Northeast Kansas Building & Construction Trades Council

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January 25, 2012

The Honorable Anthony Brown

Chairman of Committee on Commerce and Economic Development

Kansas Legislature House

785 DSOB

Topeka, KS 66612

Re: HB 2515 – Enacting the competitive bid protection act.

Dear Mr. Chair

The NE Kansas Building and Construction Trades Opposes HB 2515

On behalf of the skilled craft professionals that comprise the NE Kansas Building and Construction Trades Council, I write to you today to urge your support for the use of project labor agreements for our local public construction procurement services.

We find it ironic that the opponents of PLAs have taken such a hostile view of these agreements when, in fact, they are increasingly being utilized in the private sector by profit-oriented corporations such as WalMart, Toyota, Gillette, Reebok, Disney and many others. These companies have chosen to utilize PLAs because of their desire to achieve efficiency, cost-conscious management and verified highly trained and productive workforce. PLAs are owner-designed and are a preferred choice for many private and public construction projects where a variety of project management methods are available at the owner's discretion. It appears that some members of the legislature would deny our state a cost saving and efficient management tool that is often preferred by private construction owners, builders, and contractors. Opponents of PLAs having lost a growing number of private sector arguments — not to mention every single court case at the federal, state, and local levels —against owner-builder preference for PLAs, seek to use rank political arguments over economic arguments in an attempt to restrict the discretion to use PLAs where appropriate on public construction projects.

House Commerce & Economic Development Committee Date: 01/26/2012
Attachment #: 10 - 1

Republican and Democratic governors, as well as a strong bi-partisan group of U.S. congressional members, have endorsed the use of PLAs because they recognize the value of giving public agencies the authority to assess, on a project-by-project basis, the utility of using a PLA. The public officials also recognize the fact that PLAs are neither mandatory nor are they "union-only." Once a PLA has been negotiated, both union and non-union contractors are free to bid on the work as they do on any construction project.

From decades of real-life experience, it is indisputable that PLAs are a voluntary, legal and most often a highly efficient means of meeting construction quality standards, project deadlines, and unique project demands. For this reason, PLAs are increasingly found on private sector projects where corporate budget and scheduling decisions are highly scrutinized. In 2010, over 150 PLAs were negotiated and put into effect across the United States with a combined value approaching \$200 billion.

Smart construction management, whether public or private, demands having the flexibility to utilize ALL available project management tools, including project labor agreements. Banning the consideration and use of PLAs does not serve the interests of sound construction management.

Limiting the ability of our governmental agencies from utilizing PLAs would stand in stark contrast to the private sector where the utilization of PLAs is strong and growing. And that is because of one simple reason: THEY WORK!!!!

Sincerely,

Brian Threadgold

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NE Kansas Building and Construction Trades