



STATE OF WASHINGTON
— OFFICE OF GOVERNOR BOB FERGUSON —

EXECUTIVE ORDER 25-07

PROJECT LABOR AGREEMENTS

Superseding Executive Order 96-08

WHEREAS, state-funded construction projects require major financial expenditures for public works projects critical to the public interest, including those for infrastructure and other essential government operations; and

WHEREAS, Project Labor Agreements (PLAs)—pre-hire collective bargaining agreements that apply to a specific construction project or integrated construction program—can be effective in avoiding labor-related disruptions on projects by using dispute-resolution processes to resolve worksite disputes and by prohibiting work stoppages, including strikes and lockouts; and

WHEREAS, developing a strong, capable construction workforce is in Washington State's interest because this serves the immediate needs of projects in the planning process and, moreover, helps protect investments in future projects critically needed for new infrastructure systems and other building programs; and

WHEREAS, the vital importance of these projects requires that all reasonable steps be taken to protect capital investments and ensure public works projects are executed in a manner that maximizes economic efficiency and quality control and promotes the safe, timely delivery of these projects; and

WHEREAS, because construction is a highly skilled, labor-intensive industry and projects lack a permanent workforce, large-scale projects can present major challenges as they require multiple contractors and subcontractors employing substantial numbers of well-trained craft personnel in multiple diverse trades and occupations; further, the recruitment and deployment of this workforce requires careful coordination to meet strict project schedules and deadlines; and

WHEREAS, the failure to secure a sufficient, reliable, and continuous supply of properly trained, adequately skilled craft labor personnel can cause project delays, cost overruns, inferior quality, safety risks to workers and the public, unnecessary contract claims, and other serious performance and administrative problems that interfere with project delivery and undermine the mission of the public agency responsible for the project; and

WHEREAS, while Washington State continuously seeks to develop effective project controls over cost, quality of schedule, and safety for taxpayer-funded capital construction programs, Washington State also has a strong interest in leveraging investments in these programs to

create valuable employment and training opportunities for local residents in project areas, including without limitation workers in disadvantaged communities, as well as small and minority-owned businesses, in order to better ensure there will be a sufficient trained and qualified workers to work on publicly funded construction projects in the years to come; and

WHEREAS, Washington State promotes policies that create high-quality jobs and careers with competitive and sustaining wages and benefits, and that increase opportunities for access to those jobs for all, including jobs in the skilled trades and the construction industry; and

WHEREAS, training the next generation of Washington's workforce by encouraging the use of state-registered apprenticeship programs in our state's construction industry will help promote critically needed workforce development in construction, and expand opportunities for all individuals to develop skills and compete for jobs in a rapidly changing economy; and

WHEREAS, PLAs, which have been developed by contractors and building trade unions in the construction industry to meet craft labor demand requirements for large-scale capital programs, are uniquely designed to address craft labor staffing challenges by:

- a. Securing reliable access to a skilled construction workforce in applicable trades and occupations needed for large projects who are trained and credentialed through industry apprenticeship programs;
- b. Establishing uniform terms and conditions of employment, including wages and fringe benefits, for the project workforce and site contractors and subcontractors, which promotes labor harmony and stability, permits more predictable and accurate labor cost estimates for bids or proposals, and streamlines project administration;
- c. Requiring additional measures to promote successful project delivery through labor-management cooperation initiatives designed to ensure project safety and maintain effective quality and cost controls, and prevent disruptions in craft labor supply through dispute prevention mechanisms, such as no-strike/no-lockout provisions and grievance-arbitration procedures; and
- d. Promoting opportunities for small and minority-owned businesses by offering such firms access to substantial numbers of skilled craft personnel required to meet project demand, while increasing opportunities for disadvantaged populations, including women, veterans, and minorities, through industry-leading apprenticeship and pre-apprenticeship programs; and

WHEREAS, Washington State also has a strong interest in preventing illegal and unfair competition on public works projects, including wage theft and worker misclassification; and further, PLAs can effectively deter harm to the public, workers, and law-abiding contractors from such practices by ensuring workers are classified correctly and paid correct wages through mechanisms such as grievance-arbitration procedures; and

WHEREAS, in appropriate circumstances, the use of PLAs benefits the interests of the State in cost-effectiveness, efficiency, quality, health, safety, access, opportunity, and timeliness; and

WHEREAS, PLAs can have significant potential benefits to Washington State when they are used on large-scale, complex construction projects that will extend for a substantial period and involve a substantial number of contractors, subcontractors, trades, craft workers, and employment opportunities;

NOW, THEREFORE, I, Bob Ferguson, Governor of the state of Washington, by the power vested in me by the Constitution and the statutes of the state of Washington, do hereby order and direct as follows:

Section 1. Policy and Scope

It is the policy of my administration to encourage the use of PLAs by state agencies for state-funded public works projects when doing so is in the best interests of Washington State and/or the state agency.

This Executive Order applies to state-funded public works projects, but does not apply to projects that involve any federal funding.

Section 2. Definitions

As used in this Executive Order:

1. “Labor organization” means a labor organization as defined in 29 U.S.C. 152(5) of which building and construction employees are members, as described in 29 U.S.C. 158(f).
2. “Public Work” has the same meaning as defined in RCW 39.04.010(5): all work, construction, alteration, repair, or improvement other than ordinary maintenance, executed at the cost of the state or of any municipality, or which is by law a lien or charge on any property therein.
3. “State agency” refers to all executive and small cabinet agencies.
4. “Project Labor Agreement” or “PLA” means a pre-hire collective bargaining agreement that is executed by one or more contractors with one or more labor organizations that establishes the terms and conditions of employment for all contractors, subcontractors, and craft labor employees performing work on a specific construction project, including terms and conditions prioritizing access and opportunity on the project.

Section 3. Presumption and Required Review

1. It is presumed that a PLA is in the best interests of Washington State and the state agency proponent for Public Work construction projects in excess of \$35 million.

2. Prior to issuing a request for proposals or bids in connection with a Public Work project in which the estimated construction costs exceed \$35 million, the state agency shall conduct a review of the project to determine whether any circumstances exist that would overcome the presumption that a PLA is in the best interests of Washington State and the state agency.
3. In making such a determination, the state agency shall consider the effects a PLA would have on:
 - a. Construction efficiency, cost, and direct and indirect economic benefits to the state agency;
 - b. The availability of a sufficient supply of skilled, qualified workers to complete the project;
 - c. The timing of, and the prevention of delays or disruptions to, the construction process;
 - d. The safety and quality of the public construction project;
 - e. The expansion of registered apprenticeship programs and workforce development in the construction industry;
 - f. The promotion of employment and training opportunities for women, minority workers, and veterans; and
 - g. Any other factor unique to the project that would make it impractical or inappropriate to use a PLA, or any other factor that would make it not in the best interests of Washington State or the state agency to use a PLA for the project.
4. In making such a determination, the State agency shall further:
 - a. Review the major characteristics of the project, including estimated budget, scope, complexity, proposed schedule, site conditions, and the size and nature of the construction workforce required, including the number of craft labor personnel required for each specific trade or occupation; and
 - b. Consider whether the use of a PLA will serve the best interests of Washington State and the state agency by promoting the following project goals:
 - i. ensuring a reliable, sufficient supply of qualified craft labor personnel for all trades and occupations needed for the project;
 - ii. promoting craft labor productivity to maximize cost-efficiency, quality, safety, and timely project delivery;
 - iii. guaranteeing labor harmony among project contractors, subcontractors, and workers to promote project stability and prevent disruptions and work stoppages, including strikes and lockouts, due to labor disputes;

- iv. promoting the growth and expansion of construction apprenticeship and pre-apprenticeship programs to ensure workforce development needed to meet craft labor supply challenges of future projects; and
 - v. facilitating the use of proactive labor–management cooperation initiatives to advance project goals, including increasing opportunities for disadvantaged populations.
- 5. If the state agency determines that the best interests of Washington State and the state agency would not be furthered by use of a PLA on the project, then the project may proceed without a PLA, and the agency shall notify the Governor’s Office of its determination. Absent such a finding, the state agency shall require the use of a PLA on that project and shall require every contractor or subcontractor engaged on the project to agree to become a party to that PLA, except where exclusions are permitted by statute or regulation.

Section 4. Provisions of Project Labor Agreements

Any PLA reached pursuant to this Executive Order shall, without limitation:

- 1. Require that prime contractors shall be responsible for negotiating PLAs with appropriate labor organizations, except that the state agency may determine, after consultation with the Office of the Governor, that the state agency will negotiate such PLAs if doing so is in the best interests of the State;
- 2. Bind all contractors and subcontractors on the project, regardless of tier, through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents and by requiring execution of the PLA as a contractual requirement and material term of construction contracts applicable to the project;
- 3. Allow all potential contractors and subcontractors on the construction project to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
- 4. Contain guarantees against strikes, lockouts, and similar job disruptions;
- 5. Set forth effective, prompt, and binding procedures for resolving labor disputes arising during the term of the PLA;
- 6. Provide other mechanisms for labor–management cooperation on matters of shared interest and concern, including productivity, quality of work, safety, and health;
- 7. Establish terms and conditions of employment for all hourly paid craft labor personnel; and
- 8. Fully conform to all applicable federal and state law.

Nothing in this Executive Order shall prevent a state agency from utilizing a determination for a PLA for multiple buildings or public works under an integrated construction program.

Other public entities, including independent agencies and authorities, constitutional offices, and municipalities, are encouraged to consider the use of PLAs for large construction projects.

This Executive Order shall be implemented consistent with applicable law. Provisions of this Order are not intended to alter any existing collective bargaining agreements, existing project labor agreements, or existing community workforce agreements. This Order is not intended to confer and does not confer any legal right or entitlement and shall not be used as a basis for legal challenges to any rule or any other action or inaction of the governmental entities and employees subject to it.

This Order shall take effect immediately.

Signed and sealed with the official seal of the state of Washington on this 9th day of September, AD, Two Thousand and Twenty-Five, at Olympia, Washington.

By:

/s/

Bob Ferguson
Governor

BY THE GOVERNOR

/s/

Secretary of State