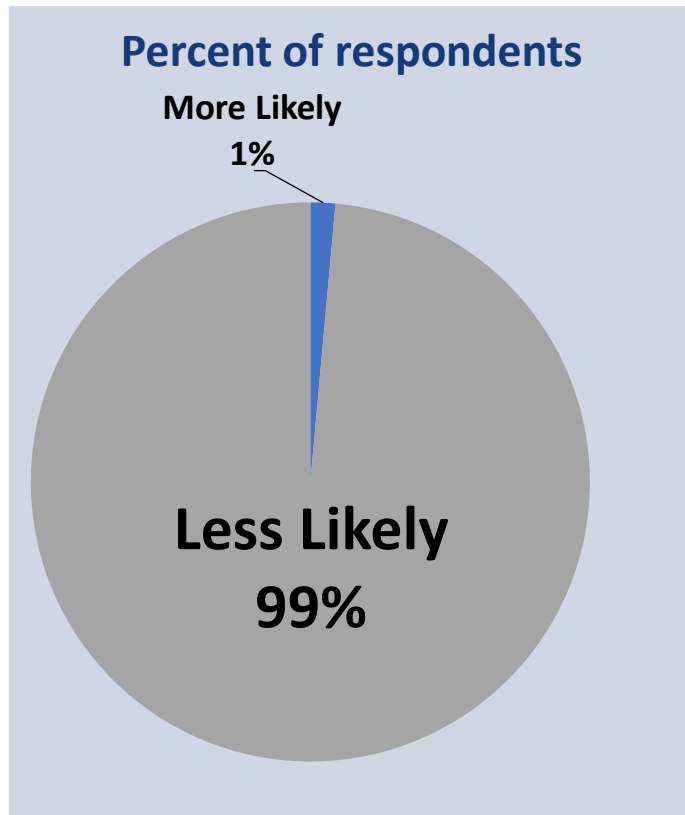


“

[Our company] has done much federal-, state- and locally funded work. Our company has done so for more than 20 years. We have had to refrain from and decline many invitations to bid in anticipation of how this rule will work out. It is a fully unbalanced position, and we believe, overreach of government institutions, to favor one group of workers over others.”

PLA Mandates Reduce Competition

Question: If the bid specifications for a construction project contain a requirement that your firm sign a PLA with labor unions in order to win a taxpayer-funded contract and perform the work, would you be more likely to bid or less likely to bid a PLA project?

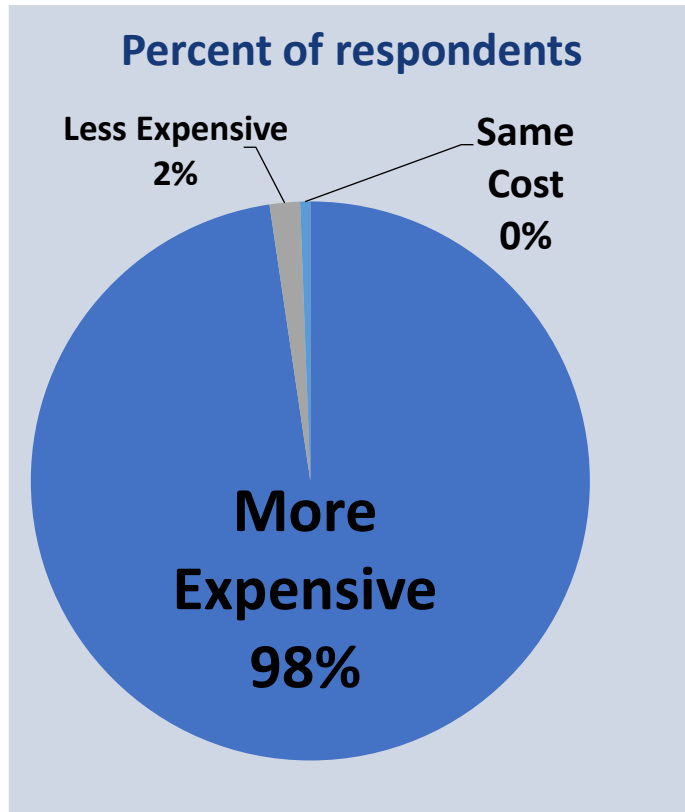


“

These agreements often require a long-term commitment. This would make us less competitive even in nonfederal projects and lead to increased project costs and, quite honestly, lower productivity and product quality, as there are no appropriate apprenticeships for all trades.”

PLA Mandates Increase Construction Costs

Question: Would construction contracts subject to a government-mandated PLA be more expensive, less expensive or the same cost as contracts procured via fair and open competition free from PLA mandates?



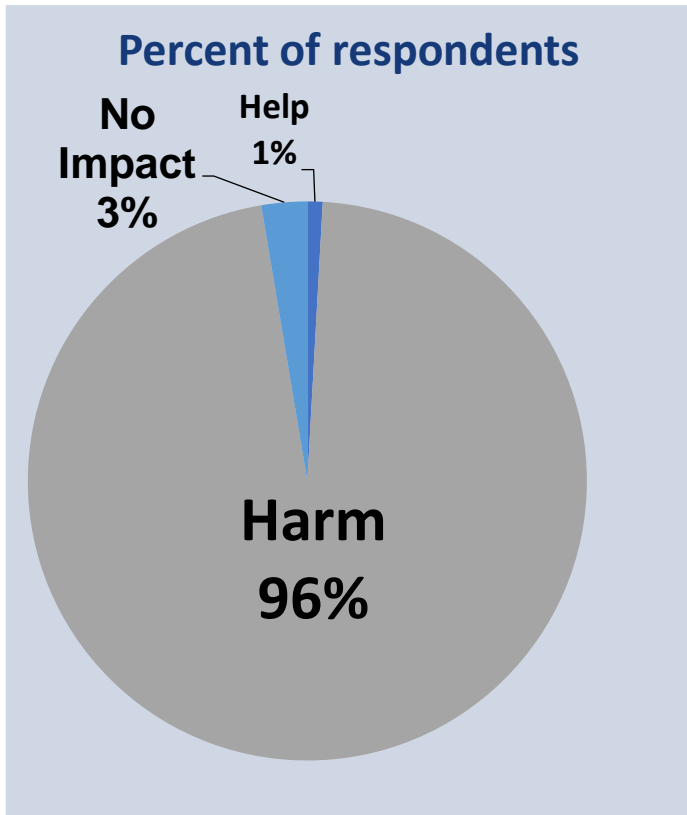
“

The cost overruns in the PLA structure are almost incalculable. On one PLA our company worked on, we tripled our labor rate and still lost money. If we were to do it again, and that is a big “if,” our typical labor rate would be multiplied by a factor of five to cover the costs of using union workers.”



PLA Mandates Harm Company Workforce Development Investments

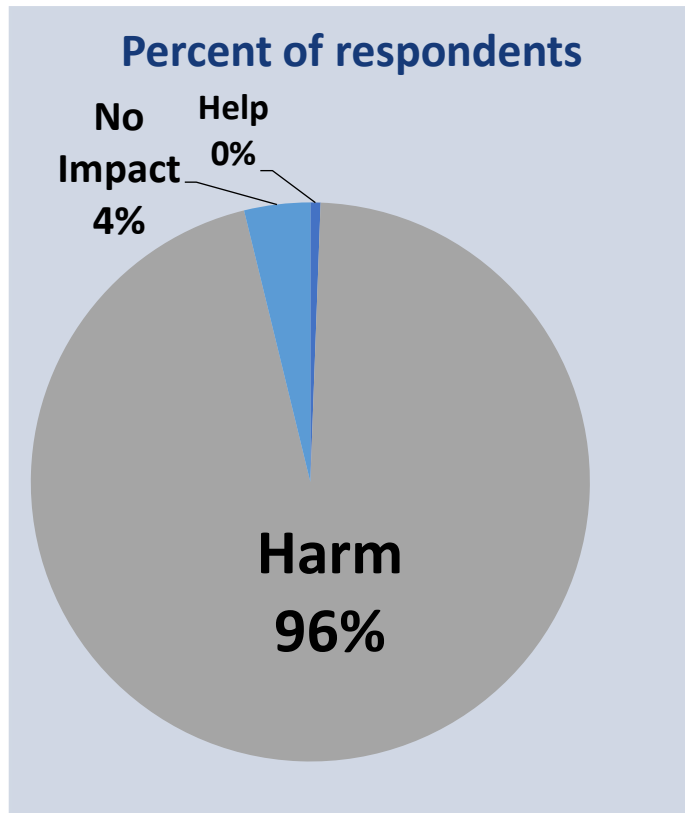
Question: If a PLA required your firm to hire most or all of your company’s apprentices from only union apprenticeship programs, would that help or harm your company’s investment in workforce development programs?



“ Without a PLA my company is free to partner with whichever workforce development programs we choose, giving us the widest field of potential employees to work with. We typically hire employees with long-term employment and development in mind.”

PLA Multiemployer Pension Rules Harm Employees

Question: If a PLA required your firm to make fringe benefit contributions into union pension and benefit programs on behalf of employees working on the PLA project instead of existing company benefit plans, would that help or harm employees?



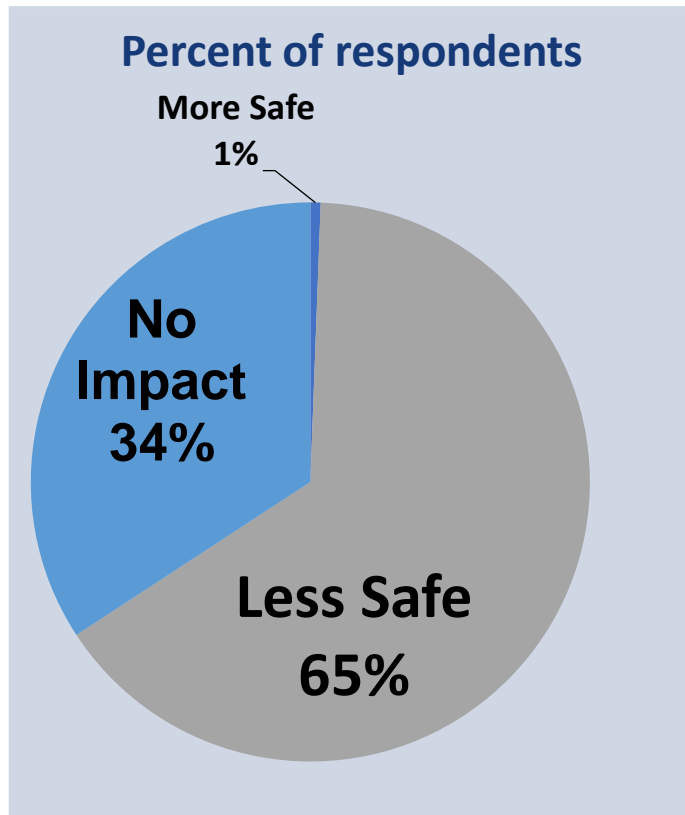
“

In many cases the workers assigned to those projects would never reach vesting levels within the pension funds of those unions. That means each of the dollars we paid into the funds would not reach the intended person. And we would not be able to afford to pay into two programs for the same hour worked, leaving those workers essentially no retirement contributions for those hours worked on a PLA project.”



PLA Mandates Make Projects Less Safe/No Impact on Safety

Question: If a PLA required your firm to hire most or all of your employees from union hiring halls and union apprenticeship programs, would that make your company's performance on that PLA project more safe or less safe?



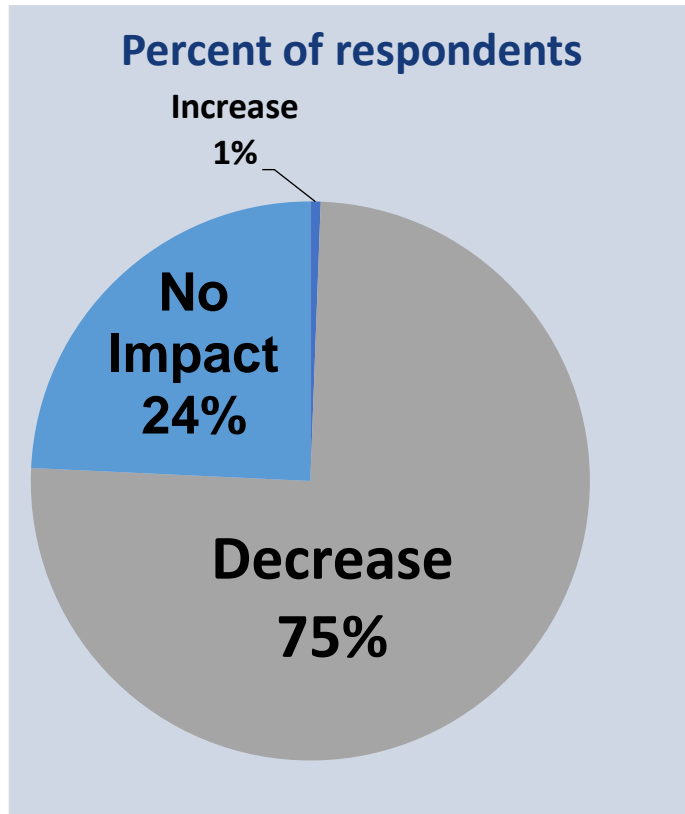
“

We would get people dispatched to our company and we would have no say as to their prior safety training or experience prior to their entering our jobsite. They would not have been trained to our company rules and procedures, if at all.”



PLA Mandates Decrease Quality of Construction/No Impact on Quality

Question: If a PLA required your firm to hire most or all of your employees from union hiring halls and union apprenticeship programs, would that increase or decrease the quality of construction on that PLA project?



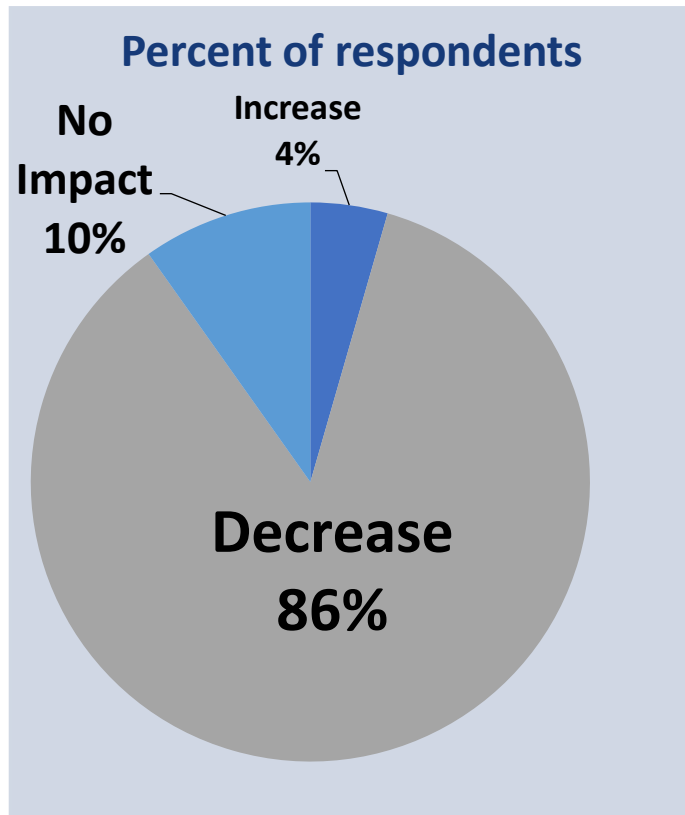
“

Our development programs are built around our policies and procedures and build operational reliability into our services. Bringing in a workforce that is not accustomed to our policies and procedures will only drive up our cost, impact our quality and likely have a negative impact on the schedule.”



PLA Mandates Decrease On Time and On Budget Construction

Question: If a PLA required your firm to hire most or all of your employees from union hiring halls and union apprenticeship programs, would that increase or decrease the likelihood of the PLA project's completion on time and on budget?

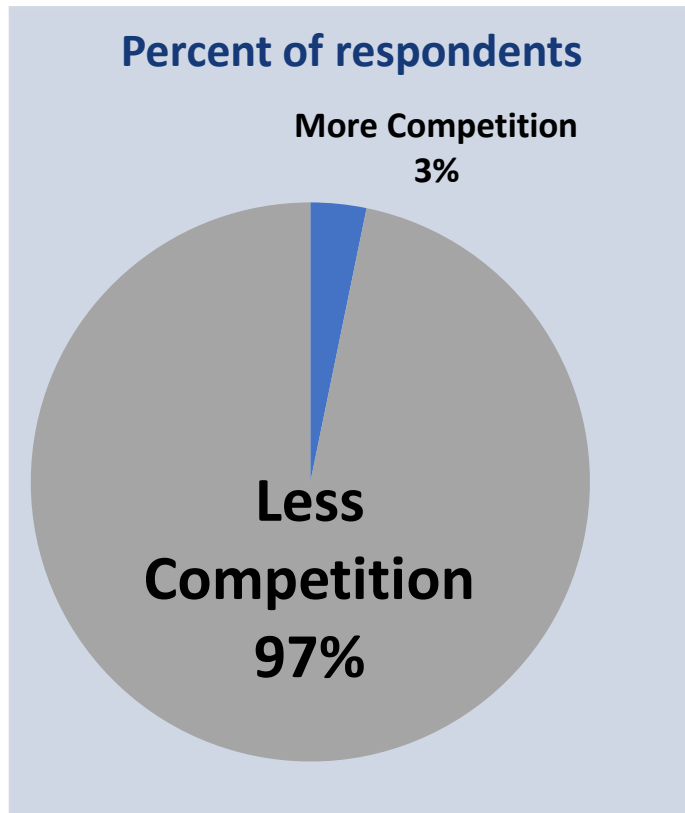


“

We do our best to be on time and on budget now. The amount of paperwork and disputes would probably increase on a PLA job, so it would hurt us on completion and cost overruns.”

PLA Mandates Reduce Competition From Subcontractors

Question: Would you anticipate more competition or less competition from subcontractors for construction contracts subject to a government-mandated PLA?

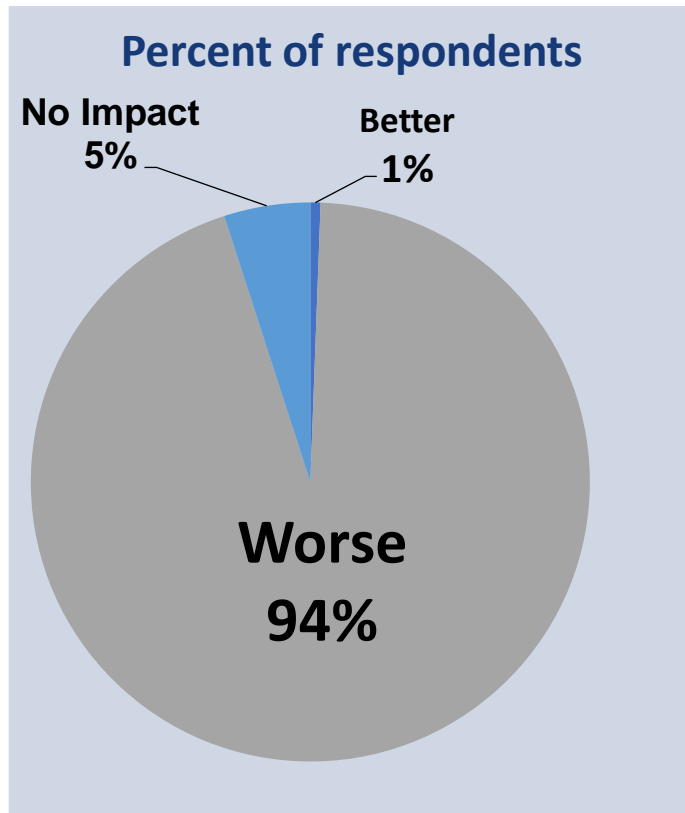


“

Way less competition, obviously. A large percentage of small businesses wouldn't bother bidding on the PLA project due to its adverse rules, conditions, excess union paperwork and lack of employee control due to another entity's rules.”

PLA Mandates Result in Worse Local Hire Outcomes

Question: In your opinion, would a government-mandated PLA result in better or worse local hiring outcomes on a PLA project?



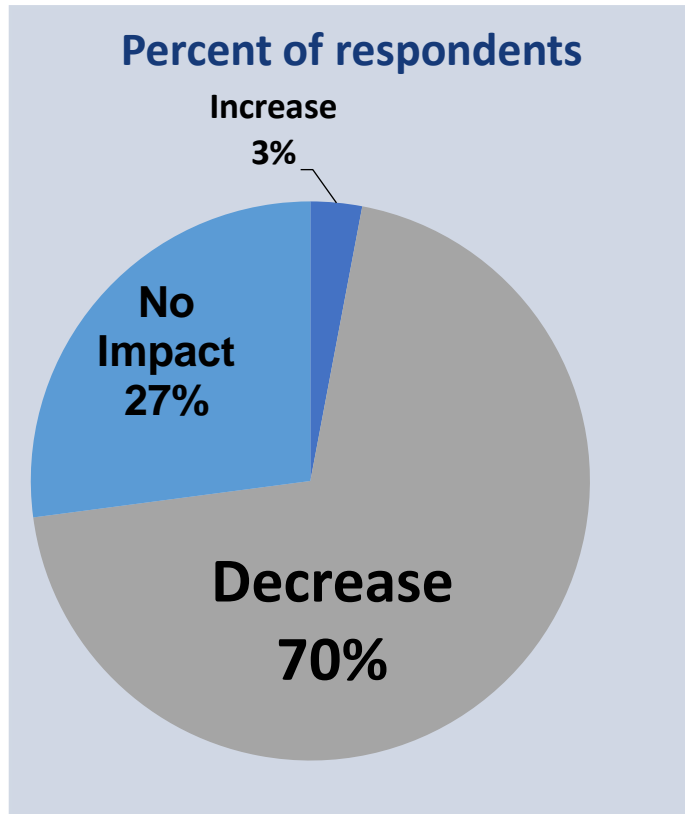
“

Since the majority of contractors and subcontractors are open shop contractors, in order to meet the PLA requirement, contractors will have to come from farther away. This will especially be prevalent in smaller and rural communities.”



PLA Mandates Decrease Hiring of Minority, Women, Veteran and Disadvantaged Business Enterprises

Question: Would a government-mandated PLA result in increased or decreased hiring of minority, women, veteran and disadvantaged business enterprises?



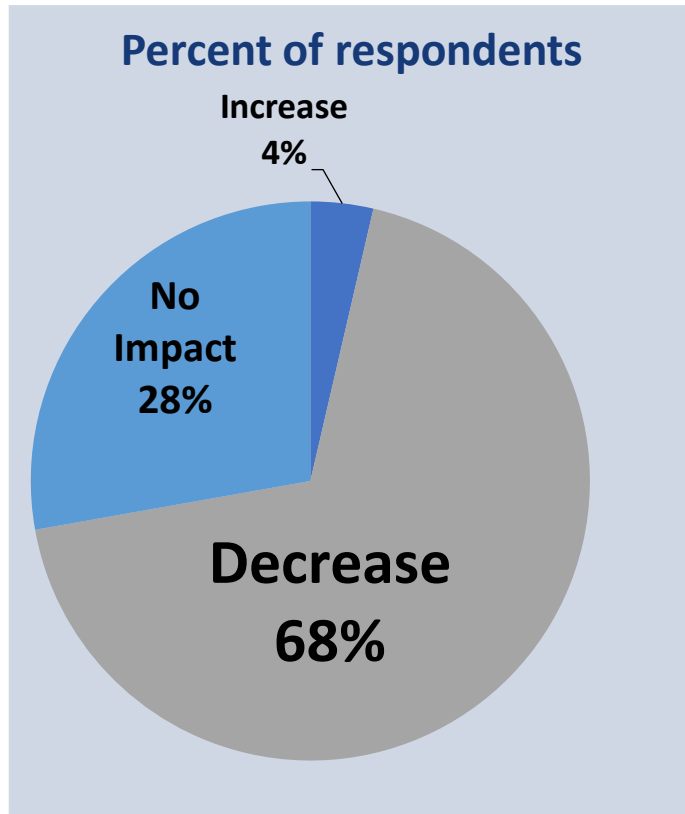
“

We haven't been able to be competitive on federal projects since the Obama administration, so we don't bid them anymore. This regulation would make that even more impossible. We are a small, woman-owned certified contractor and feel that we should be able to work on federal projects.”



PLA Mandates Decrease Hiring of Minority, Women, Veteran and Reentering Construction Workers

Question: Would a government-mandated PLA result in increased or decreased hiring of minority, women, veteran and second-chance construction workers?



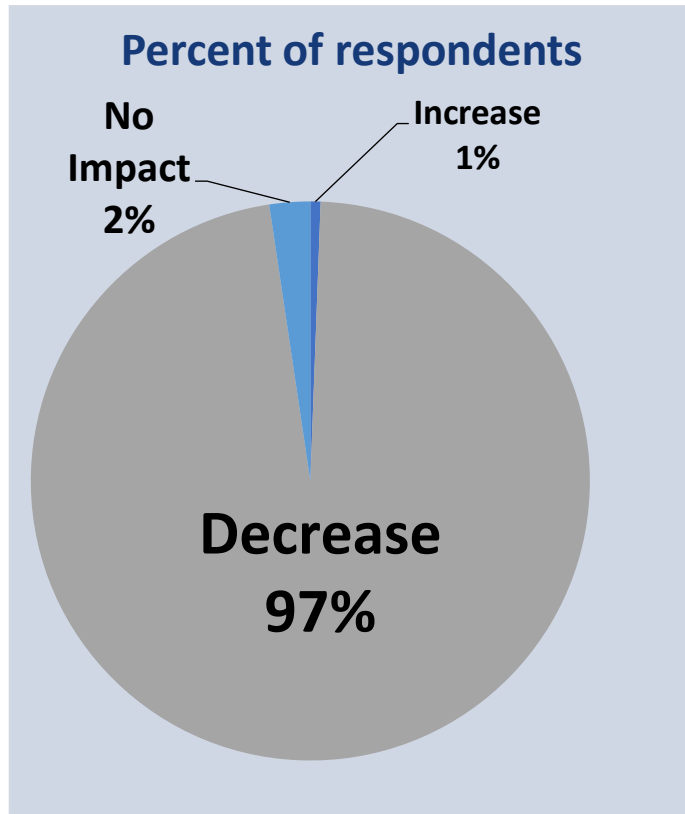
“

With a union worker mandate, by definition that's a less diverse source of potential employees. Affirmative action thrives with multiple sources for the talent pool.”



PLA Mandates Decrease Economy and Efficiency in Government Contracting

Question: Does a government-mandated PLA result in increased or decreased economy and efficiency in government contracting?



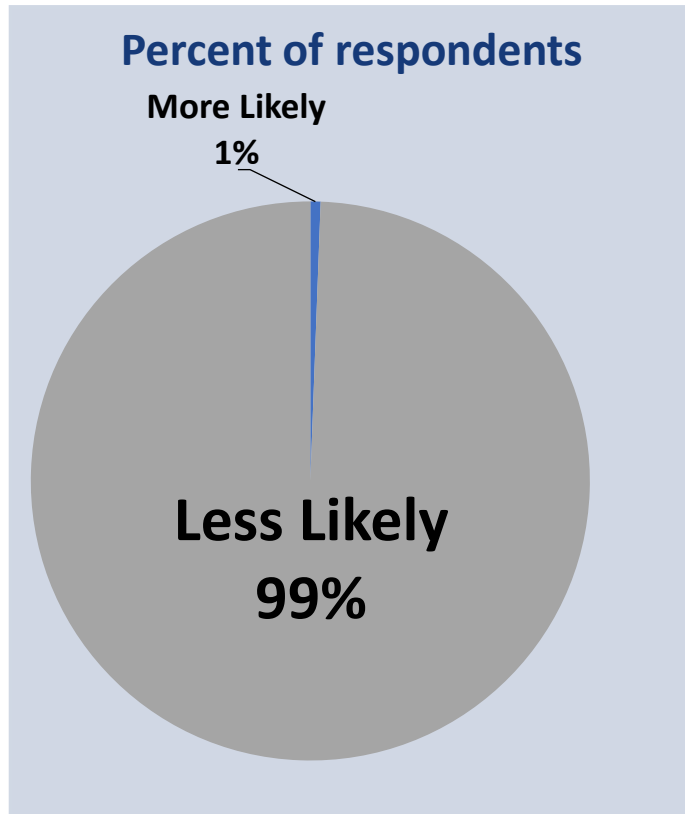
“

It takes time for contractors and procurement officials to administer a PLA's red tape that is not a factor without the PLA. Further, working current rates and work practices into the contracts and verifying compliance with the PLA in the field takes even more time.”



PLA Mandates Discourage Competition on Federally Assisted Construction Projects

Question: Independent of the EO and FAR rulemaking, the Biden administration is including controversial pro-PLA language in federal agency grant programs for state and local governments, forcing and/or encouraging state and local government grant applicants to mandate PLAs on infrastructure projects in order to win competitive grants. Would you be more or less likely to begin bidding on federally assisted contracts procured by state and local governments subject to PLA requirements?



“

We're finishing up the current few we're on and not bidding any more given the uncertainty. We've successfully performed many federally assisted state and local projects over the years.”

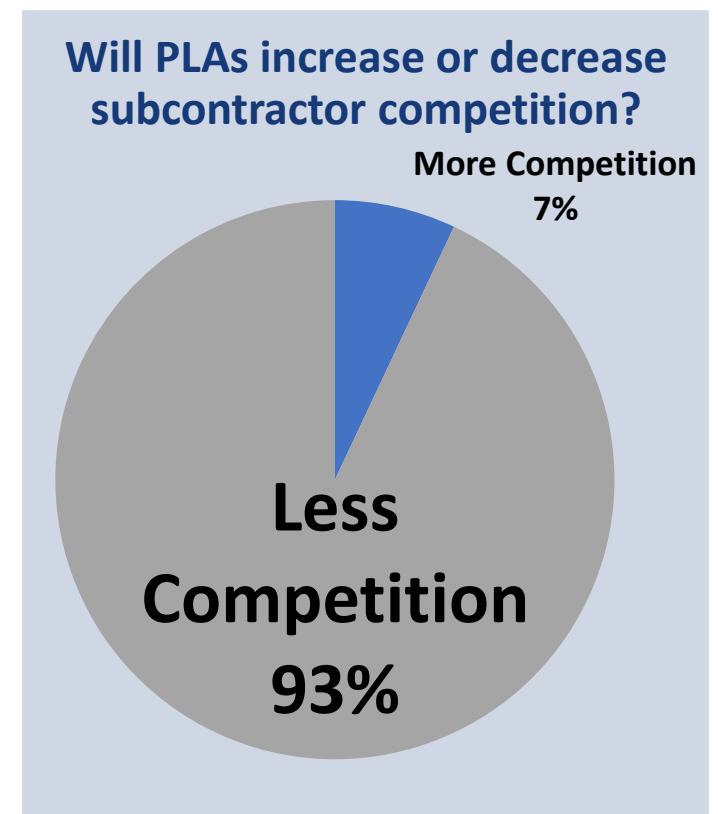
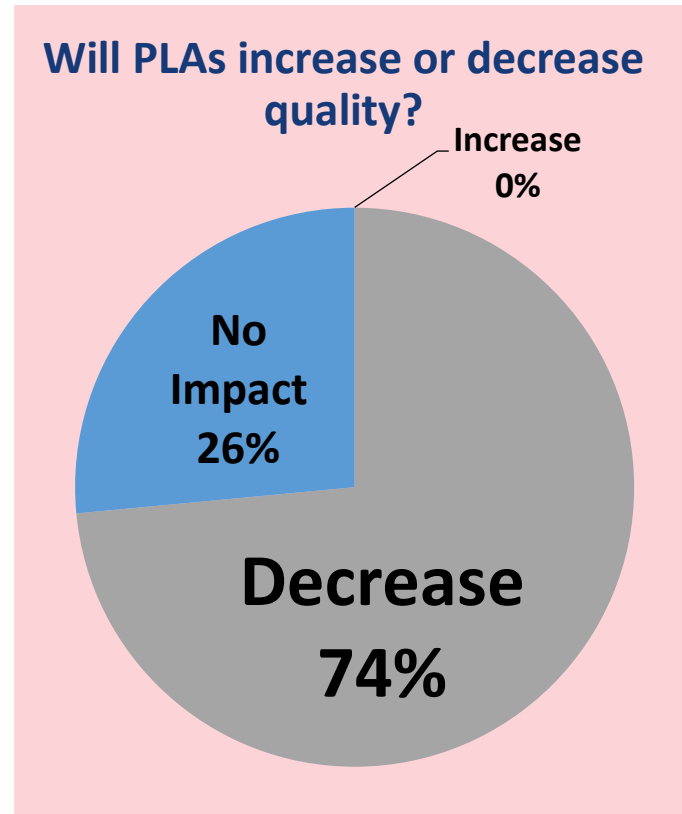
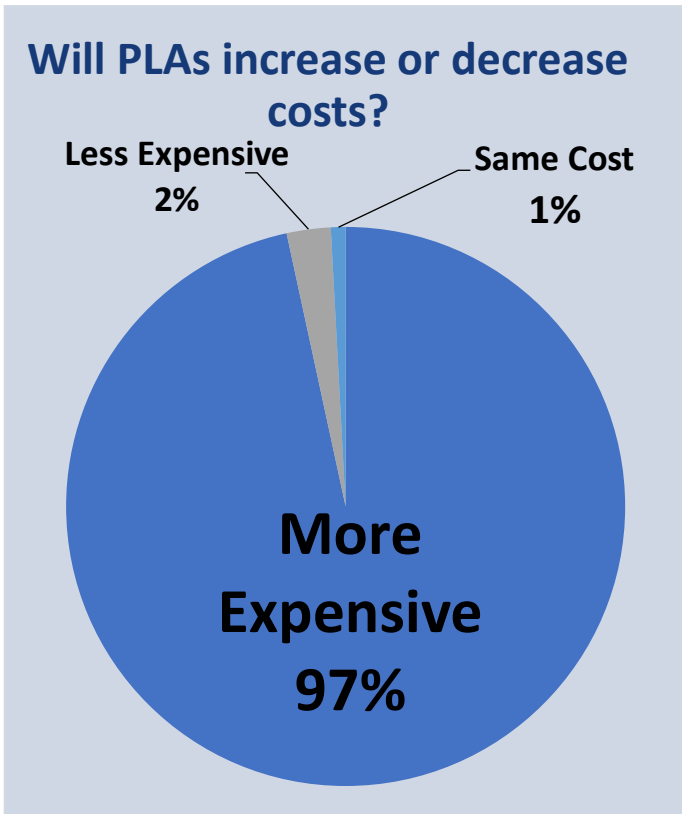


Additional Insights



Federal Contractors Believe Proposed Rule Will Increase Costs, Reduce Competition and Quality

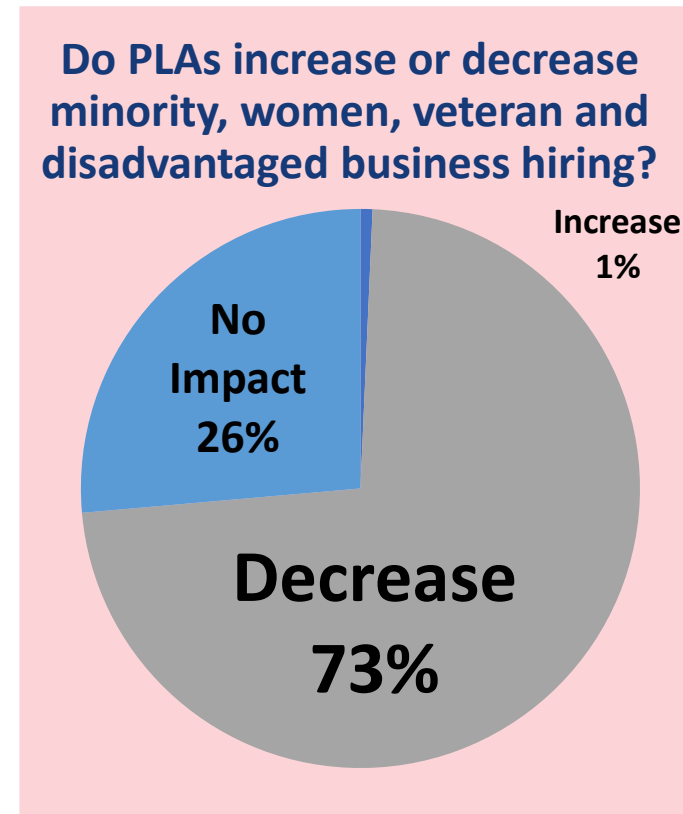
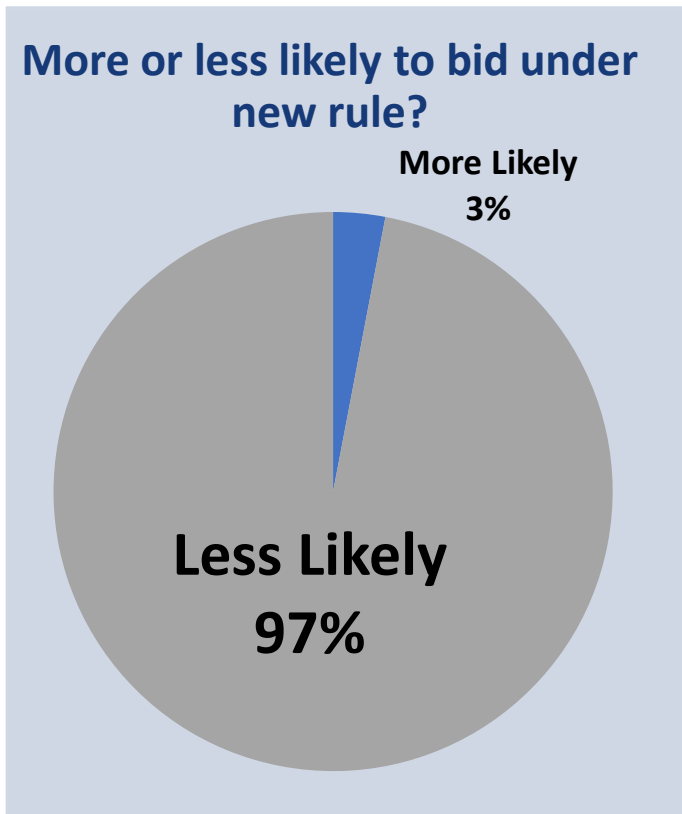
Responses to the following questions from participants who self-identified as federal contractors:





Small Business Federal Contractors Less Likely to Bid on Federal Contracts Under Proposed Rule; Believe It Will Decrease Minority, Women, Veteran and Disadvantaged Businesses Hiring

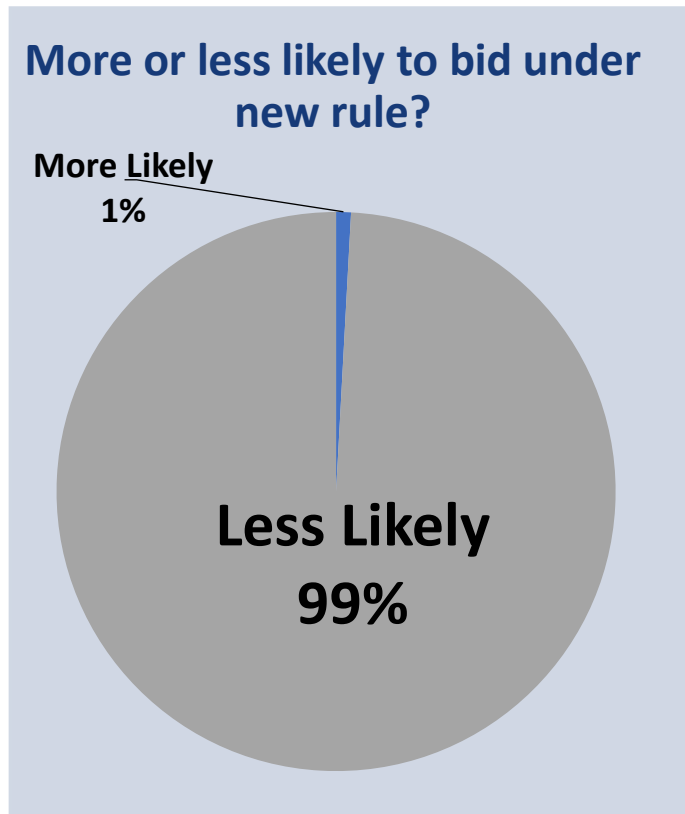
Responses to the following questions from participants who self-identified as federal contractors that qualify as small businesses under SBA's size standards:





Proposed Rule Discourages Competition From Firms Who Are Not Federal Contractors

Responses from non-federal contractors to the question, “Based on what you know about the FAR Council’s proposed rule, which would require government-mandated PLAs for all federal contracts over \$35 million with limited exceptions, if this rule is finalized would you be more or less likely to begin or continue bidding on federal contracts in the future?”



“

PLAs take away from the rights of business owners and employees who have chosen not to affiliate with labor organizations. It restricts employee choice by forcing affiliation.”