



Legislation Text

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Clerk 04/04/2002

A MOTION recommending the inclusion of a project labor agreement for the Harborview Medical Center bond program and providing direction to the county's representative on the oversight committee.

WHEREAS, the King County council approved Ordinance 14295 on March 4, 2002, authorizing and directing the county executive to enter into an agreement for the provision of project management services between the University of Washington, Harborview Medical Center (HMC) and King County, and

WHEREAS, the King County Council directed the county executive in Ordinance 14295, Section 7, to evaluate whether one or more project labor agreements (PLAs) would reasonably achieve the HMC construction project's labor, employment and economic objectives and facilitate the completion of construction contracts on time and within budget, and

WHEREAS, the objectives of the HMC project are to finance, design and construct certain public health and safety improvements for the HMC campus, including but not limited to seismic upgrades, renovations and construction of new buildings for patient care, research, teaching and administration as well as certain facilities to meet requirements of the county medical examiner, and

WHEREAS, the county's apprenticeship utilization goals to enhance participation of minorities, women, persons with disabilities and economically disadvantaged youth are important regional labor and employment objectives and are incorporated in the Agreement for Project Management Services with the University of Washington and Harborview Medical Center, and

WHEREAS, completing the construction contracts on time and within budget is important for the public

health and safety, and

WHEREAS, the executive's representatives have undertaken a study of PLAs in the Puget Sound region, obtained copies of recent PLAs utilized by local agencies including Sound Transit, the port of Seattle, the city of Seattle and other major projects including the baseball and football stadiums, and interviewed project managers and their representatives, and

WHEREAS, the executive representatives have reviewed materials provided by both proponents and opponents of PLAs from both past and current projects and considered the arguments made in favor and opposition to PLAs, and

WHEREAS, project labor agreement can be tailored to meet King County objectives, and may be signed by unions and contractors, without requiring the owner to be a signatory, and

WHEREAS, the United States Supreme Court upheld their legality in 1993 and PLAs have sustained legal challenges on both constitutional and public procurement competition bases, and

WHEREAS, PLAs may establish the terms of employment and work conditions for the duration of the project, and

WHEREAS, PLAs have been increasingly utilized on public works projects across the nation, and

WHEREAS, many states have established standards and processes for the use and inclusion of PLAs, and

WHEREAS, in 1996 the governor of this state signed Executive Order 96-08, declaring PLAs are of "great potential economic benefit for appropriate and time sensitive major construction projects which will extend for a substantial period of time, involve a substantial number of contractors, subcontractors and trades and craft workers, and have a substantial dollar value," and

WHEREAS, formal studies have been prepared in this region on behalf of other public agencies identifying the use of regional crafts and potential cost savings for public projects. These studies have been obtained and reviewed by the executive and are incorporated in the executive's report to the council so no

comparable study is required, and

WHEREAS, the primary benefit attributed to PLAs is that they offer ongoing labor harmony between trades and union and non-union laborers, and

WHEREAS, the public interest will be promoted by negotiating agreements to reduce labor disruptions, such as strikes, lockouts or slowdowns, which could adversely affect completion of the project, and

WHEREAS, other local public projects demonstrate that labor unions, contractors and owners have successfully negotiated PLAs that streamline the working relationship between the trades and crafts used on the project, and

WHEREAS, the anecdotal evidence received from project managers on comparably complex projects in this region shows that those projects with PLAs are on schedule and on budget and the relationships between the project managers and the unions are collegial, and

WHEREAS, both private and public project managers claim they have better control of costs, efficiency, quality, safety and schedule with the negotiated PLAs, and

WHEREAS, all local PLAs include provisions that guarantee labor peace and no-strike requirements for the life of the contract, offer speedy jurisdictional dispute resolution, recognize seniority and encourage creative apprenticeship opportunities, and

WHEREAS, concerns have been raised about restricting open shop contractors from competing on the project and negative impact on small disadvantaged businesses and minority and women-owned businesses, and

WHEREAS, terms of PLAs may be negotiated with union leadership to increase apprenticeship opportunities, waive union labor requirements for certain minority and women's business enterprises and small disadvantaged businesses from within this region, and waive the "double benefit" requirements assessed to a nonunion company;

NOW, THEREFORE, BE IT MOVED by the Council of King County:

A. King County has determined that if certain principles described further in subsection B of this motion are incorporated into a project labor agreement, then:

1. PLAs may streamline the construction schedule by reducing labor-related disruption during the term of the HMC project;
2. PLAs may reduce labor-related disputes impacting the operation of the Harborview Medical Center during the construction schedule;
3. PLAs may ensure access to skilled labor;
4. PLAs may promote diversity of HMC project workforce and increase apprenticeship opportunities;
5. Opposition to PLAs may be mitigated by allowing a negotiated number of core employees for nonunion shops, allowing nonunion shops that provide their own benefits to waive the duplicative union benefit requirements, and waiving union-labor requirements on a case-by-case basis for regional minority and women's business enterprises and small disadvantaged businesses; and
6. Additional costs associated with negotiating and administering PLAs are offset by the labor harmony achieved in regional projects.

B. Any implemented PLA or PLAs shall include provisions incorporating the following principles:

1. Guarantee no strikes, walkouts or job actions that interrupt project work;
2. Agree on binding dispute resolution provisions to resolve all labor disputes between the general contractor/general manager, subcontractors and crafts with provisions for liquidated damages for costs associated with labor disturbances or delays;
3. Agree to provide adequate and continuous regional workforce and, if necessary, to obtain labor from outside the region to ensure timely completion;
4. Agree on clear application of PLA provisions to all construction craft employees on-site but not to general contractor/general manager, King County, Harborview, University of Washington employees or off-site manufacturers;

5. Agree on nondiscriminatory hiring practices for nonunion labor that authorize continued employment of companies' core employees;

6. Allow open-shop contractors who offer benefits to their employees to continue to offer their benefit plan without paying for union benefits;

7. Use and deployment of apprenticeship programs meeting and exceeding the county's goals;

8. Increase opportunities for participation by regional companies owned by minorities, women and economically disadvantaged businesses, including but not limited to waiving union labor requirements, and utilizing flexible bonding options; and

9. Standardize hours, shifts, work start, and related issues.

C. The county representative to the oversight committee shall request that the oversight committee review and consider for approval the implementation of one or more PLAs.

D. The county representative shall request that the oversight committee assign responsibility for negotiating any PLA to either the general contractor/construction manager or to an experienced contractor selected by the oversight committee.

E. The specific scope, form, nature and content of the PLA or PLAs shall be determined by the oversight committee.