

ABC Virginia members were recently asked to take action in opposition to the U.S. General Services Administration's (GSA) project labor agreement (PLA) preference contained in a solicitation for an estimated \$150 million contract to build a Training Center at Ft. Pickett, Va.

In Step 2 of the GSA's Ft. Pickett Contract 2 solicitation, firms that agree to use a PLA receive an unknown amount of favorable consideration for their non-price proposal. PLAs are the least important of the four non-price factors reviewed by the GSA, but when combined, these factors are considered more important than price.

While this isn't a traditional direct government-mandated PLA, the GSA's PLA preference is considered a *de facto* PLA mandate because it pushes contractors into using PLAs in order to win a contract in a highly competitive market.

The GSA's thumb on the scale in favor of PLAs will discourage competition from some of the region's best prime contractors and subcontractors and their skilled employees, which is likely to increase costs to federal taxpayers between 12 percent and 18 percent, according to academic research.

The GSA's decision to reward firms that use a PLA makes little sense in Virginia, where there is no history of strikes or labor unrest, and 95.5 percent of the private construction workforce does not belong to a union.<sup>1</sup> As a Right to Work state, Virginia has limited experience with government-mandated PLAs, especially since the state legislature passed a 2012 law prohibiting these schemes on state and state-assisted construction contracts.

Unfortunately, the [GSA's PLA preference policy](#) applies to every GSA solicitation exceeding \$25 million across the country, and [has already lead to delays, increased costs and poor local hiring outcomes in the Washington, D.C. market](#).<sup>2</sup> It is a direct result of regulations and ensuing federal agency policies stemming from [President Obama's pro-government-mandated PLA Executive Order 13502](#), which encourages federal agencies to mandate PLAs on a case-by-case basis for federal construction projects exceeding \$25 million in total cost.

For more than six years, ABC and the merit shop contracting community have mobilized an aggressive campaign of effective public relations, political, legal and legislative strategies to

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<sup>1</sup> The *Union Membership and Coverage Database*, available at [www.unionstats.com](http://www.unionstats.com), is an online data resource providing private and public sector labor union membership, coverage and density estimates compiled from the Current Population Survey (CPS), a monthly household survey, using BLS methods. The database, constructed by Barry Hirsch (Andrew Young School of Policy Studies, Georgia State University) and David Macpherson (Department of Economics, Trinity University), is updated annually. The most recent data lists the union membership of the private construction workforce. There is no data on construction union membership at the local, city or county level.

<sup>2</sup> See Sept. 24, 2010, [Procurement Instructional Bulletin 10-04-Revision1](#), issued by GSA's Joy A. Walker, Acting Deputy Assistant Commissioner, Office of Acquisition Management.

restrict the devastating impact of President Obama's pro-PLA executive order on businesses building federal, state and local public works projects.

ABC's efforts helped prevent PLA mandates and preferences on nearly 99 percent of federal contracts exceeding \$25 million from FY2009-FY2013, freeing up a total of \$64.78 billion worth of work from PLA requirements so all qualified firms could fairly compete to win these contracts.

From FY2009-FY2013, ABC member prime contractors won 61 percent of large-scale federal contracts subject to President Obama's pro-PLA Executive Order 13502. That's 577 contracts valued at a total of \$40.31 billion won by ABC members thanks, in part, to this important campaign.

	# of contracts	Percent of # of contracts	Value	Percent of total value
ABC	577	55.80%	\$40,313,445,313	61.14%
Non-ABC	457	44.20%	\$25,623,927,492	38.86%
<b>Total</b>	<b>1034</b>	<b>100.00%</b>	<b>\$65,937,372,806</b>	<b>100.00%</b>

In addition, ABC's campaign helped increase the number of states with laws prohibiting government-mandated PLAs from four states to 21 states, including Virginia.

ABC will continue to fight to ensure that billions of dollars worth of federal and federally assisted construction projects are free from government-mandated PLAs.

However, the threat of the GSA's PLA preference policy on the merit shop contracting community will continue to grow now that its construction budget has been restored to pre-recession numbers. We need your help today to restore fair and open competition in GSA contracting.

Please take a few moments to get educated about this issue and follow through on ABC Virginia's critical call to action. Use the resources provided to contact the GSA in opposition to its discriminatory PLA preference policy.

If you don't speak up now, PLA mandates and preferences may become more widespread in the region and across the country in both federal and non-federal construction marketplaces.

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Ben Brubeck is the director of labor and federal procurement for the national office of Associated Builders and Contractors (ABC). Learn more about government-mandated PLAs at [www.TheTruthAboutPLAs.com](http://www.TheTruthAboutPLAs.com) or contact [Ben Brubeck](#).