PROJECT LABOR AGREEMENTS FAQs

What Is a Project Labor Agreement?
A project labor agreement (PLA) sets the wage and benefit rates that contractors must pay on a specific project. PLAs typically include no-strike/no-lockout clauses and provisions for resolving disputes without work stoppages. PLAs make sure everyone is on the same page before work begins, so that contractors and workers can focus on delivering a quality product in the most cost-effective way.

Do Project Labor Agreements Discriminate Against Non-Union Contractors?
No. Any contractor willing to abide by the terms of the PLA can bid on, and win, the project, regardless of the contractor’s union status. Non-union contractors have won, and continue to win, work on projects covered by PLAs.

Do Project Labor Agreements Limit Competition?
Yes and no. PLAs are open to all contractors bidding on a project, but they do limit competition to those contractors willing and able to pay what is necessary to field a safe, skilled, productive workforce.

How Do Project Labor Agreements Control Costs?
By setting competitive wage and benefit rates, PLAs help ensure that contractors will be able to recruit skilled, safe, productive workers for the project without having to pay more than anticipated. A PLA also ensures that construction workers employed on public projects are being paid well enough not to need public assistance.

What’s in It for My Community?
Project labor agreements often include provisions requiring contractors to hire and train local residents. Many successful construction workers first entered the industry thanks to such provisions.