



AGCWA COMMISSION TESTIMONY ON DRAFT CONSTRUCTION LABOR RELATIONS RESOLUTION

JANUARY 26, 2016

AGC membership includes both Union and Open shop contractors; 55% of our membership is Union and 45% is Open shop. Of the Open shop members 32 % are women and minority contractors. AGCWA contractors perform most of the public works projects in the State by dollar value.

Among the services AGC provides, our members negotiate Master Labor Agreements (similar to Project Labor Agreements (PLA'S) with the Carpenters, Cement Masons, Operators, Laborers and the Teamsters and have been doing so for decades.

Over the years, we have had a good working partnership with the Port:

- The AGC/POS Best Practices Committee has been meeting quarterly since 2008 to discuss ways to improve procurement and contracting practices both for the Port and Contractors.
- The AGC Education Foundation has provided education and training assistance for Port programs and staff and most recently discussed how the foundation might help with the Port's Accelerator Program for small businesses.
- We have signed on to be part of the Chamber's Tomorrow at SeaTac Coalition effort.
- Routinely we collaborate on various state legislative efforts and contracting issues through CPARB at the State.

With respect to the draft resolution, our Union, Open shop and WMBE members have concerns that were outlined in my January 8th memo to Ralph Graves copied to the Commission. Their main issues are:

- **The PLA default threshold isn't necessary.** Current Port criteria for PLA'S already capture 80% of the dollars and 66% of the work according to your staff briefing memo. There is no need to expand the use of PLA's to additional projects by applying an arbitrary threshold of **10 million dollars.**

PLA's are most effective when reserved for large complicated projects of long duration with multiple trades and significant labor hours of work or when critical operations or deadlines would be interrupted or missed if there were a work stoppage.

Project examples are the SR 520 floating bridge, the Viaduct Replacement Program, the Seattle Seawall and the Port's **North Satellite Arrival Terminal project.** Thousands of



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lesser public works projects including Port Projects have been successfully accomplished through standard contracting practices and contract specifications with special provisions such as apprenticeship, small contractor and inclusion goals and the no strike provisions included in our Master Labor Agreements.

- **PLA negotiations exclude contractors.** A long standing issue for our members is that the Port negotiates the labor agreements with the Unions without contractors present at the table yet contractors must implement rules for which they have had no say. The resolution should require that contractors be included in the negotiations.
- **PLA's decreased Open-shop participation.** PLA's impose union work rules and other union requirements on open-shop contractors including women and minority firms. These requirements often exclude them from participating and certainly impede their ability to successfully perform.

Union work rules, representation fees, core worker requirements and payment into Union health and benefits trusts as contained in the **North Satellite Arrival Terminal PLA** present barriers that make it difficult for these companies to become a successful bidder on a project.

This can be mitigated by ensuring the criteria in the resolution limits the use of PLA's and or establishing a much higher threshold amount.

- **Locality hiring goals.** AGC contractors working on the Seattle Seawall project report they are having difficulty in meeting this requirement. There needs to be sufficient labor hours by primary trade and the capacity in the community to provide workers for the goals to work.

Labor hours by trade needs to be added to the proposed PLA decision criteria and the goals should be aspirational until capacity is developed.

- **Payment of prevailing wage.** By law prevailing wage must be paid on all public works jobs but that is not the case for private work. If the payment of prevailing wages will be required for private work on Port property, it should be consistent with State law. It should be clear that it is a contractual requirement and does not constitute an agreement by the parties that the Public Works Act applies as a matter of law.