

1 estimate actual total project costs;

2 (2) promote cost-efficient, timely and safe construction project delivery by providing
3 access to a reliable supply of properly trained and skilled construction craft personnel for all
4 aspects of the project;

5 (3) assure greater productivity and workmanship quality from construction craft
6 personnel, thereby yielding high quality, cost-efficient projects, while also reducing maintenance
7 and repair costs over the life of the project;

8 (4) integrate work schedules and standardize work rules for the project, to provide a well-
9 coordinated, efficiently functioning construction worksite that will minimize delays, promote
10 quality and maintain project safety; and

11 (5) assure that construction will proceed without interruptions that can result from
12 staffing shortages, high employee turnover, safety incidents and labor disputes, by providing
13 reliable project staffing, as well as contractual guarantees against work stoppages and mutually
14 binding procedures for resolving disputes.

15 (d) A project labor agreement can therefore provide a public entity with a useful tool for
16 advancing its interests in cost-efficiency, quality, safety and timeliness in public works
17 construction.

18 (e) Consistent with this state's role as a market participant in purchasing construction
19 services and the routine practice under public contracting laws of requiring contractors and
20 subcontractors to meet certain qualification standards as a condition of performing public projects
21 a public entity may require contractors and subcontractors to abide by a project labor agreement
22 as a condition of working on a particular public works project.

23 **37-23-3. Definitions.** – As used in this chapter, the following words and terms shall have
24 the following meaning:

25 (a) "Project labor agreement" means a form of multi-employer, multi-craft pre-hire
26 collective bargaining agreement covering terms and conditions of employment for construction
27 employees on a particular construction project.

28 (b) "Public entity" means the state, any of its political subdivisions, any authority created
29 by the legislature, and any instrumentality or agency of the state or any of its political
30 subdivisions.

31 **37-23-4. Project labor agreements.** – (a) A public entity may use a project labor
32 agreement on a public works project, without limitation to the size, complexity or cost of the
33 project, when it determines, in the exercise of its discretion, that doing so will further its interests
34 in securing a reliable supply of trained, skilled craft workers for the project and in avoiding

1 potential delays and disruptions in the project.

2 (b) A public entity considering using a project labor agreement on a particular project
3 shall undertake an evaluation to determine whether doing so would advance its interests.

4 (c) The public entity that decides, based on its evaluation, to use a project labor
5 agreement on a particular project shall set forth the basis for its decision in writing.

6 (d) A reviewing court shall uphold the public entity's decision unless a party challenging
7 the decision demonstrates by clear and convincing evidence that it was arbitrary or capricious.

8 **37-23-5. Implementation of project labor agreement.** – When a public entity has
9 determined, pursuant to section 37-23-4, to use a project labor agreement on a particular project:

10 (a) the agreement shall be made binding on all contractors and subcontractors working on
11 the site; and

12 (b) the public entity shall implement the project labor agreement by including the
13 requirement to adhere to the agreement in the bid specifications in all relevant bid documents.

14 **37-23-6. No requirement to become party to collective bargaining agreement.** –
15 Notwithstanding the requirements of section 37-23-5, no contractor shall be required to be or
16 become a party to a collective bargaining agreement on any other construction project in order to
17 qualify to work under a project labor agreement implemented for a particular project pursuant to
18 section 37-23-5.

19 **37-23-7. Requirements for project labor agreement.** – A project labor agreement
20 implemented pursuant to the provisions of this chapter shall:

21 (a) set forth effective, mutually binding procedures for resolving any jurisdictional and
22 labor disputes arising during the construction process;

23 (b) contain guarantees against strikes, lock-outs and similar actions; and

24 (c) state that employment on the project will be available to any qualified applicant,
25 without regard to union membership.

26 SECTION 2. This act shall take effect upon passage.

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LC00622
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO PUBLIC PROPERTY AND WORKS -- PROJECT LABOR AGREEMENT

- 1 This act would permit the discretionary use of project labor agreements by public entities
- 2 on public works projects in this state.
- 3 This act would take effect upon passage.

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LC00622
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