

HARRISON ENGINEERING DEPARTMENT

Town/Village of Harrison
Alfred F. Sulla, Jr. Municipal Building
1 Heineman Place
Harrison, New York 10528

Michael J. Amodeo, P.E., CFM
Town/Village Engineer



November 23, 2023

Supervisor Richard Dionisio and
Members of the Town Board
Town of Harrison
1 Heineman Place
Harrison, New York 10528

E-15

**Re: New Recreation Center - Phase 2
Project Labor Agreement (PLA)
Negotiate, Draft and Execute PLA**

Dear Supervisor Dionisio and Members of the Town Board:

Town Board authorization is requested to increase Purchase Order #432117 issued to Hill International, Inc. by \$6,000.00, from \$18,000.00 to \$24,000.00. This increase is for consulting services associated with the formation of a Project Labor Agreement (PLA).

The Economic Benefit Study and Report has been finalized, (see attached), and concludes that a PLA is *feasible and appropriate* for the Phase 2 Construction of the New Recreation Center, and will be of benefit to the Town.

The scope of services involved with the formation of the PLA is detailed in the attached proposal.

Funding for this contract is available in the Capital Account # 17RE15, New Recreation Facility.

Further, authorization is requested for the Purchasing Department to increase Purchase Order #432117 payable to Hill International, Inc. from \$18,000.00 to \$24,000.00.

Respectfully submitted,

Michael J. Amodeo, PE, CFM
Town/Village Engineer

MJA/mep

Attachments

HILL
Hill International

Hill International, Inc.
One Commerce Square
2005 Market Street, 17th Floor
Philadelphia, PA 19103
Tel: 215-309-7700
www.hillintl.com

October 24, 2023

Megan Pierroz
Assistant Engineer
Town/Village of Harrison
1 Heineman Place
Harrison, NY 10528

**Subject: Project Labor Agreement Negotiations
Harrison Recreation Center**

Dear Megan,

As requested, Hill International, Inc. (Hill) is pleased to submit our proposal to provide consulting services to the Town/Village of Harrison for negotiating a Project Labor Agreement (PLA) for the Harrison Recreation Center Phase 2. Please see proposal below:

Negotiate and Draft the PLA

If a PLA is deemed appropriate and feasible and participation in PLA drafting and/or negotiations is requested, we will complete and obtain execution of the PLA.

If recommended and approved, a PLA would be drafted and negotiated for an additional sum as detailed below of \$4,170.00 plus an allowance of up to \$1,000.00 for travel to negotiate the PLA if required.

Name	Title	Rate	Hours	Total
George Gottuso	Project Manager	\$215.00	18	\$3,870.00
Peggi Tustan	Admin Assistant	\$ 75.00	4	\$ 300.00
PLA Drafting/Negotiations Total				\$4,170.00

Sincerely,
GEORGE GOTTUSO

Senior Project Manager
PLA Unit
George Gottuso



ECONOMIC BENEFIT STUDY AND REPORT

ON FEASIBILITY AND IMPACT OF A PROJECT LABOR AGREEMENT (PLA)

HARRISON RECREATION CENTER PROJECT

November 29, 2023

Prepared for:
Town/Village of Harrison

Prepared by:
Hill International, Inc.
One Commerce Square
2005 Market Street, 17th Floor
Philadelphia, PA 19103



ECONOMIC BENEFIT STUDY AND REPORT ON FEASIBILITY AND IMPACT OF A PROJECT LABOR AGREEMENT (PLA)

Harrison Recreation Center Project

TABLE OF CONTENTS

TABLE OF CONTENTS	1
I. EXECUTIVE SUMMARY	3
A. INTRODUCTION	3
B. THE PROJECT	4
C. ESTIMATED CONSTRUCTION COST AND SCHEDULE	4
D. ANALYSIS AND STUDY	4
E. CONCLUSIONS AND RECOMMENDATIONS	5
II. INTRODUCTION AND BACKGROUND	6
A. WHAT IS A PROJECT LABOR AGREEMENT?	6
B. THE BOSTON HARBOR PRECEDENT	6
C. NEW YORK AND THE TAPPAN ZEE BRIDGE PLA	7
D. EXECUTIVE ORDER NO. 49 AND NEW YORK LABOR LAW, SECTION 222, PROJECT LABOR AGREEMENTS	8
E. PLAs NATIONWIDE	8
F. FEDERAL EXECUTIVE ORDER 13502	8
III. THE PROJECT	9
A. PROJECT DESCRIPTION	9
B. ESTIMATED COST AND SCHEDULE	9
IV. CONSTRUCTION AND LABOR ANALYSIS	10
A. OVERVIEW	10
B. CONSTRUCTION	10
C. LABOR	11



D. DIVERSITY COMPLIANCE	11
V. CURRENT COLLECTIVE BARGAINING AGREEMENTS	13
A. HOURS OF WORK	14
B. JURISDICTIONAL DISPUTES	14
C. GRIEVANCES/ARBITRATION	14
D. HOLIDAYS	14
E. MANAGEMENT RIGHTS	14
VI. ANALYSIS OF ECONOMIC BENEFITS OF A PLA	16
A. QUANTIFIABLE SAVINGS	16
1. <i>Holidays</i>	16
2. <i>Apprentices</i>	16
3. <i>40-Hour Workweek</i>	16
4. <i>Summary of Quantifiable Cost Savings</i>	16
B. NON-QUANTIFIABLE SAVINGS	17
1. <i>No Strike or Work Stoppage Provision</i>	17
2. <i>No Strike or Work Stoppage Due to Jurisdictional Disputes</i>	17
3. <i>Management Rights</i>	17
4. <i>Overtime at Time-and-a-Half</i>	17
5. <i>Flexible Starting Times</i>	17
6. <i>Coordinated/Staggered Lunch Period</i>	17
7. <i>Reporting Pay</i>	18
8. <i>Saturday Make-up Day</i>	18
9. <i>Wicks Law</i>	18
VII. CONCLUSIONS AND RECOMMENDATIONS	19
APPENDICES	20



Labor/Cost Analysis and Report

I. EXECUTIVE SUMMARY

A. INTRODUCTION

Hill International was retained to provide the Town/Village of Harrison a report addressing the feasibility, economic benefits, and appropriateness of utilizing a Project Labor Agreement (PLA) in connection with the construction of the Harrison Recreation Center Project.

A PLA is a type of collective bargaining agreement often utilized as a tool for the expeditious, cost-effective construction of large, lengthy and/or complex projects employing multiple contractors and trades or to assist owners in more cost-effective implementation of programmatic construction plans. It provides for standardized work practices; hours; holidays; grievance, arbitration, and jurisdictional dispute procedures; and, for overall labor/management harmony. A PLA precludes strikes, lockouts, work stoppages and any other work disruption for the duration of the work covered by the PLA. It typically is mandatory that all contractors both union and non-union sign the PLA, which supersedes all pre-existing agreements. Its benefits and terms are applicable equally to all successful contractors on the same terms regardless of union or non-union status; and no discrimination in hiring hall referrals or in employment of workers based upon union membership is permitted.

Following the U.S. Supreme Court decision in the Boston Harbor case and the New York Court of Appeals Tappan Zee Bridge (TZB) decision, case law in New York and the overwhelming majority of cases nationally have upheld the validity of PLAs on major capital public construction projects.

PLAs have been and are currently being utilized in all 50 states and in the District of Columbia. The Building and Construction Trades Department (BCTD) in Washington, D.C., maintains a record that some 2,845 PLAs have been executed since the Boston Harbor decision with a construction value in excess of \$2.8 trillion.



B. THE PROJECT

The New Harrison Recreation Center Project (the Project) located at 270 Harrison Avenue will be approximately 42,000 SF and feature basketball court space for two games to occur simultaneously, a general multi-purpose room with support pantry, a recreation game room, an arts and crafts room, and a computer room. Additional spaces include a fitness center, locker rooms, and office space. There will be parking options onsite, under the building and offsite. See Section III for more detail.

C. ESTIMATED CONSTRUCTION COST AND SCHEDULE

Construction is scheduled to begin in April 2024 and to be completed by April 2026. This study was conducted in advance of the Harrison's procurement process for the Second Phase. The Design Bid Build Contract is valued at an estimated \$26.7 million, with an estimated labor component of \$11.1 million.

D. ANALYSIS AND STUDY

Analysis of the construction workforce in the NYC area generally reflects a highly unionized labor pool, with virtually 95–100% union in the heavy highway trades. When non-union contractors have received significant awards there have been demonstrations by unionized labor which have resulted in work stoppages, strikes, major traffic disruption, and interference with the activities and business of the general public as well as with those targeted by the demonstrations.

The current collective bargaining agreements (CBAs) of the local unions (Unions) that will likely be involved in the Project were reviewed and analyzed as part of this study. Pertinent provisions of the CBAs were reviewed to determine expiration dates and areas where special provisions of a PLA could affect cost savings. It was determined that some CBAs will expire and need to be renegotiated prior to or during the Project, leaving this work vulnerable to lawful strikes and/or work disruption absent a comprehensive "no strike" agreement. It was also determined that there was diversity among the CBAs with regard to hours of work; shifts; flextime; overtime; premium time; holidays; grievance and arbitration procedures; and Equal Opportunity objectives.

Analysis of Project data and work rules reflected in the CBAs in light of common PLA provisions such as those incorporated in the NYSDOT Highway Bridge Projects PLA concerning standardization of the workweek, holidays, and maximum use of apprentices reveals a PLA will result in an estimated cost savings of \$525,804 or 4.73% of the estimated labor costs. Additionally, there is an estimated \$1,165,440 savings from exempting the Wicks Law.

Although not precisely quantifiable, additional savings will be realized from a PLA's no-strike protection and management rights provisions, as well as from the staffing and scheduling coordination and flexibility a PLA permits.

E. CONCLUSIONS AND RECOMMENDATIONS

A PLA is considered both feasible and appropriate because of the size and complexity of the Project; the highly unionized composition of the area workforce and both public and private contracting history; the high level of on-going and projected construction in the area, and the need for securing a skilled manpower pool; the number of trades and contractors involved; and the public policy and standardization provisions. A PLA should be a mandatory requirement included in the bid documents for this project.

A PLA will assure Harrison of the following for this Project:

- The best work at the lowest price through experienced, trained, and highly skilled workers.
- Preventing favoritism, fraud, and corruption – PLA is open to all bidders equally and provides for non-discrimination in referrals and hiring.
- Preventing any impact of delay through a "no strike" provision and guaranteed supply of skilled labor for duration of work.
- Estimated cost savings of \$525,804 or 4.73% of estimated labor costs.
- If Wicks law is exempted, a potential savings of an additional \$1,165,440 may be realized.
- Significant non-quantifiable cost savings through standardization of work rules, increased efficiency, and productivity.
- Enhancement of employment opportunities for disadvantaged persons and DBE entities.

It is recommended that:

- A PLA be negotiated with the Building Construction Trades Council of Westchester and Putnam Counties for this project.



II. INTRODUCTION AND BACKGROUND

Hill International, Inc. was retained by the Town/Village of Harrison (Harrison) to conduct a study and analysis of the labor market, work history, potential economic benefits, and other relevant factors pertaining to the feasibility of utilizing a PLA for the construction of the new Recreation Center, which is detailed in Section III.

A. WHAT IS A PROJECT LABOR AGREEMENT?

A PLA, sometimes referred to as a "Pre-Hire Agreement," is a type of collective bargaining agreement commonly used for decades as a management tool for expeditious, cost-effective construction on private construction projects, and with increasing frequency, on large, time-sensitive or other special needs public construction projects, as well as in connection with publicly owned construction programs. For example, PLAs have been used in connection with large scale, multi-year construction programs by the New York City School Construction Authority, as well as in connection with smaller school construction programs in New York State. On projects or programs where a PLA is used, it is normally mandatory for both union and non-union contractors (employers) to accept the PLA as a condition of being awarded the contract.

A PLA typically applies to a single project or series of specified projects as part of a construction program and has no bearing or relevance to any other work a contractor or union may be involved in during the same period of time. A PLA is an umbrella labor agreement for the construction of a specific project or program of work, including its component parts or packages during a specific period of time. Historically, all parties involved in the construction were required to be signatories to the PLA, which supersedes any conflicting prior-existing collective bargaining agreements which might otherwise apply to the work. A PLA typically provides for standardized work practices, hours, holidays, grievances, disputes and arbitration procedures, and the overall labor/management harmony for the duration of the project. PLAs often contain economic concessions and, as importantly, a PLA typically precludes any strikes, lockouts, work stoppages and/or any other disruption of work for any reason during the term of the PLA.

B. THE BOSTON HARBOR PRECEDENT

Although there is a history of use of PLAs on public projects going back to the Grand Coulee Dam on the Columbia River in the 1930s, the first legal challenge occurred in the early 1990s, at which time a PLA was required by the public entity owner for the massive, multi-billion-dollar, multi-year project involving the clean-up of Boston Harbor. The project involved scores of contractors and unions, all of which were required to become signatories to a PLA. The challenge was made on a federal preemption theory, arguing that the government entity-owner requirement that all successful bidders become parties to that PLA constituted an impermissible state intrusion into the labor relations of project contractors, and was preempted by the National Labor Relations Act (NLRA).

In its March 1993 landmark decision, *Associated Builders and Contractors of Massachusetts/Rhode Island, Inc. v. Massachusetts Water Resources Authority* (commonly known as Boston Harbor), the US Supreme Court held that although the government could not impose a PLA in its regulatory capacity, it was not prohibited from benefiting from a PLA wherein the government entity was acting in its proprietary capacity as an owner or a purchaser of construction services in the construction industry marketplace. This decision has provided the impetus for public sector PLAs across the nation and since that time, opponents of PLAs have based their challenges primarily on

a theory that a PLA violates a State's competitive bidding statutes, because it allegedly favors union over non-union bidders.

Soon after the Boston Harbor decision, then Governor Mario Cuomo's office issued a memorandum to all state agencies and authorities, referencing the "Boston Harbor Agreement" and directing that said construction agencies and authorities:

"...evaluate the benefits, for appropriate projects, of negotiating a pre-hire agreement ...Such benefits may include the promotion of labor stability, timeliness of completion and efficiency."

C. NEW YORK AND THE TAPPAN ZEE BRIDGE PLA

The New York State Thruway Authority (NYSTA) was at that time preparing to undertake a major rehabilitation and construction project on the Tappan Zee Bridge involving multiple contractors, nineteen unions, a minimum of a four-year construction schedule with an estimated cost of \$130 million. Hill International, Inc. was then under contract to the NYSTA, and was directed to pursue with the New York State Building and Construction Trades Council (NYSBCTC), local union representatives and other appropriate parties a determination as to whether a PLA could be negotiated which would conform to the guidelines in the Governor's memorandum as well as:

- Provide economic savings in the construction process through changes in work rules and practices and improve productivity, safety, efficiency, and timeliness of construction.
- Provide for the enhancement of employment opportunities for minority, women, and disadvantaged persons; and
- Allow all successful bidders, including open-shop contractors, to utilize a portion of their regular work force on the Project.

After an in-depth analysis of the existing labor market; a thorough review, analysis and comparison of the nineteen individual collective bargaining agreements; a review of the recent work history and labor unrest; numerous meetings and interviews with contractors and their associations' representatives; and more than four months of intensive labor negotiations, a draft PLA, acceptable to all parties, was submitted to the NYSTA Board of Directors for consideration together with the Hill report recommending approval. The report identified cost savings, as well as other benefits, to be derived from the proposed PLA, which was modeled after the Boston Harbor PLA.

The PLA was approved, executed by the necessary parties, and included as part of the specifications in the first bid package issued by the NYSTA for the Tappan Zee Bridge Project. The PLA was immediately challenged in the New York State Supreme Court by open shop contractors and their associations. After a brief Temporary Restraining Order, the lower court refused to grant an injunction. Construction on the project proceeded utilizing the PLA while the litigation continued through the New York Court of Appeals, where the validity of the PLA ultimately was upheld. New York State Chapter ABC, Inc. V. New York State Thruway Authority, 88 N.Y. 2d 56, 643 N.Y.S. 2d, 480, 666 N.E. 2d 185 (1996).

The Court of Appeals noted that while a PLA is a restriction on the bidding process, its use is justified if the contracting authority can demonstrate that its use will meet the objectives of the state competitive bidding laws, based on a case-by-case basis. The Court of Appeals held that the purposes of the state competitive bidding statutes were (1) guarding against fraud, favoritism, and

extravagance, and (2) ensuring honest competition to obtain the best work at the lowest possible price. The Court found that the first purpose was served by the PLA in that case because equal access to the bidding process, and the PLA's benefits, were available to both union and non-union contractors on the same terms and that ultimate contract award was to be made without regard to union status. The PLA also prohibited discrimination by unions and contractors against employees regardless of union/non-union status in either work referral from the hiring halls or on the job; thus, further ensuring equal treatment.

The second purpose was found to be served by the PLA requirement in that it created cost savings for the NYSTA in several ways, thus protecting the "public fisc." The court noted specific areas of cost savings from concessions such as four 10-hour days at straight time, standardization of working hours, holidays, etc. The Court also specifically noted the potential substantial savings from the PLA's comprehensive "no-strike" clause, which precluded labor disruptions for the duration of the project. The stated purposes of the statute therefore having been met; the requirement of the PLA was upheld by the Court.

D. EXECUTIVE ORDER NO. 49 AND NEW YORK LABOR LAW, SECTION 222, PROJECT LABOR AGREEMENTS

On January 1, 2011, Executive Order No. 1 was issued continuing Executive Order No. 49 which had been issued on February 12, 1997 (Appendix A). Executive Order No. 1 reaffirmed that PLAs are one of many tools which may be used by management and labor, and which may, under certain circumstances, assist in achieving the goals of timeliness, cost effectiveness, fairness, equity, and conformity to the law. It sets forth the policies and procedures to be followed by State agencies in determining whether a PLA should be utilized; and if so, the interaction between Article 8 of the Labor Law and the PLA. Executive Order No. 49 has been often cited with approval by the New York Courts.

In 2008, the New York State Legislature codified the guidelines set forth in E.O. 49 and by the Court of Appeals by enactment of New York Labor Law, Section 222 - Project Labor Agreements. Section 222 defines a PLA and provides that any State agency or department may require a contractor awarded a contract for a project to enter into a PLA for work involved when the agency or department determines that its interest in obtaining the best work at the lowest possible price; preventing favoritism, fraud or corruption; and other considerations such as the impact of delay, the possibility of cost saving advantages, and any local history of labor unrest, are best met by requiring a Project Labor agreement.

E. PLAs NATIONWIDE

PLAs are being used increasingly in both the public and private sectors throughout the United States. PLAs have been and are currently utilized in all 50 states and the District of Columbia. They have been upheld in every state in which they have been challenged, at the federal level; and, in the great majority of cases in which they have been challenged, courts have upheld their validity. In many states, PLAs have been upheld merely on the finding of a rational basis for the PLA (such as promoting timely and therefore cost-effective project completion).

F. FEDERAL EXECUTIVE ORDER 13502

Federal Executive Order 13502, which is attached as an Appendix, executed by President Joseph Biden on February 4, 2022, authorizes the use of PLAs on Federal Projects. Administrative guidelines have yet to be published on this order but it encourages the use of PLAs nationwide.

III. THE PROJECT

A. PROJECT DESCRIPTION

The New Harrison Recreation Center Project (the Project) located at 270 Harrison Avenue will be approximately 42,000 SF and feature basketball court space for two games to occur simultaneously, a general multi-purpose room with support pantry, a recreation game room, an arts and crafts room, and a computer room. Additional spaces include a fitness center, locker rooms, and office space. There will be parking options onsite, under the building, and offsite. The project is a Design Bid Build Project in which the First Phase was contracted for including earthwork and foundation. The Second Phase for the remaining construction will be bid out shortly.

As stated by the Architect:

"The proposed design has a large multipurpose recreational space. There can be two high-school-size basketball courts, which are heavily in demand. It can be reconfigured to have one full-size court with a lot of retractable bleachers so you can also use it for special events," Davidson said. "Those bleachers are accessed from below and above. It does have a fitness room. It's a minor component of the overall recreation center; it's not a health club. It has a lot of multipurpose event rooms that can be used for senior meetings, dance, all the things that people need meeting space for."

B. ESTIMATED COST AND SCHEDULE

Construction is scheduled to begin in April 2024 and to be completed by April 2026. This study was conducted in advance of Harrison's procurement process for the Second Phase. The Design Bid Build Contract is valued at an estimated \$26.7 million, with an estimated labor component of \$11.1 million.

IV. CONSTRUCTION AND LABOR ANALYSIS

A. OVERVIEW

Based on the forecasted information currently available regarding the size, number, and schedules of other construction projects that will be in progress during the term of the Project, it is anticipated that the necessary numbers of skilled workers for the Project will be available and shortages will not occur. Knowledgeable union and contractor sources agree that the Unions have a proven track record of being able to supply the necessary skilled workers within a very short period of time. The ability of the Unions to draw upon workers from affiliated locals throughout New York State or elsewhere in the U.S. to provide their employer contractors with a continuous supply of skilled labor if local shortages occur is a distinct advantage to be considered.

B. CONSTRUCTION

The NYC Region provides a good basis for comparable labor analyses for this project. Therefore, we utilize statistical data from this region to determine potential labor issues in the Metropolitan Area, such as Westchester County. In discussions with the President of the Trades Council, the region has three major projects, the White Plains Hospital (\$755M), Westchester Medical (\$190M) and the Galleria Project (\$2.1B) and will not affect the labor supply for this project.

The New York Building Congress (NYBC) forecasted \$87 billion in New York City construction spending in nominal dollars in 2023, increasing to \$96 billion in 2024. Fueling this rise, labor and material prices have escalated while shortfalls in development during COVID years are being addressed. Compared to the pre-COVID, three-year period from 2017 to 2019, this reflects an inflation-adjusted increase of \$37.8 billion.

Non-residential spending, which includes office space, retail, hotels, institutional development, entertainment venues, and recreational facilities, is expected to reach \$106 billion in nominal spending between 2022 and 2024. This represents a 57% increase from pre-COVID years 2017 to 2019. The share of spending in this sector is projected to increase to 39% of all construction spending in 2022, up from 34% in 2021.

Over the next two years, government spending on infrastructure development is projected to dominate the construction market in light of the Infrastructure Investment and Jobs Act (IIJA). Government spending under current conditions is expected to increase to almost \$23.6 billion in 2023 and \$26.9 billion in 2024. Much is yet unknown about the benefits of the IIJA. However, according to the capital plans of New York City, the Metropolitan Transportation Authority and the Port Authority, \$50.5 billion will be expended in 2023-24. This number does not include the Hudson Tunnel Project.

New York City is forecasted to spend \$9.1 billion, \$9.7 billion, and \$8.6 billion on capital projects between 2021 and 2023, respectively. Despite this retraction over the forecasted period, spending will likely increase 14% when comparing pre- and post-COVID levels, 2017–2019 and 2021–2023. In the near-term, the city committed \$7.3 billion to its capital plan in Fiscal Year 2022: 34% for education and libraries, 22% for environmental protection initiatives, 14% for transportation, 11% for operations and facilities, 11% for housing and economic development, 6% for health and wellbeing, and 2% for the administration of justice.

The Metropolitan Transportation Authority is forecasted to invest \$34.8 billion over the next three years which would be a 70% increase over total spending between 2017 and 2019. The capital budget reflects an investment from \$8.5 billion in 2022 to \$14.2 billion in 2024.

The Port Authority of New York and New Jersey is forecasted to invest almost \$2 billion this year in New York City capital projects, a \$1.5 billion drop from 2021. Spending levels in the next three-year period are on par with those seen in the previous three-year period, each hovering around \$5.5 billion. Capital budget expenditures of the PANYNJ were originally expected to decline in New York City over the next two years however, New Terminal One at JFK Airport, which is set to open in 2026 at a total cost of \$18 billion (\$9.5 billion privately financed), is expected to change this equation over the next two years. Among the other large recipients of capital spending in the 2022-24 period will be improvements to the Goethals Bridge and the Lincoln Tunnel. The City's two bus stations are not anticipated to be a focus of investment in this period.

A projected \$1.5 billion in 2022 public works spending was expected to be undertaken by agencies at the state and federal levels, including the Dormitory Authority of the State of New York, the New York State Department of Transportation, and the U.S. Army Corps of Engineers. These entities are expected to invest \$1.6 billion and \$1.7 billion within New York City in 2022 and 2023, respectively.

C. LABOR

With the dramatic rise in construction costs, construction jobs per \$1 million in spending dropped from 3.1 in 2021 to 1.6 in 2022 and 2023. However, the building industry is set to create tens of thousands of new jobs within two years. The NYBC anticipates employment in the construction of buildings, heavy and civil engineering, and specialty trades to total 143,000 jobs in 2023 and 142,500 jobs in 2024.

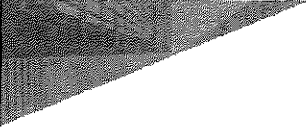
Union membership levels, in most of the building trades, are projected to be stable going into 2024. All trade unions are actively recruiting and training new members and retraining current workers to improve their skills on newer, more productive methods, tools, equipment, and materials. Training facilities and apprentice programs are being expanded to accommodate the rapidly changing skills required in the areas of mechanical, building automation, and electrical trades for existing and new workers and applicants. Union leadership in all the trades continues to stress the importance of maintaining a continuous supply of well-trained, skilled workers necessary for the needs of present and future construction projects.

Again, in discussions with Westchester and Putnam County BCTC, they indicated that there are no labor shortages near term.

Consequently, shortages in skilled workers are not a current issue for the Project.

D. DIVERSITY COMPLIANCE

All Unions have been and are currently making every effort to increase the employment opportunities for minorities, women, and disadvantaged persons through apprenticeships and pre-apprenticeship programs as well as for more experienced workers through labor programs, Helmets to Hardhats, and DOL (State or Federal) sponsored programs. The Unions agree that under a PLA, in the event a Union either fails, or is unable to refer qualified minority or female applicants in percentages equaling the workforce participation goals adopted by the owner and set forth in the Builder's specifications, within 48-hours of the request for same, the Contractor may employ qualified minority or female applicants from any other available source.



Also, the Unions have often agreed under a PLA to exempt DBEs from the PLA provisions when the DBE contracts are below an agreed threshold, e.g., \$2–5 million. This project is a Federally funded project and requires DBE participation.



V. CURRENT COLLECTIVE BARGAINING AGREEMENTS

In the absence of a PLA, all or substantial amounts of the covered work would likely be performed by union contractors, and thus performed under CBAs. Specifically, local CBAs with the trades listed below would be involved. The collective bargaining agreement (CBA) of each of these unions was reviewed and analyzed as part of this study and is summarized in pertinent part in Appendix B.

- Boilermakers
- Bricklayers
- Carpenters
- Electricians
- Elevator Constructors*
- Iron Workers
- Laborers
- Masons
- Operating Engineers
- Painters
- Plumbers
- Roofers
- Sheet Metal Workers
- Sprinkler Fitters
- Teamsters
- Tile Setters*

** Trade with 35-hour workweek*

The significant and pertinent provisions of these local agreements were analyzed for variances in their terms and conditions and Project scope requirements and unique characteristics. In addition, items were identified where both consistencies and concessions in a PLA could save costs or provide for more efficient construction. One area of concern is that several of the agreements will expire during or prior to Project construction. Each of these expirations presents a risk that any new negotiations between the Unions and the local Contractor Associations can break down. If that were to occur, workers covered by those agreements would be permitted to lawfully strike over any number of issues, including many which would have nothing to do with the Project construction.

Strikes not only directly drive-up construction costs, but they also disrupt construction progress resulting in completion delays and disruption of traffic and local business. A PLA's comprehensive no strike clause virtually eliminates risk of potential strike activity as a cause

of project delay, to the point that even if the industry is generally subject to strike activity upon local labor agreement expiration, work on projects covered by a PLA will go forward.

Also, there is diversity among the local agreements with regard to hours of work (length of workday and workweek); overtime; starting times; breaks; shift work; reporting pay; apprentice ratios; holidays; grievance, arbitration, and jurisdictional dispute resolution; and management rights. The rates and instances of premium pay also vary and there are a number of miscellaneous clauses which appear in one or more agreements and not in others.

Following are a few examples of some of the main areas among the provisions of the respective CBAs that were reviewed and analyzed:

A. HOURS OF WORK

There is diversity among the trade requirements in these areas. Fourteen (14) unions work a 40-hour workweek, and two (2) unions work a 35-hour workweek. In most agreements, starting and quitting times are set. Union approval is required for changes and premium pay is required for hours worked before and/or after. Under the existing local agreements, the contractor has limited flexibility in varying the scheduling of working hours without premium payments and prior approval from the unions. A PLA can provide for a uniform 40-hour week at straight time with a three (3) hour flexible "window" at the beginning and/or end of the workday thus assuring that all required trades for specific work items will start and stop at times designated by the contractor.

B. JURISDICTIONAL DISPUTES

Procedures for dealing with jurisdictional work assignments and consequential disputes are not uniform or consistent. Agreements vary with regard to costs, binding effect of award, and work disruption pending decisions. A PLA can provide for a uniform jurisdictional dispute resolution mechanism. Most importantly, there is no existing method, means, or procedure to ensure that there will be no strike, lockout, work stoppage or other work disruption pending resolution of such a dispute. A PLA can provide for protection against work disruption during jurisdictional disputes.

C. GRIEVANCES/ARBITRATION

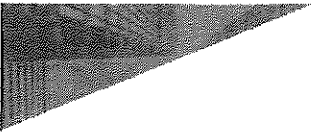
Though local labor-management grievance procedures exist, they vary among specific crafts and contractor associations. No standardized, binding forum exists with authority over all respective parties. A PLA can provide for a uniform dispute resolution procedure.

D. HOLIDAYS

Trade holidays range from as many as twelve (12) annually to a minimum of six (6) recognized holidays. Whether holidays are paid, and the rates of premium pay vary among the trades. A PLA can provide for specific seven (7) standardized holidays with payment for work on those days as set forth in the local agreements.

E. MANAGEMENT RIGHTS

Many of the existing agreements do not contain a "Management Rights" clause. Those that exist are often ambiguous or inadequate to provide the contractor with the authority and/or flexibility required for necessary control and management of the Project work. A PLA can contain a broad management rights provision giving the contractor control of the schedule and manning as well as "means and methods" in the operations of the construction.



All of the foregoing examples, together with many others can be addressed and standardized in a PLA to meet Project objectives and requirements, as well as to provide the contractor with manning and scheduling control necessary to affect cost savings through efficient construction management.

VI. ANALYSIS OF ECONOMIC BENEFITS OF A PLA

Economic provisions in a PLA can be categorized as either quantifiable or non-quantifiable. Quantifiable provisions are economic provisions whose specific savings can be calculated based on the specifics of the project. Non-quantifiable provisions are economic provisions whose value cannot be precisely calculated but are considered to provide potential benefit and value. For purposes of this study and in preparation for PLA negotiations, the estimated savings is \$525,804. This is summarized below and supported by the appendices which are attached. This study does not examine non-work cost savings items, such as managed care and alternative dispute resolution (ADR) of workmen's compensation matters.

A. QUANTIFIABLE SAVINGS

1. *Holidays*

Current CBAs provide for between six (6) and twelve (12) holidays per year. Standardization of nine (9) holidays per trade will result in a savings of \$74,557. (Appendix D1).

2. *Apprentices*

Recognizing the need to maintain continuing supportive programs designed to develop adequate numbers of competent workers in the construction industry and to provide craft entry opportunities for minorities, women, and economically disadvantaged non-minority males, Contractors can employ apprentices in their respective crafts to perform such work as is within their capabilities and which is customarily performed by the craft in which they are indentured. Contractors may utilize apprentices and such other appropriate classifications in the ratio of 1: 3. Based upon experience in recent NYSDOT highway and bridge projects that Hill has worked on, an average of 4% of the workforce consisted of apprentices. Using that data, a cost savings of \$444,951 (Appendix D1) from use of apprentices may be realized. This can be a requirement in the PLA, not the typical goal found in the CBAs.

3. *40-Hour Workweek*

The estimated savings derived from a PLA standardized 40-hour workweek at straight time by the trades with a 35-hour workweek amount to an estimated labor cost savings of \$6,296. (Appendix D1)

4. *Summary of Quantifiable Cost Savings*

SUMMARY OF QUANTIFIABLE COST SAVINGS (APPENDIX D1)

Provision	Amount	% of Labor
Holidays	\$74,557	0.67%
Apprentices	\$444,951	4.00%
40-Workweek	\$6,296	0.06%
Total	\$525,804	4.73%

B. NON-QUANTIFIABLE SAVINGS

1. *No Strike or Work Stoppage Provision*

The General and Administrative (G&A) allowance is approximately 6% of construction costs. Though it is not possible to predict the length of a potential strike or work stoppage, these general and administrative costs alone could amount to an average costs of approximately \$1,965 per day.

2. *No Strike or Work Stoppage Due to Jurisdictional Disputes*

Jurisdictional disputes are not as disruptive as a general strike; however, they do have the ability to disrupt the flow of work for a specific trade or trades through strikes, work stoppages, slowdowns, picketing, and other activities. The specific duration and associated cost is not quantifiable since it cannot be planned nor predicted.

3. *Management Rights*

Management rights allows Contractors to retain full and exclusive authority for the management of their operations including, but not limited to, the right to: direct the work force, determine the number of employees to be hired and their qualifications, promotions, transfers, layoffs, access to the site, and discipline and discharge for cause. It also allows the contractor to choose materials, techniques, methods, and equipment to be used. This is considered a non-quantifiable but valuable benefit.

4. *Overtime at Time-and-a-Half*

The overtime clause allows a contractor to cap Saturday overtime at time and one-half which prevailed over collective bargaining agreements that have double time as the standard for Saturday. The overtime clause also restricts stacking or pyramiding of overtime pay; and allows the contractor to designate employees who will work, and to schedule work so as to minimize overtime or schedule overtime as to some, but not all, of the crafts. This is considered a non-quantifiable benefit since the amount of overtime for the Project cannot be quantified at this time.

5. *Flexible Starting Times*

Flexible start times allow the Contractor to schedule start times for normal weekday work, shift work, and Saturday and Sunday work. The scheduling of start times shall be within the discretion of the Contractor in order to meet Project schedules and existing Project conditions including the minimization of interference with the mission of the Public Agency. Many, but not all CBAs allow flexible start times with advance notice from the Contractor to the Union. The flexible start time provision is considered a non-quantifiable benefit since it cannot be predicted.

6. *Coordinated/Staggered Lunch Period*

A Contractor may, for efficiency of operation, establish a schedule which coordinates the meal periods of two or more crafts, or which provides for staggered lunch periods within a craft or trade. This provision is considered a non-quantifiable benefit, since it cannot be predicted.

7. Reporting Pay

This provision allows the contractor to standardize reporting pay, early termination pay, discharge pay, and no pay for no work. It also allows for no premiums, bonuses, hazardous duty, high time, or other special premium payments. This provision is also considered a non-quantifiable benefit since it cannot be predicted.

8. Saturday Make-up Day

When severe weather, power failure, fire or natural disaster, or other similar circumstances beyond the control of the Contractor prevent work from being performed on a regularly scheduled weekday, the Contractor may schedule a Saturday make-up day and such time shall be scheduled and paid as if performed on a weekday.

This provision is also considered a non-quantifiable benefit since it cannot be predicted.

9. Wicks Law

The estimated savings from exempting the Wicks Law is 4.36% of the Construction Cost. Thus, the potential savings is \$1,165,440. The percentage is derived from a memo which is attached.

VII. CONCLUSIONS AND RECOMMENDATIONS

A PLA is considered both feasible and appropriate because of the size and complexity of the Project; the highly unionized composition of the area workforce and both public and private contracting history; the high level of on-going and projected construction in the area, the need for securing a skilled manpower pool; the number of trades and contractors involved; and the public policy and standardization provisions. A PLA should be a mandatory requirement included in the bid documents for this project.

A PLA will assure Harrison of the following for this project:

- The best work at the lowest price through experienced, trained, and highly skilled workers.
- Preventing favoritism, fraud, and corruption – PLA is open to all bidders equally and provides for non-discrimination in referrals and hiring.
- Preventing any impact of delay through a "no strike" provision and guaranteed supply of skilled labor for duration of work.
- Estimated cost savings of \$525,804 or 4.73% of estimated labor costs.
- If Wicks law is exempted, a potential savings of an additional \$1,165,440 may be realized.
- Significant non-quantifiable cost savings through standardization of work rules, increased efficiency, and productivity.
- Enhancement of employment opportunities for disadvantaged persons and DBE entities.

It is recommended that:

- A PLA be negotiated with the Building Construction Trades Council of Westchester and Putnam Counties for this project.



APPENDICES

- A. NYS Executive Order No. 49
- B. Federal Executive Order No.13502
- C. Analysis of Current Collective Bargaining Agreements
- D. Composite Crew Make-up Labor Cost Summary
- E. PLA Cost Benefit Analyses
- F. Wicks Law

No. 49

EXECUTIVE ORDER

PROJECT LABOR AGREEMENTS

WHEREAS, it is in the best interests of the People of the State of New York to promote the timely completion of public construction projects undertaken by State agencies while at the same time limiting the costs of such projects to the greatest extent possible consistent with the law and principles of fairness and equity;

WHEREAS, the New York State Court of Appeals issued a decision in the *Matter of New York State Chapter, Inc., Associated General Contractors of America, et. al. v. New York State Thruway Authority*, 88 N.Y.2d 56, 666 N.E.2d 185, 643 N.Y.S.2d 480 (1996), which found that project labor agreements are "neither absolutely prohibited nor absolutely permitted in public construction contracts"; and

WHEREAS, it is now clear that project labor agreements are one of many tools which may be used by management and labor and which may, under certain circumstances, assist in achieving the goals described above;

NOW, THEREFORE, I, GEORGE E. PATAKI, Governor of the State of New York, by virtue of the authority vested in me by the Constitution and Laws of the State of New York, do hereby order as follows:

Each State agency shall establish procedures to consider, in its proprietary capacity, the utilization of one or more project labor agreements with respect to individual public construction projects. The utilization of a project labor agreement shall be considered only where the standards established by the Court of Appeals can reasonably be expected to be met.

In reaching a determination on the use of a project labor agreement with respect to a specific project the agency shall consider whether the utilization of such an agreement is justified because it meets the interests underlying the State's competitive bidding laws of:

- 1) obtaining the best work possible at the lowest possible price; and
- 2) preventing favoritism, improvidence, fraud and corruption in the awarding of public contracts.

In considering whether to proceed with a project labor agreement, agencies should be mindful that, in the past, the courts of the State of New York have struck down any such agreement wherein a contracting entity was unable to show a proper business purpose for entering into such agreement.

No project labor agreement shall be approved by an agency unless the decision to enter into the project labor agreement has, both as its purpose and likely effect, the advancement of the interests of the State's competitive bidding statutes.

Appendix A

In the event that an agency enters into a project labor agreement and lets one or more contracts for work to be performed pursuant to such agreement, it shall then be forwarded to the Commissioner of Labor. Upon receipt of the project labor agreement, the Commissioner of Labor shall determine the interaction, if any, between article 8 of the Labor Law and the agreement.

L.S.

G I V E N under my hand
and the Privy Seal of the
State in the City of New York
this twelfth day of February in
the year one thousand nine
hundred ninety-seven.

/s/ George E. Pataki

BY THE GOVERNOR

/s/ Bradford J. Race, Jr.
Secretary to the Governor

Executive Order 13502: Use of Project Labor Agreements for Federal Construction Projects

On February 6, 2009, President Obama issued Executive Order 13502, Use of Project Labor Agreements for Federal Construction Projects ("EO 13502"). The Executive Order encourages federal agencies to use union-only project labor agreements ("PLAs") on construction projects, the cost of which exceeds \$25 million. On April 13, 2010, the Federal Acquisition Regulations were amended to implement EO 13502. (Federal Acquisition Regulation; FAR Case 2009-005, Use of Project Labor Agreements for Federal Construction Projects, Fed. Reg. 19168 (13 Apr. 2010) (codified at 48 C.F.R. §§ 2,7,17,22,52)).

A PLA is a union collective bargaining agreement that all contractors must sign to work on a construction project. PLAs generally require that contractors recognize the union as exclusive bargaining representative of all employees who work on the project; contribute to union pension and healthcare funds; operate under union work rules; follow union procedures for hiring, firing, and disciplining employees; and, in non-Right to Work states, require all employees to pay union dues as a condition of employment. A PLA is a species of a union "pre-hire" agreement, as it is entered into without any indication that the affected employees support unionization.

The use of PLAs is controversial in both the private and public sectors. Proponents usually claim that PLAs ensure timely completion of construction projects by reducing labor strife. Opponents contend that these agreements increase construction costs by excluding from the competitive bidding process all contractors who wish to operate nonunion. In the public sector, PLAs are also criticized as being imposed due to union political influence instead of pecuniary benefits.

With Executive Order 13202, President George W. Bush banned federal agencies from imposing PLAs on federal construction projects during his administration. Shortly after coming into office, President Obama reversed this ban with EO 13502, opting to encourage the use of PLAs on federal construction projects.

Both EO 13502 and the administrative rule implementing it grant federal agencies broad discretion with respect to whether to impose a PLA, how to impose it, and what PLA terms to mandate. For example, agencies may require a PLA as a condition of bidding on a project, after bidding but prior to award of work, or after the award of work. The only substantive contract terms required under EO 13502 are clauses prohibiting strikes, establishing a dispute resolution procedure, and binding all contractors and subcontractors to the PLA. Agencies otherwise have discretion to decide what other union terms contractors and their employees must abide to work on a federal project.

Critics of EO 13502 suggest that a federal agency's requiring contractors and their employees to abide by a union PLA as a condition of working on a federal construction project may well be subject to legal challenge, and imposing a PLA may violate the Competition in Contracting Act, 41 U.S.C. § 253, by discriminating against bids from merit-shop contractors and their employees who operate nonunion. They also assert that it may conflict with the National Labor Relations Act, which grants employers the freedom to determine whether or not to enter into agreements with unions and does not permit entities other than employers in the construction industry to enter into or impose PLAs. The outcome of these and other legal challenges may depend on precisely how a federal agency exercises discretion under EO 13502 when imposing a PLA on contractors and employees.

** William L. Messenger is a Staff Attorney with the National Right to Work Legal Defense Foundation.*

Related Link

Executive Order 13502, "Use of Project Labor Agreements for Federal Construction Projects," February 26, 2009

http://www.whitehouse.gov/the_press_office/ExecutiveOrderUseofProjectLaborAgreementsforFederalConstructionProjects/

Harrison Recreation Center Project ANALYSIS OF CURRENT COLLECTIVE BARGAINING AGREEMENTS

APPENDIX C

Trade	CBA Expiration Date	Local #	Regular Work Week Hours (M.F. Inclusive)	Regular Work Day Details	2nd Shift (Evening)	3rd Shift	Overtime Work Week Multiplier M.F.	Saturday Work Week Multiplier	Sunday Work Week Multiplier	Holiday Work Week Multiplier	CBA Recognized Holidays	Holiday List
BOLLINGERS	12/31/2027	5	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	2.0	2.0	2.0	9	NYD, PD, MO, ID, CO, ED, VO, TD, XO
BROCKLAYS	4/30/2027	2	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 7.5 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 7 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5 first 1.5hrs. 2.0 thereafter	2.0	2.0	8	NYD, PD, MO, ID, CO, ED, VO, TD, XO
CARPENTERS	4/30/2027	279	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5	2.0	2.0	8	NYD, PD, MO, ID, CO, ED, VO, TD, XO
ELECTRICIANS	4/12/2024	3	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 7.5 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 7 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5	1.5	1.5	11	NYD, MUK, PD, MO, ID, CO, ED, VO, TD, XO
ELEVATOR CONSTRUCTORS	3/17/2024	1	35	Hours Worked: 7 Hours Paid: 7 Start: 8:00AM Finish: 3:30PM	Hours Worked: 7 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 7 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	2.0	2.0	2.0	2.0	11	NYD, PD, MO, ID, CO, ED, VO, TD, XO
IRON WORKERS	6/30/2028	40	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5 first 1.5hrs. 2.0 thereafter	2.0	2.0	7	NYD, PD, MO, ID, CO, ED, VO, TD, XO
LABORERS	3/29/2025	60, 235	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5	2.0	2.0	10	NYD, MUK, PD, MO, ID, CO, ED, VO, TD, XO
MASONS	6/30/2024	780	40	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	1.5	1.5	2.0	2.0	10	NYD, PD, MO, ID, CO, ED, VO, TD, XO
OPERATING ENGINEERS	3/29/2025	137	40	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	1.5	1.5	2.0	2.0	10	NYD, MUK, PD, MO, ID, CO, ED, VO, TD, XO
PAINTERS	5/31/2024	84, 284	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5	2.0	2.0	11	NYD, MUK, PD, MO, ID, CO, ED, VO, TD, XO
PLUMBERS	4/30/2024	21	40	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	Hours Worked: 8 Hours Paid: 8 Start: 7:00AM Finish: 3:30PM	1.5	1.5	2.0	2.0	9	NYD, PD, MO, ID, CO, ED, VO, TD, XO
ROOFERS	4/30/2025	8	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5	1.5	1.5	6	NYD, PD, MO, ID, CO, ED, VO, TD, XO
SHEETMETAL WORKERS	4/30/2024	38	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 5:00PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 5:00PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 5:00PM	1.5	1.5	2.0	2.0	10	NYD, MUK, PD, MO, ID, CO, ED, VO, TD, XO
SPRINKLER FITTERS	6/30/2025	695	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	2.0	2.0	2.0	2.0	8	NYD, PD, MO, ID, CO, ED, VO, TD, XO
TEAMSTERS	5/31/2024	456	40	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5	2.0	2.0	8	NYD, PD, MO, ID, CO, ED, VO, TD, XO
TILE SETTERS	6/30/2025	7	35	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	Hours Worked: 8 Hours Paid: 8 Start: 8:00AM Finish: 4:30PM	1.5	1.5	2.0	2.0	12	NYD, MUK, PD, MO, ID, CO, ED, VO, TD, XO

NOTES:
1) Convention Code
2) Project Schedule
3) PLA Standard
100587



11/15/2023

Harrison Recreation Center Project
COMPOSITE CREW MAKEUP LABOR COST SUMMARY

APPENDIX D

LABOR COST	BOILERMAKERS LOCAL #5	BRICKLAYERS LOCAL #2	CARPENTERS 279	ELECTRICIANS LOCAL #3	ELEVATOR CONSTRUCTORS LOCAL #1	IRON WORKERS LOCAL #40	LABORERS LOCAL #60,235	MASONS LOCAL #780	OPERATING ENGINEERS LOCAL #137	PAINTERS LOCAL #8A, 28A	PLUMBERS LOCAL #21	ROOFERS LOCAL #6	SHEETMETAL WORKERS LOCAL #38	SPRINKLER FITTERS LOCAL #696	TEAMSTERS LOCAL #456	TILE SETTERS LOCAL #7	LABOR TOTAL
\$ 213,764			20%				45%		30%						5%		100%
\$ 664,461			38%				42%	15%							5%		100%
\$ 1,395,625		75%					25%								5%		100%
\$ 1,352,683						95%											100%
\$ 120,238			100%														100%
\$ 1,095,030												100%					100%
\$ 847,395			100%														100%
\$ 999,697			65%				20%			10%						5%	100%
\$ 7,190			100%														100%
\$ 192,460			100%														100%
\$ 43,922			100%														100%
\$ 50,750					100%									100%			100%
\$ 150,000											100%						100%
\$ 533,010													65%				100%
\$ 2,142,757	35%																100%
\$ 1,314,857				100%													100%
\$ 11,123,771	\$ 749,365	\$ 1,040,719	\$ 2,156,188	\$ 1,314,857	\$ 50,750	\$ 1,285,649	\$ 924,113	\$ 98,489	\$ 84,128	\$ 99,870	\$ 533,010	\$ 1,095,930	\$ 1,392,792	\$ 150,000	\$ 111,545	\$ 49,385	\$ 11,323,771
\$ 1,688,586	\$ 112,495	\$ 157,698	\$ 323,428	\$ 197,229	\$ 7,613	\$ 192,757	\$ 138,617	\$ 14,350	\$ 9,679	\$ 14,395	\$ 79,851	\$ 164,254	\$ 208,919	\$ 22,500	\$ 16,732	\$ 7,698	\$ 1,688,586
\$ 12,792,336	\$ 862,460	\$ 1,203,727	\$ 2,479,616	\$ 1,512,985	\$ 58,363	\$ 1,477,806	\$ 1,062,730	\$ 114,520	\$ 73,749	\$ 114,365	\$ 812,961	\$ 1,259,284	\$ 1,601,711	\$ 172,500	\$ 128,277	\$ 57,483	\$ 12,792,336
\$ 1,535,080	\$ 103,485	\$ 144,447	\$ 297,554	\$ 181,450	\$ 7,004	\$ 177,337	\$ 127,528	\$ 13,754	\$ 8,850	\$ 13,796	\$ 73,555	\$ 151,114	\$ 192,205	\$ 20,700	\$ 15,393	\$ 6,896	\$ 1,535,080
\$ 14,327,417	\$ 965,955	\$ 1,348,174	\$ 2,777,170	\$ 1,893,536	\$ 65,366	\$ 1,655,143	\$ 1,190,258	\$ 128,374	\$ 82,598	\$ 128,761	\$ 886,516	\$ 1,410,398	\$ 1,793,916	\$ 192,280	\$ 143,670	\$ 64,381	\$ 14,327,417

Harrison Recreation Center Project PLA COST BENEFIT ANALYSIS - COST SAVINGS (LABOR COSTS)

APPENDIX E


Trade	Jtk Wages	Jtk Benefits	Jtk Rate	Apprentice Rate	PLA App Per Crew	PLA Jtk Per Crew	PLA Team Average Rate	CBA App Per Crew	CBA Jtk Per Crew	CBA Team Average Rate	Labor Cost	Labor Hours	Man Days	Man Months	Man Per Year	CBA Holidays Per Project Duration	PLA Standard Holidays Per Project	Holiday Differential	Project Duration (Months)	Holiday Cost Savings	Apprentice Cost Savings	40 Hour Work Week Savings	WICSA Savings (4.95% of New Construction)	
BOILERMAKERS	\$64.38	\$48.01	\$112.39	\$67.43	1	3	\$101.15	1	3	\$101.15	\$749,965	7414	927	44	2	18	14	4	24	\$5,952	\$20,969			
BRICKLAYERS	\$33.65	\$37.19	\$70.84	\$42.50	1	3	\$63.76	1	3	\$63.76	\$1,046,719	16418	2552	98	4	16	14	2	24	\$4,154	\$41,889			
CARPENTERS	\$45.30	\$39.36	\$84.66	\$50.00	1	3	\$78.19	1	3	\$78.19	\$2,166,188	28289	3537	168	7	12	14	-2	24	\$-8,556	\$85,248			
ELECTRICIANS	\$51.00	\$52.81	\$113.81	\$68.29	1	3	\$102.43	1	3	\$102.43	\$1,314,857	12837	1605	76	3	22	14	8	24	\$20,871	\$52,584			
ELEVATOR CONSTRUCTORS	\$77.49	\$58.76	\$136.25	\$70.35	1	3	\$105.53	1	2	\$101.62	\$50,750	489	62	3	0	23	14	9	24	\$906	\$2,030	\$3,172		
IRON WORKERS	\$87.95	\$81.12	\$149.07	\$89.44	1	3	\$134.16	1	4	\$137.14	\$1,285,049	9370	1171	56	2	17	14	3	24	\$7,649	\$51,402			
LABORERS	\$60.15	\$27.45	\$87.60	\$36.01	1	3	\$74.70	1	3	\$74.70	\$824,113	12371	1546	74	3	21	14	7	24	\$12,835	\$35,965			
MASONS	\$41.26	\$45.99	\$87.25	\$52.35	1	3	\$78.53	1	3	\$78.53	\$98,669	1268	159	8	0	21	14	7	24	\$1,384	\$3,987			
OPERATING ENGINEERS	\$87.27	\$39.85	\$106.12	\$63.57	1	3	\$95.51	1	3	\$95.51	\$64,128	671	84	4	0	21	14	7	24	\$691	\$2,565			
PAINTERS	\$40.30	\$13.08	\$53.31	\$32.59	1	3	\$48.88	1	3	\$48.88	\$95,970	2045	256	12	1	22	14	8	24	\$1,587	\$3,869			
PLUMBERS	\$47.34	\$39.30	\$86.64	\$51.99	1	3	\$77.98	1	3	\$77.98	\$533,010	6835	854	41	2	18	14	4	24	\$4,230	\$21,320			
ROOFERS	\$46.50	\$36.63	\$83.13	\$51.08	1	3	\$75.62	1	2	\$75.78	\$1,095,030	14842	1855	88	4	12	14	-2	24	\$-4,345	\$43,801			
SHEETMETAL WORKERS	\$40.46	\$31.54	\$72.00	\$43.20	1	3	\$64.90	1	3	\$64.90	\$1,292,792	21484	2887	128	5	20	14	9	24	\$24,871	\$55,712			
SPRINKLER FITTERS	\$75.03	\$35.95	\$108.98	\$65.39	1	3	\$98.08	1	3	\$98.08	\$150,000	1529	191	9	0	16	14	2	24	\$595	\$6,000			
TEAMSTERS	\$38.75	\$32.68	\$71.43	\$38.06	1	3	\$57.09	1	3	\$57.09	\$111,545	1954	244	12	0	16	14	2	24	\$443	\$4,482			
TILE SETTERS	\$65.49	\$38.73	\$102.22	\$61.33	1	3	\$92.00	1	3	\$92.00	\$49,885	543	68	3	0	25	14	11	24	\$1,081	\$1,869	\$3,124		
TOTAL											\$11,123,771	138391	17289	824	34					Percentage of Savings:	\$74,557	\$444,351	\$6,296	
																				0.87%	OR	\$525,804	\$1,165,440	
											TOTAL SAVINGS:													

NEW YORK CITY DEPARTMENT OF
DESIGN + CONSTRUCTION

MEMO

DATE: November 16, 2009

TO: File

FROM: David Resnick, Deputy Commissioner, Structures 

SUBJECT: Potential PLA for City Projects- Projected Wicks Law Savings

In connection with the ongoing discussions between the City and the Building Construction Trades Council (BCTC) regarding potential savings for specific projects and classes of projects associated with a potential Project Labor Agreement, this memo sets out the City's basis for assessing the cost of Wicks compliance and, in turn, the potential savings from not having to comply with Wicks on PLA covered work.

Various estimates of the costs of Wicks compliance have been made over the years, with estimates ranging from 20 to 30% of total construction costs. In 1994, SCA commissioned a detailed study of the added costs of Wicks law compliance (commonly referred to as the Ashenfelter report), and then updated that report in 1999. The 1994 report considered the cost impacts of the Wicks Law using a universe of 412 projects including both new construction and renovation projects. The 1999 update added 110 projects to that for a total of 522 projects, of which 282 were Wicks Law projects and 240 were non-Wicks. The SCA reports analyzed the increase in project costs attributable to Wicks by comparing the initial bid cost, the total cost growth due to change orders, and the internal Agency costs for the projects in the sampling.

In the 1994 SCA report, an increase in costs attributable to Wicks is shown and then a regression analysis of the data is performed, yielding a baseline estimation of savings and then a statistically adjusted analysis. The difference in results from the 1994 study and the 1999 update are not statistically significant.

The baseline analysis of savings shows a cost savings for non-Wicks projects of \$10.25 per sf, which when applied to the average project cost for New Construction and Renovation projects translated to a savings of 4.36% of total construction cost for New Construction projects (\$10.25 savings on \$142 per sf construction cost = 4.36%), and 10.35% of total construction cost for Renovation projects (\$10.25 savings on \$99 per sf construction cost = 10.35%). The blended average for all projects was 7.22% of total construction cost.



The regression analysis yielded approximately the same savings projections for New Construction, at 4.1%, and significantly larger savings for Renovation projects, at 14.1%, with a blended average of 10.3%.

As noted above, the significant contributing factors leading to a cost savings for non-Wicks projects are the decreases in change orders and internal Agency costs, with initial bid prices being a less significant contributing factor (in fact there is a modest cost savings associated with Wicks over non Wicks as regards initial bid prices, but this is cancelled out by the increases in the other noted areas). This is consistent with DDC's own experience in awarding and managing Wicks projects.

Based upon my review of those studies (including the breadth and scope of projects reviewed), I do not find any reason to think those conclusions are not applicable to City projects where such projects are subject to the Wicks Law. In fact, the projects in the sampling used for the 1994 and 1999 SCA studies experienced approximately 12% in change orders, which was a significant basis for the increased costs of Wicks projects. The City's historical change order data show that DDC's change order percentages are substantially higher than 12%, which suggests that likely cost savings for these projects will be higher than those projected by the SCA studies.

In conclusion, in light of the findings in the SCA reports, and in consideration of the City's own historical change order data, it is reasonable, and in fact conservative, to project that savings for New Construction and Renovation projects will at minimum, be consistent with the baseline savings demonstrated by the SCA reports. Accordingly, in the event a PLA is adopted which includes a provision allowing the bidding of single prime contracts for construction in lieu of the multi-prime bids required under Wicks, the projected savings associated with that Wicks exemption which may be used by CM's performing cost studies to assess such PLA's overall viability, is as follows:

New Construction Projects:	4.36% of Total Construction Cost*
Renovation Projects:	10.35% of Total Construction Cost*

*defined as the total labor and materials cost for the project

C/ MOCS: Marla Simpson
Law Dept: Steve Stein-Cushman; Eric Jewell
DDC: David Varoli