

**Acquisition Policy
DOT DASH
2010-10**

Date: May 26, 2010

To: Chief of the Contracting Office (COCO)
Acquisition Personnel

From: Office of the Senior Procurement Executive

Subject: Federal Acquisition Circular 2005-41

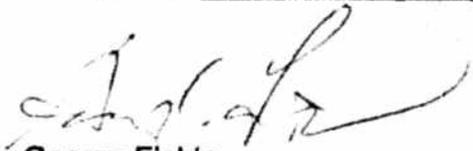
Summary: On February 6, 2009, the President issued Executive Order 13502 (the Order), Use of Project Labor Agreements (PLA) for Federal Construction Projects. In the Order, the President announced that it is the Federal Government's policy "to encourage executive agencies to consider requiring the use of PLAs in connection with large-scale construction projects (i.e., projects where the cost to the Federal Government exceeds \$25 million) in order to promote economy and efficiency in Federal procurement."

On April 13, 2010, the General Services Administration, Department of Defense and National Aeronautics and Space Administration (NASA) published a final rule (Use of PLA for Federal Construction Contracts) to amend the FAR and implement the Order. The final rule applies to all solicitations for contracts issued on or after the rule's effective date.

In order to gather information on how Federal agencies use PLAs under the Order, DOT agencies are to submit quarterly (on February 1, May 1, August 1, and November 1) a report identifying all contracts awarded in connection with "large-scale construction projects," as defined in the Order, including the contract number, dollar value of the total contract award, and the product and service code describing the project. For each contract, agencies should indicate whether a PLA was required in the solicitation, provide a brief explanation of the considerations in deciding whether a PLA was appropriate for the project, and specify at what organizational level the decision was made.

This DASH and its attachment will be available online at the following website:
<http://www.dot.gov/ost/m60>, under Breaking News or Quick Picks, Policy DASHES.

Questions concerning this policy DASH should be directed to Lenita Ahmadi at (202) 366-4974 or lenita.ahmadi@dot.gov.



George Fjelds,
Acting Senior Procurement Executive, M61

Attachment

Federal Acquisition Circular 2005-41
Summary of Final Rule
Project Labor Agreements

This final rule amends Parts 22 and 52 of the FAR to implement Executive Order (EO) 13502, Use of Project Labor Agreements (PLA) for Federal Construction Projects. The final rule encourages Federal agencies to consider the use of PLAs on a project-by-project basis on large-scale construction projects, such projects defined as at least \$25,000,000 in total project cost.

Under the EO and final rule, a PLA, which is a pre-hire collective bargaining agreement on construction projects must, among other things: bind all contractors and subcontractors engaged in construction on the construction project to comply with the project labor agreement for the life of the project; allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements; contain guarantees against strikes, lockouts, and similar job disruption; and contain effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the project labor agreement.

The final rule encourages agency planners during acquisition planning to consider the use of PLAs. The rule also identifies a number of factors that agencies may consider to help them decide, on a case-by-case basis, whether the use of a PLA is likely to promote economy and efficiency in the performance of a specific construction project.

Finally, the final rule creates new solicitation provisions and contract clauses to be used when an agency makes a determination that a PLA will be required on a large-scale construction project. These provide agencies flexibility to require that: an offeror submit an executed PLA with its offer; an apparent successful offeror submit an executed PLA prior to contract award; or a contract awardee submit an executed PLA after contract award.