



**intelligent
Partnerships®**

Accelerate the Impact of Inclusion®



Understanding Workforce Agreements

**Critical Components That Deliver Value, Quality Career
Access And Prioritize Impacted Areas.**

What Is A Community Benefit Agreement?

- ***Legally binding agreement between developers and community groups.***

Key Features May Include:

Affordable housing provisions

Investments in public areas including parks

Environmental protections

Small business support

Example: Developer building public transit system may include public housing at as part of a local transit station buildout.

- ***A CBA Typically Includes Construction Deliverables.***

What Is A Pre-Hire Agreement?

- ***A pre-hire agreement is a contract between an employer and a labor union made before hiring any employees.***

Outlines employment terms: Wages, working hours, and safety protocols.

Legal Basis: Section 8(f) of the National Labor Relations Act allows these agreements in the construction industry.

Example: A construction firm signs a pre-hire agreement ensuring all workers receive union-level wages and benefits.

What Is A Project Labor Agreement?

- **An agreement between a project owner or managing entity and a consortium of labor unions to establish working conditions on their projects.**

Key Features may include:

No Strike/No Lockout Provisions

Standardize Wage & Benefit Provisions

Union Representation Recognition

Access to Skilled Workforce and Formal Registered Apprenticeship Training

EXAMPLE: A public agency procures construction of a highway and ensures compliance reporting of wages and benefits through established control structures provided by Labor/Management Partnerships.

- ***A PLA is an administrative process, not a construction deliverable.***

What Is A Community Workforce Agreement?

- **A Hybrid Model combining CBA and PLA elements focused solely on Workforce Elements.**

Key Features May Include:

Local Priority Hiring

Workforce Training Pipelines – Job-Readiness and Registered Apprenticeship

Ensures Compliance with Labor Standards

Efficiencies through Labor/Management Partnerships

EXAMPLE: Developer gains a public lease for their construction project and agrees to hire WMDBE contractors and workforce locally while supporting career access through Registered Apprenticeship

- ***A CWA is an administrative process, not a construction deliverable.***

What Is the difference CBA, PLA, CWA?

Agreement Type	Impact	Primary Focus	Legally Binding	Union Requirement
CBA	Community	Community Benefits	Yes	No
PLA	Workers (Through Unions)	Standardized Work Conditions	Yes	Yes (Private Construction) No (public Construction)
CWA	Community & Workers	Local Hiring & Fair Wages	Yes	Yes (Private Construction) No (public Construction)

- ***CBA's are contractual agreements that include construction Deliverables.***
- ***PLAs/CWAs are pre-hire agreements under the NLRB Section 8(f).***

How do Pre-Hire Agreements Work?



Who Does The Pre-Hire Agreement Impact?



- The Construction Purchaser and Labor organizations that are signatories to the agreements
- Contractors who have workers covered by the agreement
- Workers who perform work covered under the agreement
- Community and Training partners who commit to provide support services and interact with the covered project

Pre-Hire Agreements Ensure Work Is Not Disrupted

They maintain project continuity by preventing employee strikes and employer lockouts. They also include a dispute resolution process to ensure all partners can address concerns uniformly.



Pre-Hire Agreements Provide Skilled Workers

- Provide skilled workers and deliver projects on time and on budget.
- Project owners benefit from having access to a stable and skilled workforce that helps the project finish on time and on budget.



Create Opportunities For Small And Local Contractors

- Multiple construction contractors or private construction companies bid on a contract.
- Agreements often prioritizes small and minority business contractors.
- It can dedicate resources to create workshops and training programs to help these businesses compete.



How Do Contractors Interact With the Agreements?

- Contractors must comply with community workforce provisions, which direct that they hire workers who meet certain criteria.
- Depending on local needs and conditions, community workforce goals can prioritize Welfare to Work Solutions and prioritize:
 - Workers who live in local areas
 - Workers from economically disadvantaged areas
 - Women and racial/ethnic minorities
 - Veterans
 - Disadvantaged workers, including chronically unemployed

What About Wages Related Responsibilities?

Employer Wage elements are broken out into base wages and fringe benefits.

EXAMPLE: Carpenter

Base Wages: **\$53.70**

Fringe Benefits

Health & Safety: **\$9.34**

Retirement: **\$10.85**

*Rates are current and have been in effect since June 1, 2023

Employee Deductions

Vacation: **\$1.00 per hour**

Training:

CITF (Carpenters International Training Fund): **\$0.13**

Apprenticeship: **\$0.94**

Union Deduction:

4.00% of the taxable hourly wage rate

*Apprentices DO NOT pay into Training Fund

What Are The Pros & Cons Of these Agreements?

BENEFITS

- **Enhanced** connections from local “job readiness” (i.e., Pre-Apprenticeship Programs) to registered apprenticeships for disadvantaged workers.
- **Ensures** workers are properly classified and paid at the appropriate wage rate for their occupation.
- **Reliable** structure to track workforce data through existing dispatch and benefit payment systems that are cost-effective for the agency and contractors.
- **Direct** benefit to workers and the regional economy with local priority hire.
- **Opportunity** to leverage partnerships in order to mitigate costs related to advancing inclusion policies.
- **Tax Savings** on wages paid in lieu of benefits by payments into Bonafide plans without the administration burden

BARRIERS

- **Challenges** mostly center around Small, Disadvantaged business support structures
- **Cashflow** PLA’s set standard labor costs, work rules, and reporting; WMDBE contractors raise concerns about their inability to streamline cost controls in line with their normal operations.
- **Workforce** WMDBE contractors fear workers may want to join a union and receive union benefits, which may ultimately cause them to lose their workforce.
- **Support** WMDBE participants do not have access to dedicated support structures that would help them navigate the PLA criteria.

Do These Agreements Add Cost To The Owner?

- The Pre-Hire Model is an administrative process, NOT a construction deliverable.
- Organizations can manage these processes internally or externally based on capacity and experience.
- Studies demonstrate that costs are minimal when compared to similar construction management.
- Using a Third-Party Administrator can limit the cost to the identified project landscape and create efficiencies.
- IP programming shows that about 1% of the cost is typically aligned with existing reporting compliance costs.
- Cost management is typically available in the construction budget or consulting budget in the procurement.
- Local wage revenue, community goodwill, and efficiencies demonstrate significant value in using these types of Agreements.



intelligent Partnerships®

Accelerate the Impact of Inclusion®

We bring decades of experience helping clients in diversity management, strategic engagement, and workforce design. We encourage our partner organizations to prioritize our community's health and safety and remain an available resource. Should you have any questions or need strategic design and implementation support, please feel free to contact our team at:

(877) 234-9737 or www.iPartnerships.net

- ✓ **HELPING OUR PARTNERS** *Create Value Where Disruption Occurs.*
- ✓ **PRIORITIZING** *Innovation Through Collaboration.*
- ✓ **PROVIDING USEFUL TOOLS AND RESOURCES THAT AID IN** *Solid Decision Making And Measurable Market Impact.*
- ✓ **FACILITATING REAL-WORLD APPROACHES TO THE** *Future of Work.*

