

# 2024 Project Labor Agreement (PLA) Briefing



SHELTON HOUSE



□ What is a Project Labor Agreement and how can it be beneficial?

- □ Why does NYCHA maintain a PLA?
- □ What are the main changes in the 2024 PLA?



A **Project Labor Agreement (PLA) between an owner** of buildings or other infrastructure, **and one or more building trade unions**, **establishes the union(s) as the collective bargaining representative(s)** for persons performing work on a project within the jurisdiction of the union(s)

- **Defines certain terms and conditions of employment** for trades work under the owner's construction contracts meeting certain criteria, such as:
  - Use of union hiring halls for hiring workers
  - Wages and benefits for workers which are typically higher than prevailing wage and benefit rates
  - Dispute resolution procedures
- Requires the owner's contractors and subcontractors to also assent to the agreement on a project-specific basis



#### A PLA can be beneficial to the owner in several ways:

- Eliminate the need to negotiate terms with several unions on each project, such as work hours, work rules, holidays, wages and benefits
- **Reduce costly delays** due to shortages of skilled workers or labor conflicts
- Improve worker pay, training and productivity
- Encourage participation by nonunion as well as MWBE and Section 3 firms who may have a limited labor force
- Increase apprenticeship and workforce development opportunities



#### NYCHA must agree a PLA due to NY State law requirements

- Wick's Law requires public entities to procure and contract major trades separately, and then coordinate their work, for projects with value greater than \$3 million which are not subject to a Project Labor Agreement
  - NYCHA has not found it effective to manage many projects in this way
- NYCHA's Authorization to use design-build project delivery requires design-build contracts to be contracted pursuant to a PLA

#### NYCHA and NYC Building & Construction Trades Council (BCTC) agreed a PLA in 2015

 Initially expired in 2018, but has been extended since then while negotiations have been ongoing for a new PLA

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#### **Enhancements are in 3 areas:**

- **1** Better align PLA applicability with Wick's Law
- Increase opportunities for Section 3 employment, and Section 3 Business Concern and MWBE contracting
- **3** Recognize Juneteenth holiday

2024 PLA is effective from January 1, 2024

## Better align PLA applicability with Wick's Law



#### 2024 PLA:

- Applies to contracts 'that predominantly involve the renovation, structural repair, alteration, rehabilitation or expansion of an existing NYCHA building or structure' including elevator replacement
- Excludes contracts for 'minor repair' work, defined as 'routine repair, service or maintenance that is recurrent, day to day, periodic scheduled or routine work required to preserve or restore a building, facility or system to working order'
- **Excludes all contracts with value below \$3M** (previously \$250K)
- Excludes IDIQ/JOC/Requirements contracts of any value which have Work Orders with value predominantly below \$250K, and any individual Work Orders with value below \$250K under IDIQ/JOC/Requirements contracts of any value
- **Excludes** contracts related to **PACT projects**

Contractors should be able to more easily satisfy HUD Section 3 requirements as well as MWBE subcontracting goals for such contracts excluded from the PLA

## Increase opportunities for Section 3 employment, and Section 3 Business Concern and MWBE contracting (1/2)



#### 2024 PLA:

- Emphasizes Section 3 and NYCHA residents in preamble text on PLA objectives and in Workforce Development MOU (attachment), and in the Definitions section
- Reserves at least 50 new apprenticeship positions each calendar year through both the general recruitment and direct entry programs for NYCHA residents
- Requires unions to provide NYCHA with at least 60 days notice prior to opening up general recruitment for apprenticeship programs, and inform NYCHA of the number of interviews and/or testing slots it will assign NYCHA Resident Training Academy ("NRTA") graduates for that particular recruitment session
- Requires unions to prioritize referral of Section 3 workers subject to laws and rules applicable to union referral and joint apprenticeship programs, and to implement preferences for Section 3 workers in their referral systems if they have not already
- Allows a contractor to employ workers from any source to meet Section 3 contract requirements if a union is not able to refer Section 3 workers within 48 hours

## Increase opportunities for Section 3 employment, and Section 3 Business Concern and MWBE contracting (2/2)

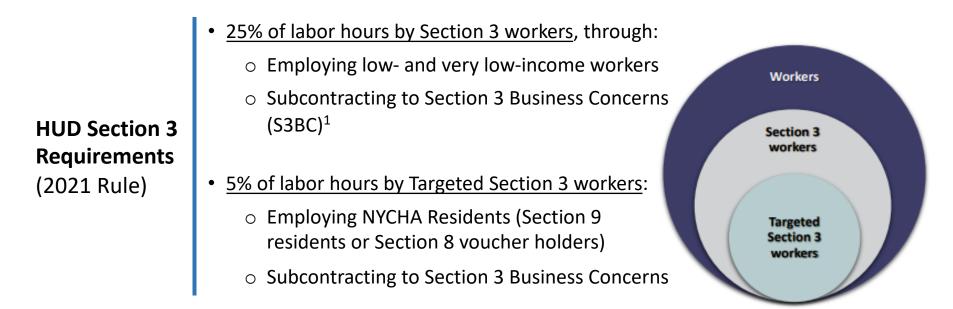


#### 2024 PLA:

- Allow all contractors to have 12% non-union, qualified workforce, and removes requirement for workers to be on contractor's payroll before the project
- Allows MWBE and Section 3 Business Concerns with contracts or subcontracts up to \$2 million (previously \$1 million), to have 50% non-union (previously 33%), qualified workforce, and removes requirement for workers to be on contractor's payroll before the project
- For contracts larger than \$25 million, 10% of work done by MWBE and Section 3 Business Concern subcontractors is not subject to PLA requirements
  - Limited to 20% or \$500K (whichever is greater) of the value of all subcontracts for work in any individual union's jurisdiction

# **REFERENCE:** NYCHA's Section 3 and MWBE employment and contracting objectives





#### MWBE Requirements

- 30% Minority and Women Owned Business (MWBE) subcontracting goal
- 15% Minority-owned + 15% Women-owned subcontracting goals

1. S3BC: (i) At least 51 percent owned and controlled by low- or very low-income persons, including NYCHA residents or residents of Section 8 assisted housing, or (ii) Over 75 percent of the labor hours performed for the business over the prior three-month period are performed by Section 3 workers.