

# One-Page Guide: The Impact of the New Executive Order Regarding PLAs

## What does Executive Order (EO) 14063 entail?



As of February 4th, 2022, the new EO requires project labor agreements (PLAs) to be implemented on all federally funded projects that are worth \$35 million or more. It coincides with the Bipartisan Infrastructure Bill recently passed, which drastically increases the federal funding of public works construction over the next 5 years.

The [White House](#) estimates that EO 14063 will affect roughly \$262 billion in federal contracts and potentially 200,000 workers.

## What is a PLA?

A PLA is a project-specific contract agreement typically negotiated between the project owner and the local trade unions (and sometimes the general/prime contractor).



It is announced prior to the bidding process and all contractors will then have to agree to it before being awarded a contract. Generally, a PLA will include provisions pertaining to:

- Wages and benefits
- Work hours and overtime
- Jobsite rules
- Safety protocols
- Requirements for apprenticeships and other training programs
- Employment practices & procedures for disputes

## How might training and employment practices be affected?



Sometimes PLAs may require that a certain percentage of the workers employed on the project reside in the local community or belong to a certain demographic(s). This, of course, would funnel down and affect training and apprenticeship programs. These types of PLAs may also be called Community Workforce Agreements.

## Are there any exceptions for projects using federal funds?



In addition to projects under \$35 million, it's important to clarify that this EO does not apply to federally assisted projects.

This means projects that are only partially funded with federal money are not necessarily required to include PLAs. However, that does not mean that invested parties won't implement PLAs on their federally assisted projects of their own accord.

## Can open shop contractors work on PLA Projects?



Yes. EO 14063 makes it clear that non-union contractors can still win federal projects. They may, however, need to be more open to working with union apprenticeship programs on a one-off basis for these kinds of projects to meet employment and apprenticeship goals.

They should also be aware of the typical stipulations that come with federal projects, like Davis-Bacon requirements.