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President Biden's Executive Order 14063, entitled *Use of Project Labor Agreements for Federal Construction Projects*, is likely to impact \$262 billion in federal construction projects and 200,000 workers. E.O. 14063 requires the use of a Project Labor Agreement (PLA) for any federal construction contract within the United States estimated to cost \$35 million or more.

The White House claims the PLA requirement is appropriate because it will benefit taxpayers, contractors, and workers by 1) alleviating coordination challenges on large, complex projects; 2) raising quality standards and wages, 3) reducing uncertainty in the contracting process by standardizing the work rules, compensation costs, and dispute settlement processes; and 4) increasing training for the construction workforce. Fact Sheet: Briefing Room, Statements and Releases (February 3, 2022).

Agreements with the relevant union typically require compliance with the terms and conditions of underlying union contracts that include the requirement that all employees of the PLA signatory employers pay dues to a signatory union, and that the employer makes contributions to union health, retirement and other union benefit funds for each hour worked by project employees for the duration of the project. The PLA may also require that employers hire workers through a union hiring hall. Contractors unwilling to hire union labor or to have their employees join a union are unable to



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To "Go Green", our firm uses recyclable paper or ceramic cups and no longer uses Styrofoam cups. In addition, we have adopted a less-paper office environment.

We hope that these changes make big differences in the future.

*Well done is better than well said.*

- Benjamin Franklin



Every contractor or subcontractor working on the project, whether its employees are unionized or not, is required to negotiate or become a party to a PLA with one or more appropriate labor organizations. E.O. 14063, § 3. At a minimum, the PLA must:

- a) Bind all contractors and subcontractors on the construction project through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents;**
- b) Allow all contractors and subcontractors on the construction project to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;**
- c) Contain guarantees against strikes, lockouts, and similar job disruptions;**
- d) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the project labor agreement;**
- e) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health; and**
- f) Fully conform to all statutes, regulations, Executive Orders, and Presidential Memoranda.**

E.O. 14063, § 4.



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