

GOVERNOR JOSH SHAPIRO

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Governor Shapiro Announces New Directive for Use of Project Labor Agreements to Support Successful and Timely Projects, Create Good-Paying Jobs, and Strengthen Our Workforce and Infrastructure

The Governor's new PLA guidance will ensure projects are completed successfully and on time at a fair cost to taxpayers, while supporting high quality jobs and strengthening Pennsylvania's economy and infrastructure.

Governor Shapiro is continuing to create real opportunity for Pennsylvanians by directing Commonwealth agencies to carefully consider the use of PLAs as a powerful tool to finish capital projects in a timely manner.



Saxonburg, PA – Today, while visiting the **Pennsylvania Laborers Training Center** in Butler County, **Governor Josh Shapiro** announced a <u>new directive</u> for all Commonwealth agencies under his jurisdiction to evaluate and implement the appropriate use of Project Labor Agreements (PLAs) on Commonwealth projects. Under the Governor's new guidance, Commonwealth agencies will use PLAs on future projects in every instance when the project meets the following criteria: particular need and urgency; complexity of the project; lack of available qualified labor.

In accordance with the Governor's guidance, all agencies will examine each contract solicitation to determine if a PLA is appropriate and allowed – helping to ensure the Commonwealth's public contracting processes for these solicitations are completed in an efficient and timely manner to support the successful completion of capital projects at a fair cost to Pennsylvania taxpayers.

"From repairing our roads and bridges, to building homes and businesses, to establishing critical infrastructure that connects and powers our communities, building trades workers do the hard work that strengthens our infrastructure and grows our economy. I respect that work," **said Governor Josh Shapiro.** "Today, I am issuing a new directive to Commonwealth agencies for the appropriate use of Project Labor Agreements. PLAs guarantee a steady, consistent supply of workers with the right skills to get the job done and set wages and benefits for all workers up front, and often result in major construction projects that get delivered on time or early, on or under budget. If we follow my new roadmap, we can use more PLAs, and get more quality projects done with skilled labor, on time and on budget, and create more opportunity for Pennsylvanians in the process."

Since Day One, Governor Shapiro and his Administration have been focused on bringing people together to get stuff done for the people of Pennsylvania and creating economic opportunity across the Commonwealth. With that focus, the Shapiro Administration has gotten a lot done in 15 months – including rebuilding a collapsed portion of I-95 in Philadelphia in just 12 days, which demonstrated that government can coordinate effectively and efficiently with private contractors and organized labor to deliver for Pennsylvanians.

Effective April 1, 2024, the Governor is directing all Commonwealth agencies under his jurisdiction to examine all contract solicitations to determine if the use of PLAs is appropriate. DGS, led by **Secretary Reggie McNeil**, will partner with all Commonwealth agencies to proactively attach PLAs to solicitations when DGS and the agency establish the need for urgency of the project, recognize the complexity of the project, or validate concerns regarding the availability of qualified labor.

"Skilled labor is crucial for rebuilding infrastructure, and Governor Shapiro's guidance to incorporate PLAs can facilitate the efficient and timely completion of capital projects. Our commitment at DGS is to leverage PLAs whenever appropriate to ensure Pennsylvania's capital projects are executed effectively and inclusively, utilizing skilled labor to meet project timelines and deliver quality outcomes for our residents," said **DGS**

Secretary Reggie McNeil. "Serving Pennsylvanians and strengthening our partnership with businesses is paramount at DGS. By prioritizing transparency, accountability, and integrity in our procurement practices, we build trust and attract top-tier vendors eager to work with the Commonwealth."

Pennsylvania law permits the inclusion of PLAs in certain solicitations, provided they do not preclude any contractor from bidding on the project, the bidding process is open to both union and nonunion contractors without discrimination, and the use of nonunion labor is allowed. PLAs are appropriate in situations where the PLA requirement relates to the need for the prompt completion of the project or concerns with the availability of qualified labor.

Under the leadership of **Secretary Mike Carroll**, PennDOT will also proactively attach PLAs to solicitations if a project meets the same criteria of a particular need and urgency, complexity, or if there is a concern about the availability qualified labor. The Governor's new guidance also calls for PLAs to be used on all future projects in every instance where the requisite urgency, complexity, and availability of qualified labor are demonstrated.

"Of all the states in the Mid-Atlantic region, Pennsylvania's construction industry has an especially impressive history of creating opportunities for local workers and businesses," said **Dennis Martire, Vice President and Mid-Atlantic Regional Manager of LIUNA**. "And now, Pennsylvania is going to do that well into the future through project labor agreements thanks to Governor Shapiro's leadership."

The Shapiro Administration's new PLA guidance and process will help ensure large capital projects are completed promptly and efficiently at a fair cost to Pennsylvania taxpayers, strengthening our economy and our infrastructure, empowering Pennsylvania workers, and improving our labor standards in the process.

"PLAs have a proven track record of success throughout the country, so LIUNA is thrilled to see more of them coming to Pennsylvania," said **Philip Ameris, President, Pennsylvania Laborers' District Council**. "We applaud Governor Shapiro for taking this historic step because PLAs are the definition of a win-win – benefiting everyone involved in large-scale construction projects."

"Project Labor Agreements are an essential tool for streamlining big projects while taking care of workers, which is at the heart of all we do at The Lindy Group," said **Vince Tutino, President at Lindy Paving**. "By highlighting PLAs in his latest policy plan, Governor Shapiro once again shows that he is willing to make bold decisions where everybody wins; this is good for employers and it's good for workers."

The foundation of our economy is our workforce – and since taking office, Governor Shapiro has protected workers and the union way of live by investing in apprenticeship programs, expanding vo-tech, and bringing career and technical education back into our classrooms.

The Shapiro Administration has delivered on that commitment to prioritize workforce training and development by securing historic budget investments and creating new opportunities for Pennsylvania workers. The Governor's 2023-24 budget <u>secured</u> **\$23.5 million** to prepare more students for skilled careers, **\$6 million** in pre-apprenticeship and apprenticeship programming, and an additional **\$3.5 million** to fund the Schools-to-Work Program to develop and expand career pathways for high school students.

"Project Labor Agreements ensure that things are done professionally, safely, and done by the people that are best in the business. That's why the Governor is in favor of PLAs – a Governor that believes in working people," said **Kenny Broadbent, Business Manager for the Pittsburgh Steamfitters Local 449.** "The Governor believes the PLAs are going to ensure that jobs are done professionally."

As a result of the Shapiro Administration prioritizing vo-tech in our classrooms and apprenticeships after high school, during the Governor's first year in office, the Department of Labor & Industry registered 28 new apprenticeship programs – which enrolled more than 4,600 new apprentices.

"I am a second-year laborer apprentice and a proud woman in construction. I left the healthcare industry after 14 years when I got accepted into my apprenticeship program to find more meaningful and engaging work, better wages, and better healthcare," said **Mandy Daughtry, Pennsylvania Laborers Training Center apprentice**. "Having the support from Governor Shapiro and the state of Pennsylvania on future construction projects is important because it will help future apprentices and future workers continue to have the opportunity to earn good wages to provide for our families."

As the Governor <u>showed with I-95</u>, when government works together and we have a skilled workforce ready to do the job, we can build big things again in Pennsylvania and across America. Today's announcement is the next step to rebuilding our infrastructure, growing our workforce, and paving the way to a brighter future for Pennsylvanians.

Click here to read the Governor's new guidance to Commonwealth agencies.

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