

SUBJECT

BOARD RESOLUTION NO. 20-1118

Pertaining to requiring the use of a Project Labor Agreement for the McCarron's Water Treatment Plant Project.

BACKGROUND INFORMATION

What is a Project Labor Agreement?

A Project Labor Agreement (PLA) is a project-specific agreement between the owner or contractor and the local trade unions. A PLA generally sets project-specific requirements for working hours, overtime, holidays, grievance procedures, safety standards, and other such topics. The primary advantage for laborers is a guarantee that their rights will be respected throughout the project. The primary advantage for owners is protection against strikes and work-stoppages.

Does a Project Labor Agreement fit for the McCarron's Plant Project?

PLAs are common for large, multi-trade construction projects. In recent years, PLAs have been used for US Bank Stadium, the 35W Bridge, TCF Bank Stadium, Target Field, Mall of America, and St. Paul Public Schools projects. To date, SPRWS has never used a Project Labor Agreement.

A survey of the four teams that submitted qualifications for the McCarron's WTP project discovered that three of those teams recommend the use of a PLA. The fourth team was not opposed to the use of a PLA. All four teams strongly suggested that the Design-Builder should be part of the PLA negotiation process.

Staff solicited feedback from industry and trade groups and local labor organizations (approximately 20 organizations). Saint Paul Building and Construction Trades Council was the only respondent; they recommend the use of a PLA for the project.

Next Steps

Upon Board approval of this resolution, staff will inform the shortlisted teams that a Project Labor Agreement will be required during the construction work. Following selection of a Design-Builder, the Design-Builder will be required to negotiate the terms of a PLA with local trade organizations. The Board will not be a signatory to the PLA, but Board staff may play some role in facilitating negotiations.

RECOMMENDATION

Board approval is recommended.