

The Linn County PLA Runs Counter to the Spirit of Iowa's Right to Work Law

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The Linn County Board of Supervisors are giving serious consideration to a Project Labor Agreement (PLA) on the reconstruction of the Linn County Administrative Office Building. For those of you new to the concept of a PLA, it is a collective bargaining agreement negotiated between a construction project owner (Linn County) and labor unions and in order for contractors wanting work on the public project, they must first sign onto the collective bargaining agreement / PLA document. In doing so, the contractor agrees staff the project as if it were a union contractor.

We believe that any action which requires an open shop worker to go through the union hall to work on the project and thus subjects that worker to the union's system of placement priority effectively denies that person a job is not in the spirit of the right to work law. Moreover, under the terms of the proposed Linn County PLA, a merit-shop contractor is forced to submit a list of "core employees" eligible to do work on the project. This core employee formula is a sliding scale that mandates that, for example, a 50 person paint crew must be filled with at least 39 referrals from the union hall, and that only 11 of the contractor's current work force.

There are two examples of PLAs on publicly funded projects in Iowa. The first was the \$217 million Iowa Events Center project. The project is currently \$5 million over budget, while only having a cumulative total of 73 bidders on its 26 bid package components – that's less than 3 bidders per package. Of the three non-union contractors that chose to bid on the project, only one was the lowest responsible bid (a bid of \$700,000 that accounts for only one-half of one percent of the actual total \$135 million construction budget.) Furthermore, of the 26 bid packages, contracts were awarded to 15 Iowa-based prime contractors and the other 11 came from cities such as Detroit, Minneapolis and Kansas City. So much for encouraging local participation.

The other PLA project in Iowa was the Ottumwa Bridgeview Center. For this project, the maximum number of bidders on any one bid package was 4 bidders; the average was two. The project manager was forced to re-bid three packages; and most importantly, taxpayers are faced with a project that is at least 10 percent over budget. Although PLA proponents allege that these agreements do not discriminate against non-union contractors, we note that only a hand-full of non-union contractors bid the project. Furthermore, non-union contractors were the apparent low, qualified bid on only two of the 15 bid packages. This runs counter to other similarly sized, non-PLA projects in the Ottumwa area, where there are many more bidders and costs being controlled.

In a March 2006 study of the Iowa Events Center PLA, the Public Interest Institute found that "PLAs can and are being used to circumvent Right-to-Work laws by effectively requiring non-union construction companies to become "unionized" in order to bid on and participate in a construction project governed by a Project Labor Agreement."

In conclusion, only 12 to 15 percent of the construction workforce in Iowa is represented by a union. It seems unreasonable to expect the remaining 85 percent of the workforce to be subjected to union terms in order to work on a taxpayer funded project. One of the most compelling arguments against a PLA is the local non-union construction worker who is a life-long resident of the community, sends their children to a local community school, pays taxes to the local community and in order to work on a local publicly funded project, would now be subjected to union hall referrals as outlined in a PLA in order to keep a job. This speaks volumes as to why a PLA runs counter to the spirit and intent of Iowa's Right-to-Work law. Therefore, on behalf of taxpayers, the Linn County Board of Supervisors should reject this politically-charged power grab by the labor unions and have faith that Iowa's competitive bidding laws will allow for fair competition in the procurement of construction contracts.