



**KING COUNTY**

1200 King County Courthouse  
516 Third Avenue  
Seattle, WA 98104

**Signature Report**

**April 30, 2002**

**Motion 11415**

**Proposed No.** 2002-0160.2

**Sponsors** Sullivan and Phillips

1           A MOTION recommending the inclusion of a project labor  
2           agreement for the Harborview Medical Center bond  
3           program and providing direction to the county's  
4           representative on the oversight committee.

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7           WHEREAS, the King County council approved Ordinance 14295 on March 4,  
8           2002, authorizing and directing the county executive to enter into an agreement for the  
9           provision of project management services between the University of Washington,  
10          Harborview Medical Center (HMC) and King County, and

11          WHEREAS, the King County Council directed the county executive in Ordinance  
12          14295, Section 7, to evaluate whether one or more project labor agreements (PLAs)  
13          would reasonably achieve the HMC construction project's labor, employment and  
14          economic objectives and facilitate the completion of construction contracts on time and  
15          within budget, and

16          WHEREAS, the objectives of the HMC project are to finance, design and  
17          construct certain public health and safety improvements for the HMC campus, including

18 but not limited to seismic upgrades, renovations and construction of new buildings for  
19 patient care, research, teaching and administration as well as certain facilities to meet  
20 requirements of the county medical examiner, and

21 WHEREAS, the county's apprenticeship utilization goals to enhance participation  
22 of minorities, women, persons with disabilities and economically disadvantaged youth  
23 are important regional labor and employment objectives and are incorporated in the  
24 Agreement for Project Management Services with the University of Washington and  
25 Harborview Medical Center, and

26 WHEREAS, completing the construction contracts on time and within budget is  
27 important for the public health and safety, and

28 WHEREAS, the executive's representatives have undertaken a study of PLAs in  
29 the Puget Sound region, obtained copies of recent PLAs utilized by local agencies  
30 including Sound Transit, the port of Seattle, the city of Seattle and other major projects  
31 including the baseball and football stadiums, and interviewed project managers and their  
32 representatives, and

33 WHEREAS, the executive representatives have reviewed materials provided by  
34 both proponents and opponents of PLAs from both past and current projects and  
35 considered the arguments made in favor and opposition to PLAs, and

36 WHEREAS, project labor agreement can be tailored to meet King County  
37 objectives, and may be signed by unions and contractors, without requiring the owner to  
38 be a signatory, and

39 WHEREAS, the United States Supreme Court upheld their legality in 1993 and  
40 PLAs have sustained legal challenges on both constitutional and public procurement  
41 competition bases, and

42 WHEREAS, PLAs may establish the terms of employment and work conditions  
43 for the duration of the project, and

44 WHEREAS, PLAs have been increasingly utilized on public works projects  
45 across the nation, and

46 WHEREAS, many states have established standards and processes for the use and  
47 inclusion of PLAs, and

48 WHEREAS, in 1996 the governor of this state signed Executive Order 96-08,  
49 declaring PLAs are of "great potential economic benefit for appropriate and time  
50 sensitive major construction projects which will extend for a substantial period of time,  
51 involve a substantial number of contractors, subcontractors and trades and craft workers,  
52 and have a substantial dollar value," and

53 WHEREAS, formal studies have been prepared in this region on behalf of other  
54 public agencies identifying the use of regional crafts and potential cost savings for public  
55 projects. These studies have been obtained and reviewed by the executive and are  
56 incorporated in the executive's report to the council so no comparable study is required,  
57 and

58 WHEREAS, the primary benefit attributed to PLAs is that they offer ongoing  
59 labor harmony between trades and union and non-union laborers, and

60 WHEREAS, the public interest will be promoted by negotiating agreements to  
61 reduce labor disruptions, such as strikes, lockouts or slowdowns, which could adversely  
62 affect completion of the project, and

63 WHEREAS, other local public projects demonstrate that labor unions, contractors  
64 and owners have successfully negotiated PLAs that streamline the working relationship  
65 between the trades and crafts used on the project, and

66 WHEREAS, the anecdotal evidence received from project managers on  
67 comparably complex projects in this region shows that those projects with PLAs are on  
68 schedule and on budget and the relationships between the project managers and the  
69 unions are collegial, and

70 WHEREAS, both private and public project managers claim they have better  
71 control of costs, efficiency, quality, safety and schedule with the negotiated PLAs, and

72 WHEREAS, all local PLAs include provisions that guarantee labor peace and no-  
73 strike requirements for the life of the contract, offer speedy jurisdictional dispute  
74 resolution, recognize seniority and encourage creative apprenticeship opportunities, and

75 WHEREAS, concerns have been raised about restricting open shop contractors  
76 from competing on the project and negative impact on small disadvantaged businesses  
77 and minority and women-owned businesses, and

78 WHEREAS, terms of PLAs may be negotiated with union leadership to increase  
79 apprenticeship opportunities, waive union labor requirements for certain minority and  
80 women's business enterprises and small disadvantaged businesses from within this  
81 region, and waive the "double benefit" requirements assessed to a nonunion company;

82 NOW, THEREFORE, BE IT MOVED by the Council of King County:

83           A. King County has determined that if certain principles described further in  
84 subsection B of this motion are incorporated into a project labor agreement, then:

85           1. PLAs may streamline the construction schedule by reducing labor-related  
86 disruption during the term of the HMC project;

87           2. PLAs may reduce labor-related disputes impacting the operation of the  
88 Harborview Medical Center during the construction schedule;

89           3. PLAs may ensure access to skilled labor;

90           4. PLAs may promote diversity of HMC project workforce and increase  
91 apprenticeship opportunities;

92           5. Opposition to PLAs may be mitigated by allowing a negotiated number of  
93 core employees for nonunion shops, allowing nonunion shops that provide their own  
94 benefits to waive the duplicative union benefit requirements, and waiving union-labor  
95 requirements on a case-by-case basis for regional minority and women's business  
96 enterprises and small disadvantaged businesses; and

97           6. Additional costs associated with negotiating and administering PLAs are  
98 offset by the labor harmony achieved in regional projects.

99           B. Any implemented PLA or PLAs shall include provisions incorporating the  
100 following principles:

101           1. Guarantee no strikes, walkouts or job actions that interrupt project work;

102           2. Agree on binding dispute resolution provisions to resolve all labor disputes  
103 between the general contractor/general manager, subcontractors and crafts with  
104 provisions for liquidated damages for costs associated with labor disturbances or delays;

- 105           3. Agree to provide adequate and continuous regional workforce and, if  
106 necessary, to obtain labor from outside the region to ensure timely completion;
- 107           4. Agree on clear application of PLA provisions to all construction craft  
108 employees on-site but not to general contractor/general manager, King County,  
109 Harborview, University of Washington employees or off-site manufacturers;
- 110           5. Agree on nondiscriminatory hiring practices for nonunion labor that authorize  
111 continued employment of companies' core employees;
- 112           6. Allow open-shop contractors who offer benefits to their employees to  
113 continue to offer their benefit plan without paying for union benefits;
- 114           7. Use and deployment of apprenticeship programs meeting and exceeding the  
115 county's goals;
- 116           8. Increase opportunities for participation by regional companies owned by  
117 minorities, women and economically disadvantaged businesses, including but not limited  
118 to waiving union labor requirements, and utilizing flexible bonding options; and
- 119           9. Standardize hours, shifts, work start, and related issues.
- 120           C. The county representative to the oversight committee shall request that the  
121 oversight committee review and consider for approval the implementation of one or more  
122 PLAs.
- 123           D. The county representative shall request that the oversight committee assign  
124 responsibility for negotiating any PLA to either the general contractor/construction  
125 manager or to an experienced contractor selected by the oversight committee.

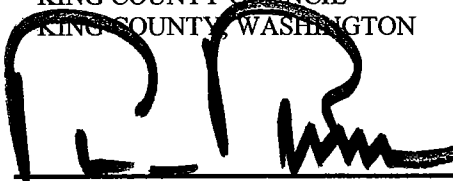
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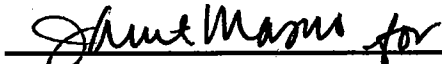
126 E. The specific scope, form, nature and content of the PLA or PLAs shall be  
127 determined by the oversight committee.  
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Motion 11415 was introduced on 4/8/2002 and passed as amended by the Metropolitan King County Council on 4/29/2002, by the following vote:

Yes: 9 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Mr. Phillips, Mr. Pelz, Mr. Constantine, Mr. Pullen, Mr. Gossett and Ms. Patterson  
No: 3 - Ms. Lambert, Mr. McKenna and Mr. Irons  
Excused: 1 - Ms. Hague

KING COUNTY COUNCIL  
KING COUNTY, WASHINGTON  
  
for Cynthia Sullivan, Chair

ATTEST:

  
Anne Noris, Clerk of the Council

**Attachments** A. Executive Recommendation for Project Labor Agreement on Harborview Medical Center Bond Program Source Materials Vol. I and Vol. II