July 02, 2018

The Honorable Mayor Bill de Blasio
City of New York
City Hall
New York, NY 10007

Dear Mayor de Blasio:

New York City is currently party to four Project Labor Agreements (PLAs) with the Building and Construction Trades Council of Greater New York (BCTC). These PLAs apply to:

- The construction of City-owned buildings and structures managed by the Department of Design and Construction (DDC);
- The renovation and rehabilitation of City-owned buildings and structures for 12 signatory City agencies;
- The renovation and rehabilitation of the Department of Environmental Protection’s (DEP) plants and buildings within New York City; and
- Construction work under the School Construction Authority’s (SCA) Capital Improvement Program for Fiscal Years 2015-2019.

Under the PLAs, BCTC members agreed to work rule concessions and apprenticeship hiring goals in exchange for guarantees to use union labor on City capital projects. The New Construction, Renovation, and DEP PLAs expire on December 31, 2018, while the SCA PLA expires on June 30, 2019. (A fifth agreement covering work at the New York City Housing Authority [NYCHA] expired on June 30, 2018.)

The 2015 press release announcing the agreements projected that the PLAs would generate more than $347 million in savings on $8 billion in construction work. The release noted several potential sources of savings, including:

- Exempting City agencies from Wicks Law, which requires separate bidding for specific trades;
- Standardizing the work rules that govern staffing levels and rates of pay, including overtime;
- Allowing flexibility in scheduling shifts and reducing the differential pay for morning, evening, and weekend work;
- Extending the standard work day to 8 hours and work week to 40 hours; and
- Prohibiting strikes and other forms of work stoppages.
The PLAs also increased opportunities for Minority and Women-Owned Business Enterprises (MWBEs) to bid on City construction projects and required union locals to hire apprentices from a variety of groups, including New York City public school graduates, women, veterans, and NYCHA residents.

CBC is not aware of any reporting on the results of the four PLAs, including on whether they achieved their promised savings or increased opportunities for MWBE contractors and apprentices. The City should commission evaluations of the four expiring PLAs while there is still time to decide if it is in the City's interest to amend or renew them. It is important that these decisions be made with transparency and be based on a detailed, independent analysis of performance and experience.

With the Capital Commitment Plan now topping $82 billion, it is more important than ever to find ways to reduce costs and speed up project delivery. The Mayor’s Office of Contract Services should also identify and evaluate other City efforts to boost construction productivity. Since the City signed the four PLAs, construction inflation has increased at an average annual rate of 4 to 5 percent. Even modest productivity gains would save tens of millions of dollars each year.

CBC is willing to suggest entities capable of conducting these reviews and remains happy to offer any other assistance.

Sincerely,

Carol Kellermann
President

cc: Honorable Corey Johnson, New York City Council Speaker

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1 The PLA covers work for the Department of Design and Construction, Citywide Administrative Services, Sanitation, Parks and Recreation, Administration of Children’s Services, Aging, Homeless Services, Correction, Health and Mental Hygiene, Human Resources Administration, Fire, and Police.