

ALERTS AND UPDATES

Project Labor Agreements Are Once Again Part of the Public Bidding Process in Philadelphia

December 12, 2011

On November 29, 2011, Mayor Michael Nutter signed Executive Order No. 15-11, which provides, effective immediately, that the City of Philadelphia may incorporate into its instructions to bidders, and other relevant bid documents, the absolute right to require that a potential bidder execute and comply with a project labor agreement ("PLA"), as a condition to the award of a public construction contract. Every project with an expected construction cost in excess of five million dollars will be reviewed specifically to determine whether a PLA is appropriate. In addition, city agencies are encouraged to review each project with construction costs less than five million dollars to determine whether those projects are also appropriate for PLAs.

A PLA is a project-specific collective bargaining agreement between the contractor, as an employer, and a labor organization or trade union. By executing the PLA, the contractor agrees to the terms and conditions therein, including work rules, no-strike clauses and jurisdictional determinations.

According to the City of Philadelphia, PLAs will allow the City, contractors, and labor organizations to meet their respective goals for worker diversity. In addition, the City claims that PLAs help ensure lower costs, higher quality construction and general labor peace.

If a city agency determines that a PLA is appropriate, it must submit a written description of the project and its recommendation for a PLA to the Mayor's Office, which has the sole authority to require a PLA for a specific project.

The Executive Order also establishes an Advisory Committee, consisting of the Mayor's Chief of Staff, the City Solicitor, Managing Director, Director of Finance, Deputy Mayor for Transportation and Utilities, and Deputy Mayor of Economic Development, or their designees, to monitor and evaluate PLAs, provide periodic evaluations to the Mayor regarding the use of PLAs, and to recommend, when appropriate, modifications to the PLAs.

Executive Order No. 15-11 rescinds Executive Order No. 5-95, which also permitted the use of PLAs on public projects in Philadelphia and was executed by former Mayor Edward Rendell in 1995.

For Further Information

If you have any questions regarding this *Alert* or would like more information or a copy of Executive Order No. 15-11, please contact [Robert A. Prentice](#); [Patrick J. Kearney](#); [Bruce Kasten](#); any of the [attorneys](#) in our [Construction Group](#); any of the [attorneys](#) in our [Employment, Labor, Benefits and Immigration Practice Group](#); or the attorney in the firm with whom you are regularly in contact.

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