



SHEET METAL AND AIR CONDITIONING CONTRACTORS' NATIONAL ASSOCIATION

April 25, 2011

Mr. Jim Corcoran  
President  
Fairfax County Chamber of Commerce  
8230 Old Courthouse Road, Suite 350  
Vienna, VA 22182-3853

Dear Mr. Corcoran:

**The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA), is supported by more than 5,000 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal construction throughout the United States. On behalf of SMACNA, I want to express our support for the appropriate use of construction project labor agreements (PLA's) on public construction.** I was disappointed with your Washington Post letter ("Another Cost Issue for Dulles Metro", April 20, 2011) on the Dulles Airport MWAA decision to use an open bidding project agreement and how you mischaracterized the rules by which a public entity must bid work on PLA's. You must know that the Supreme Court decision on the Boston Harbor PLA found unanimously that on public work no discrimination over labor status can be allowed for the selection of contractors or workers. This situation is **UNLIKE** private construction project agreements where union-only is allowed and often preferred by building owners. Since more than two-thirds of construction contractors have fewer than five employees it is unlikely most will ever bid these large projects or be found eligible for a variety of reason unrelated to union or non-union affiliation. Making the PLA issue a union versus non-union issue simply misses the mark. It is also a mistake to use the number of non-union firms claiming to be in business to argue that the majority of firms are disenfranchised on large PLA's. Legally they cannot be excluded but functionally they are not likely to bid or win a contract due to size, firm capability or administrative resources. In reality a small fraction of all firms would bid a large public project or be found qualified regardless of the clamor you may have heard from the anti-union chorus.

It is ironic that you mentioned the private market bidding process as most project labor agreements (PLA's) are on private work and often do not allow non-union bidders or non-union, unskilled workers for quality, size, experience or merit reasons. Today the largest **PRIVATE** construction project in the US, in Malta, NY, is being built with a PLA! **Only on public project agreements do non-union firms and workers have the unquestioned legal right to bid and be treated without discrimination due to labor status.** So... on public projects so-called "merit" firms have "government protection" or special bidding rights but on the private sector PLA's they are without the right to bid... or complain when owners seek real merit and bid to firms they want to do business with for quality and trust factors. Why the anti labor-/anti-PLA forces leave this detail out is obvious: the truth undercuts their case for sympathy. Also note that the reason many non-union firms do not like PLA's is that the onsite implementation of business ethics, contracting and employment law is strictly enforced by management representatives. Contract violations are also more harshly dealt with for project harmony and scheduling reasons.



CAPITOL HILL OFFICE: 305 4TH STREET NE • WASHINGTON DC 20002  
PHONE: 202 547 8202 • FAX: 202 547 8810

HEADQUARTERS: 4201 LAFAYETTE CENTER DRIVE • CHANTILLY VA 20151-1209  
MAIL ADDRESS: P.O. BOX 221230 • CHANTILLY VA 20153-1230  
PHONE: 703 803 2980 • FAX: 703 803 3732  
WEB: [www.smacna.org](http://www.smacna.org)

Your assumption that a PLA will cost more and take longer is based upon anti-PLA myth or a report done for those losing the PLA selection battle on private projects to Fortune 100 firms not known for sympathy to organized labor. The fact is private PLA's are most common and selected by corporate builders to save money and get complex work done on time. Projecting the potential cost or schedule of large and complex projects cannot be done simply by assuming higher costs for projects with a skilled, higher paid workforce. It is the productivity, experience and training of the workforce that brings in PLA projects on time and on budget. Since no two PLA's are the same in size, scope or character it is not a simple matter to assail the next PLA with the last one finished. Owners need to look at the scope and type of work and make the decision most likely to serve their economic interests. Project productivity is not often found on jobs featuring transient workforces recruited project by project and who frequently have limited experience on complex public works. That is why private owners often do not allow "merit" firms in the bidding pool. It is economics over ideology that guides major corporations to freely consider and utilize PLA's.

As the Supreme Court found, public and private owners deserve the same right to determine the project management process for their construction. Considering the appropriate contract method, should it be PLA or not, is best left to the discretion of the project owner. If a PLA is the best method for a unique project then so be it. Public and private PLA's are found for economic reasons in every corner of the USA, from Alaska to Florida and from Texas to Maine, regardless of politics or party. PLA's are found in areas where unions are rare and in areas where they are common. Simply put, owners frequently decide to build with a more skilled labor force with experience on larger projects under tight budgets.

From your letter to the Washington Post it seems you are most concerned with those firms viewing PLA's as a labor issue and not as a project management decision made on economic factors. We support the right of the private and public owner to consider and decide on the project management method best suited to their project. We would urge you to consider doing the same.

In the future we hope you will keep the focus on improving the construction environment for ALL construction contractors and their workforces in Fairfax County and throughout NVA.

Sincerely,

A handwritten signature in black ink that reads "Stanley E. Kolbe Jr." The signature is written in a cursive, flowing style.

Stan Kolbe  
Director, Government Affairs  
SMACNA, Inc