



OFFICE OF CHAIRMAN PHIL MENDELSON  
COUNCIL OF THE DISTRICT OF COLUMBIA

## Statement of Introduction

### **“Revised Project Labor Agreement Cost Threshold Amendment Act of 2023”**

Today, I am introducing the Revised Project Labor Agreement Cost Threshold Amendment Act of 2023. This bill was first introduced in Council Period 24 and received a public hearing in November 2022. The legislation ensures labor peace and benefits District government construction projects. This bill would amend the Procurement Practices Reform Act of 2010 to revise the cost threshold for the required use of project labor agreements on construction contracts from \$75 million to \$50 million.

A project labor agreement (PLA) is an agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project. As a condition of being awarded a contract, the contractor must sign the negotiated PLA with any relevant union organizations. In return, labor strikes and similar disruptions are prohibited. This, in turn, ensures labor peace on high-cost government projects.

On February 4, 2022, President Joe Biden issued an Executive Order requiring PLAs on federal construction projects. The project cost threshold set by this Executive Order was \$35 million. In announcing the Order, the White House noted that the Order has the potential to affect \$262 billion in federal government construction contracting and enhance job prospects for close to 200,000 workers. The new federal PLA requirement is also thought to alleviate coordination challenges on large, complex projects; raise quality standards for contractors bidding on federal projects; and reduce uncertainty in the contracting process by standardizing the work rules, compensation costs, and dispute settlement processes on construction projects.

In the District, a recent instance of the efficacy of PLAs is the new Frederick Douglass Memorial Bridge. The Douglass Bridge was the largest infrastructure project in the District’s history and was completed one month ahead of schedule. There are other examples of PLAs being beneficial and producing positive effects including Nationals Park, Audi Field, and the new Benjamin Banneker Academic High School. The Council last considered the issue of project labor agreement cost thresholds in the Procurement Integrity, Transparency, and Accountability Amendment Act of 2016. The fiscal impact statement for that legislation made an assumption that the District would receive bids on contracts with PLAs that are 10 percent higher than bids received without the PLA requirement. However, the capital budgets for the projects listed above were not increased due to PLAs, and in some cases (such as Audi Field and the Douglass Bridge) costs decreased after the PLA was negotiated.

PLAs are beneficial to the District. This legislation will expand the opportunity for the use of a mechanism that has already paid dividends for District residents, and has the potential to provide even more value.

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A BILL

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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To amend the Procurement Practices Reform Act of 2010 to decrease the cost threshold for the required use of project labor agreements on construction contracts from \$75 million to \$50 million.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Revised Project Labor Agreement Cost Threshold Amendment Act of 2023”.

Sec. 2 The Procurement Practices Reform Act of 2010, effective April 8, 2011 (D.C. Law 18-371 § 606(a)(3); D.C. Official Code § 2-356.06(a)(3)), is amended by striking the phrase “\$75 million” and inserting the phrase “\$50 million” in its place.

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).