

# EDITORIALS

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## State's Dubious Labor Policy

**A** policy that forces construction contractors to hire mostly union help if they want to bid on state projects ill serves taxpayers.

Gov. John G. Rowland's use of this device, ostensibly to improve his image with organized labor, is wasteful. If recent history is any indicator, the so-called "project labor agreements," or PLA clauses, will drive construction costs over budget.

The state Department of Public Works included the first-time-ever demand this year in the bidding specifications for a \$21 million building at Central Connecticut State University. Mr. Rowland touted the demand at the AFL-CIO convention last week.

The Associated Builders and Contractors has launched a legal challenge to the use of PLAs. The dispute has stalled the project. One intent of these agreements is supposedly to prevent delays.

Project labor agreements are said to guarantee labor peace and ensure that all hiring is done locally, and that the project comes in on time and at or close to budget. PLAs also bring about quality control, proponents say.

Nevertheless, many states ban them on the grounds that they limit competition, tie up the job and include hidden expenses that invite high bids.

A study by the University of Pennsylvania's Wharton School in 1993 estimated that union contractors account for only 15 percent of Connecticut's total. That means 85 percent of the state's builders are precluded from bidding on contracts

with PLAs. Fewer bidders means less competition.

Project labor agreements present other problems. The union, not the contractor, selects the employees. Work rules sometimes force contractors to take on more employees than they need. Rather than hire one man who can drive and load a truck, for example, a contractor might have to employ both a loader and a driver.

Technically, a contractor is free to use his own nonunion help under a PLA. To do so, however, the contractor must contribute to the pension and benefits fund of those he has chosen not to hire.

The most specious argument for project labor agreements is that they ensure labor peace. Public Works' own chief architect asserted in a deposition for the builders' lawsuit that he found no evidence of labor unrest in dozens of non-PLA jobs he reviewed.

A good example of how a PLA can drain tax dollars occurred two years ago on a Middletown proposal to renovate Snow School. The town distributed 72 sets of bid specifications containing the PLA and received only four responses. The lowest bid, \$9.1 million, was \$600,000 over the project's \$8.5 million budget. When the town re-bid the project without the PLA, it received 10 responses. The lowest bid was \$7.6 million, a savings of \$1.5 million.

The notion that limiting government jobs to union contractors will guarantee success is dubious at best.