



## **De Blasio Administration arranges labor agreements on public projects; To save city \$347 million / opening doors for M/WBE businesses**

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Mayor Bill de Blasio, counsel to mayor and M/WBE director Maya Wiley, contract services director Lisette Camilo, senior advisor to the mayor Bill Goldstein, and School Construction Authority president Lorraine Grillo, revealed a deal on several new project labor agreements with the Building and Construction Trades Council of Greater New York (BCTC) that will cover \$8 billion of construction projects throughout the term of the agreements and will save the city \$347 million. This amount includes a savings of \$70 million related to citywide renovation work, \$84 million related to Department of Environmental Protection renovation work, and \$195 million related to School Construction Authority work. The Health and Hospitals Corp. is also analyzing whether to enter into a PLA that will yield additional savings.

In negotiating the current citywide renovation and DEP PLAs, the city focused on methods to increase opportunities for Minority and Women-Owned Business Enterprises, and created notable exemptions within the agreement to improve M/WBE participation in city construction work. The city and the BCTC also entered into a Memorandum of Understanding (MOU) focusing on increasing opportunities for women, new high school graduates of the city's public schools, returning veterans and employees of certified M/WBEs by providing them with expanded career paths to good-paying construction jobs through apprenticeships.

"We are using every tool we have to reduce inequality in this city, and today's agreement will ensure that the city will create good-paying jobs while managing our city projects in a cost-effective and fiscally responsible manner," said de Blasio. "And for the first time ever, the city has negotiated provisions to open doors of economic opportunities for minority and women-owned businesses and create new pathways to good jobs for New Yorkers."

"This agreement will help ensure that the city's investments will create a pathway to prosperity for our diverse workers and business owners who help build our city. Everybody wins - M/WBEs, veterans, women of all races and workers from traditionally disadvantaged backgrounds. Together we will turn the tide on inequality and build one city, rising together," said Maya Wiley, Counsel to Mayor and M/WBE Director.

"We are pleased with the continuation of Project Labor Agreements on public building and infrastructure projects, which have saved taxpayers in New York City hundreds of millions of dollars," said Gary LaBarbera, President of the Building and Construction Trades Council of Greater New York. "These projects also have employed tens of thousands of workers who are paid prevailing wages with benefits, and have also created thousands of opportunities for local residents from diverse backgrounds to enter apprenticeship training programs where they acquire the skills necessary to compete for middle class careers. These PLAs truly are a representation of what we

can accomplish when government works with private industry and organized labor to produce results for taxpayers and working families alike."

"As we continue to expand access and opportunity for economic growth in our city, we must ensure that workers are paid the middle class wages that will allow them to live, raise families, and invest in our local economy," said Vincent Alvarez, President of the New York City Central Labor Council, AFL-CIO. "Today's announcement paves the way for true, continued partnership between the construction workers whose skill and dedication build our city, and the entrepreneurs whose ideas and innovation create a better quality of life for all of us."

"The top priorities of the One Hundred Black Men, Inc. of New York are business opportunities, job creation and economic development within the Black community in New York City. With these as our top priorities, we strongly support the MOU agreement between the City of New York and the BCTC. New York City is the Fortune 500 capital of the world and we support effective leadership that focuses on solutions rather than problems regarding the issues that affect the Black community. As the founding chapter of the 100 Black Men of America, we look forward to working with the de Blasio administration, the BCTC and other stakeholders in providing solutions that will sustain job growth within the construction industry of New York City," said Steve Board, Executive Director of One Hundred Black Men, Inc.

"I'm pleased to see the administration is taking steps to ensure greater participation of M/WBE contractors with this project labor agreement. It is important that we create economic opportunities for all New Yorkers and this agreement work towards that end," said Reverend Michael Walrond, Senior Pastor of First Corinthian Baptist Church.

"The Women Builders Council recognizes the hard work New York City is doing on behalf of M/WBEs. There are several changes in the new Project Labor Agreement that is being signed with the City of New York that facilitate new construction contracting opportunities for M/WBEs. We congratulate the Mayor and his team for this achievement," said Deborah Bradley, President of Women Builders Council.

"Supporting minority and women-owned businesses is a necessary priority to ensuring the continued growth of our city's economy," said Council Member Donovan Richards, chair of the Council Committee on Environmental Protection. "This labor agreement is tremendous news due to not only the additional doors being opened for M/WBEs, but also the reduced costs and job opportunities for upcoming DEP renovation work. I'd like to applaud Mayor de Blasio's administration for making sure M/WBEs are at the forefront of any labor negotiation."

"I'm thrilled to learn about the new project labor agreements with the Building and Construction Trades Council," said Council Member Brad Lander. "The City's approach to the PLAs will ensure significantly increased opportunities for minority and women-owned businesses, reduced costs, and that our workers are provided the protection and stability they need. These new labor agreements are a strong step forward for New York."

"The new Project Labor Agreements will help save the City millions of dollars, establish a more efficient and effective contracting process and enhance opportunities for minority and women-owned businesses. These agreements represent an important step in ensuring that City contracts are performed by the most qualified and skilled workers, and that all these workers be treated with dignity," said Council Member Helen Rosenthal.

The citywide renovation and DEP PLAs will increase opportunities for Minority and Women-Owned Business Enterprises (M/WBE) in City contracting:

By increasing the dollar threshold for PLA applicability on prime contracts from \$100,000 to \$250,000, the City will be able to support increased M/WBE utilization as prime contractors on smaller projects.

The PLA establishes a carve-out from PLA applicability for prime contracts under \$1 million that are bid out to M/WBE pre-qualified lists.

City-certified M/WBE firms will continue to be allowed to utilize specific "bring-along" provisions for contracts under \$1 million and to use up to half of their own workforce to perform trade work on PLA contracts - allowing more of the M/WBE firm's employees to work on these contracts.

The City's Memorandum of Understanding with the BCTC will create new pathways for good jobs for New Yorkers:

The MOU expands apprenticeship goals, requiring 55 percent of new apprenticeship slots to be filled by graduates of New York City public high schools who have completed pre-apprenticeship training provided by The Edward J. Malloy Initiative for Construction Skills, returning veterans referred by New York City Helmets to Hardhats, women graduates of Nontraditional Employment for Women, NYCHA and Section 8 residents and employees of certain certified M/WBEs.

The MOU re-establishes the Mayor's Commission for Construction Opportunity to ensure that the City is at the forefront of creating job and contracting opportunities and to ensure accountability for those goals.

"The signing of a new Project Labor Agreement between the City and the Building and Construction Trades represents a major step forward in building City capital projects," says Bill Goldstein, Senior Advisor to the Mayor for Recovery, Resiliency and Infrastructure. "It allows for efficient, cost effective construction and also expands support for innovative pre-apprenticeship programs."

"These new agreements generate real savings for taxpayers, provide meaningful opportunities for M/WBE contractors and allow access to well-paying careers for so many New Yorkers," said Lisette Camilo, Director of Mayor's Office of Contract Services. "The PLAs are a shining example of what can happen when we work together towards a common goal."

"The newly executed Project Labor Agreements will help the Department of Design and Construction, as well as other New York City agencies with robust capital programs, to effectively coordinate a citywide effort towards resiliency, efficiency and safety. The PLA will help advance public works projects that will benefit all citizens, taxpayers, school children, tourists, and businesses for decades. The new PLA will help DDC build a new generation of public works that weave our diverse communities closer together and enrich the great fabric of our extraordinary city. The reason for the newly executed PLAs is straightforward: PLAs provide value for government purchasers of construction services - getting the best work for the money with far greater likelihood of on-time, on-budget performance. Public investment in new construction and renovation is for the long run. It alters the landscape and is a legacy for future generations," said Dr. Feniosky Peña-Mora, Commissioner of the Department of Design and Construction.

"For over a decade, the SCA and the New York City building trades have enjoyed the mutual benefits of their Project Labor Agreement. We look forward to continuing this collaboration as full partners in implementing the SCA's capital construction program," said Loarraine Grillo, President and CEO of The New York City School Construction Authority.

"It's important that we use every lever at our disposal to help create good jobs, stronger small businesses, and a fairer economy," said Maria Torres-Springer, Commissioner of the Department of Small Business Services. "This agreement embodies the Administration's commitment to inclusive

growth. As we make important capital investments, we will also open doors for M/WBEs and connect more New Yorkers to good jobs."

"With the announcement of these agreements, Mayor de Blasio has created a national blueprint for cities across the nation," said Louis J. Coletti, President and CEO of the Building Trades Employers' Association. "These agreements will result in reducing income inequality in NYC by reducing construction costs and saving taxpayers money, and providing good paying jobs for NYC residents that will strengthen this city's middle class."

"I applaud the Mayor's effort to take steps in this agreement to address economic inequality by creating greater opportunities for M/WBE contractors," said Reverend Calvin Rice, Senior Pastor of New Jerusalem.

The newly negotiated PLAs focus on general renovation and rehabilitation of existing City-owned buildings as well as new construction, and generate their savings from exemption from Wicks Law requirements, standardization of union work rules and terms, and project stability through labor peace. In order to reduce costs, streamline projects, and expedite project completion, construction projects subject to the new PLAs will be exempt from the Wicks Law requirements, which significantly increase the City's construction costs and delay the completion of important projects. The Wicks Law requires public contracts for construction and alteration of buildings in excess of \$3 million to have separate specifications and bidding for various types of work, including plumbing and gas fitting, steam heating and hot water, ventilating and air conditioning, and electrical work and general contracting - requiring the coordination of multiple contractors.

These PLAs create direct labor cost savings through the standardization of various work rules and terms found in the collective bargaining agreements of the individual trades. The agreed upon work rules and terms include: an overtime cap placed on work performed on specific days and no restrictions on a contractor's ability to schedule overtime when dealing with deadlines; elimination of duplicate staffing of trades for temporary services provided on job sites (heat, water, power and light); regulation of pay to employees who have reported to work, but are unable to perform due to unforeseen work-related circumstances; flexibility of scheduling across all trades, including agreement on an eight-hour workday and forty-hour work week, flexible start times, nine standard holidays, and coordinated lunch periods; and contractor discretion regarding the number and qualifications of employees, as well as the selection of materials, techniques, and methods.

The new PLAs also provide project stability and labor peace, including prohibition of costly strikes on jobs covered by the new PLAs, regardless of broader work stoppages due to labor disputes outside of the City's control and an expedited arbitration process to resolve disputes arising during a project, including disputes between unions regarding jurisdiction of work.