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Union requirement would be setback for new Holyoke Soldiers' Home

Last-minute amendment would add cost and delay to construction of new facility



GREG BEEMAN Mar 29, 2021

A LAST-MINUTE AMENDMENT requiring that construction unions be the “sole and exclusive” source of job site labor for construction of a new Holyoke Soldiers’ Home throws a wrench in the works of important legislation that must be signed soon to gain funding from a federal Veterans Administration matching grant.

According to federal Bureau of Labor Statistics data analyzed by unionstats.com, [more than 83 percent](#) of the Massachusetts construction workforce chooses not to affiliate with a union. Open-shop firms employ their own workers. Yet the new union-only language, known as a project labor agreement (PLA), would require them to get all their workers from unions. That means the amendment would prohibit more than four out of every five Massachusetts construction workers from working on the project.

Preventing the vast majority of workers from having access to a public project translates to far fewer bidders. Fewer bidders mean less competition, and that means taxpayers pay more. Research documenting the cost of PLAs could fill a warehouse. A [2010 study](#) from New Jersey’s Department of Labor and Workforce Development placed the PLA premium at more than 30 percent and also found that the projects took 28 percent longer than those built using open competition.

Perhaps that’s why the Massachusetts Supreme Judicial Court has placed limits on PLAs, ruling that they “will not be upheld unless (1) the project is of such size, duration, time and complexity that the goals of the competitive bidding statutes cannot otherwise be achieved; and (2) the

record demonstrates that the awarding authority undertook a careful, reasoned process to conclude that the adoption of a PLA furthers the statutory goals.”

It appears unlikely that adding a PLA via a last-minute amendment would meet the requirement.

Some say the PLAs ensure that workers earn fair wages. But public construction projects like the Holyoke Soldiers’ Home are already covered by state and federal prevailing wage laws that guarantee union-scale wages for all workers, regardless of labor affiliation.

In this case, the recent amendment takes the unusual step of leaving the setting of wages to the PLA. That leaves labor costs, a very significant part of any construction project, undetermined and suggests that pay rates could be even higher than prevailing wages.

Another claim is that union workers are better trained. But open-shop tradespeople are subject to all the same state training requirements as their union counterparts.

Proponents also claim that open-shop companies aren’t really prevented from bidding, and their employees aren’t prohibited from participating. But the reality is that the employees would have to leave and join the union. The contractor would be forced to put a bid together having no idea who would be assigned to them from the union hall to perform the work.

Imagine if the roles were reversed and unions were required to completely change the way they operate in order to have access to public construction projects. It would be unthinkable – and rightfully so. The same should be true when it comes to an 11th-hour change to block open-shop participation in an important public construction project.

Legislation to build the new Holyoke Soldiers’ Home heads next to the Commonwealth’s Bonding Committee. If approved, it will then head to the House and then Senate Ways and Means Committees. To meet the deadline to be eligible for the Veterans Administration grant, Gov. Baker has asked to have the bill on his desk by Thursday, April 1.

Massachusetts is fortunate to have tremendous talent on both the union and open-shop sides of its construction industry. The two sectors routinely work side by side with no problems on both public and private construction projects.

If there was ever a public-sector project on which the two sides should work in harmony, this is this one. Qualified contractors and tradespeople of all stripes should have the opportunity to contribute to building a facility that serves Massachusetts veterans and would replace one that was the site of such tragedy last year in the initial days of the pandemic.

Greg Beeman is the president of Associated Builders and Contractors of Massachusetts.