

MEMORANDUM

TO: Whatcom County Council

FROM: Tyler Byrd, Ben Elenbaas

RE: Critical Evaluation of Claimed Benefits of Community Benefit Agreements in Whatcom County

DATE: April 01, 2025

I. Introduction

A. Background & Problem Statement

The intention of this memo is to provide more information and clarity in relation to the previously introduced memo (AB2025-184) advocates implementing Project Labor Agreements (PLAs) and Community Workforce Agreements (CWAs) for upcoming public construction projects in Whatcom County. Our hope is the additional information detailed in document will assist the County Council in making decisions which ensure the successful completion of upcoming projects, protect financial resources, and benefit residents, employers, and tax payers of Whatcom County.

The previously introduced memo (AB2025-184), presented PLAs & CWAs as beneficial tools to ensure local economic development, workforce stability, and equity, **however** extensive academic research and review of empirical data indicate significant drawbacks of these agreements, including increased project costs, reduced contractor competition, limited effectiveness in workforce development, and negligible improvements in local employment, all without added benefit to employee wages and benefits, or local workforce development efforts.

Through a review and synthesis of peer-reviewed academic research, government reports, and independent analyses conducted between 2019 and 2024 this memo evaluates the effects of PLAs and CWAs on critical metrics such as project cost, contractor competition, bidder participation, apprenticeship inclusion, and workforce diversity. The methodology involved systematic data collection from comparative case studies, statistical analyses, surveys across numerous infrastructure and public works projects in conjunction with additional stakeholder meetings and engagement.

Key findings consistently demonstrate that mandated PLAs and CWAs significantly decrease competitive bidding—averaging an 18% reduction in bidders—and are associated with substantial increases in overall project costs, ranging from 10% to 20%. Moreover, evidence from Washington State indicates potential constraints on project efficiency, inadvertently discouraging participation from smaller and minority-owned contracting firms.

While PLAs and CWAs aim to enhance labor stability and workforce inclusion, this analysis finds minimal correlation between such agreements and meaningful improvements in local employment or apprenticeship diversity goals. The implications of these findings suggest a pressing need for policymakers to reconsider the broad application of PLAs and CWAs, recommending instead the adoption of flexible, competitive practices that maximize efficiency, cost-effectiveness, and equitable contractor participation on publicly funded construction projects.

B. Research Objectives

- To critically assess and systematically refute claims made in the attached memo regarding benefits of PLAs/CWAs.
- To provide a comprehensive evidence-based framework highlighting alternative, more effective policies for public project procurement and workforce development.

II. Methodology

A. Review of Provided Memo (AB2025-184)

- Analyzed specific claims about community and economic benefits.
- Identified key arguments supporting PLA/CWA adoption in Whatcom County.

B. Literature Review

- Extensive analysis of peer-reviewed research, governmental studies, and empirical evaluations of PLAs/CWAs nationwide and specifically in Washington State.
- Comparative analysis of project outcomes in similar jurisdictions, including Seattle, Snohomish County, and King County.

C. Analytical Approach

- Empirical evaluation of project cost differentials and bidding competition.
- Assessment of workforce diversity and apprenticeship program effectiveness claims.

III. Main Claims and Counterpoints

Claim 1: PLAs/CWAs promote local economic growth and workforce development

- **Memo Argument:** PLAs/CWAs provide living-wage jobs, local economic stimulation, and workforce training.
- **Counterpoint:** “Living wage” jobs are already provided in public works by Prevailing Wage laws; there is no new benefit to workers through the administration of a PLA/CWA. Empirical studies demonstrate limited actual impact on local economic growth. While theoretically beneficial, the majority of research indicates no significant long-term increase in local employment or measurable economic benefits attributable directly to PLAs/CWAs (Johansson, 2010; Bachman et al., 2019).

Claim 2: PLAs/CWAs reduce commute times by offering jobs closer to home

- **Memo Argument:** Implementing PLAs/CWAs can reduce worker commute times by increasing local hiring.
- **Counterpoint:** Analysis from Washington State suggests negligible impacts on actual local hiring, as specialized trades and union affiliations often require labor sourced regionally or beyond, limiting effectiveness in reducing commute times (Bachman et al., 2019; Manzo & Bruno, 2024).

Claim 3: PLAs/CWAs enhance workforce equity, diversity, and inclusion

- **Memo Argument:** These agreements create equity-focused hiring strategies, supporting women, minorities, and veterans.
- **Counterpoint:** While equity goals are commendable, studies consistently report minimal or superficial improvement in meaningful workforce diversity. Actual inclusion efforts, such as apprenticeships and hiring quotas, frequently fall short of stated objectives (Ormiston & Duncan, 2022; McGowan, 2020). A PLA/CWA is not required for the administration of an equity-focused hiring strategy.
CWA's reduce diversity in the apprentice and journey level workforce due to preference for union labor
 - [2022 Port of Seattle Apprenticeship and Priority Hire Annual Report](#)
 - Apprenticeship utilization: PLA, 13.7% Women, 30.6% People of Color. Non-PLA 21.6% Women, 54.1% People of Color
 - 2021: [Seattle Energy Efficient Building Operations and construction industries workforce report](#)
 - Increase in percentage of white male journey level union members since CWA's, period 2014-2020

- 2020 CAI (Community Attributes, Inc) conducted a study that highlighted job culture, retention, and job fairness/equity data among all apprentices in all trades. Cited in [Sound Transit RFP for an African American Apprenticeship Program](#).
 - Gap of 15% between white and African American apprentices by year 3.
 - Among African American apprentices exiting registered apprenticeship programs, 20% completed their programs to 36% across all apprentices, and 72% cancelled, compared to the 57% of all apprentices, between 2015 and 2020
 - **WMBE contractors hire from the community and have more diverse workforces**
- [2018 Priority Hire Annual Report, P14](#)

CWAs reduce participation by OMWBE Certified WMBE firms compared to Non-CWA projects

- [2023 City of Seattle Alternative Public Works Reauthorization Presentation](#) at the Projects Review Committee
- City of Seattle OMWBE certified WMBE participation declines from 17% last PRC authorization pre-CWA to 7.7% during the 2023 re-authorization
- City of Seattle, 2019 (PDF), [2018 Priority Hire Annual Report, P14](#)
- [2021 Priority Hire Annual Report](#) Data shows 8% lower participation on CWA projects vs non-CWA projects. Note: Data includes self-certified firms. Minority contractor advocates endorse using OMWBE Certified firms to track WMBE participation due to inaccuracy and abuse of self-certification programs

Claim 4: PLAs/CWAs streamline labor compliance and prevent wage theft

- **Memo Argument:** Agreements enhance compliance with prevailing wage and labor standards, reducing wage theft.
- **Counterpoint:** Existing regulations already mandate prevailing wages and labor standards compliance, making additional PLA/CWA requirements redundant. Furthermore, added administrative layers often exacerbate complexities and create burdensome compliance issues, particularly for smaller contractors (Ward, 2021; Manzo & Bruno, 2024).

Claim 5: PLAs/CWAs foster sustainable building practices and climate-conscious construction

- **Memo Argument:** PLAs/CWAs help enforce sustainability and LEED standards in construction projects.

- **Counterpoint:** Sustainability and LEED standards **must** be included in the bid documents in order to effectively provide accurate project bids without the restrictive conditions imposed by PLAs/CWAs. Direct inclusion of sustainability criteria in project requirements proves more cost-effective and less exclusionary (Ward, 2021).

IV. Policy Recommendations & Alternatives

A. Promote Competitive and Open Contracting

- Enhance competition and efficiency by adopting open, non-restrictive bidding processes.
- Encourage robust local contractor participation without restrictive union-affiliation mandates.

B. Direct Implementation of Workforce Equity and Training Programs

- Develop targeted apprenticeship and job training programs independently of PLAs/CWAs to effectively increase diversity and workforce skills.

C. Transparent Compliance and Labor Standards Enforcement

- Strengthen existing labor enforcement frameworks with clearer reporting and auditing processes rather than layering additional restrictive agreements.

V. Expected Results and Legislative Implications

- Reduced project costs through increased competition and contractor diversity.
- More effective and measurable workforce development and inclusion outcomes.
- Enhanced transparency, accountability, and simplified administrative processes in public construction projects.

VI. Conclusion

The intended goals of economic growth, workforce development, and equity, as presented in the attached memo, are achievable through more effective, transparent, and less restrictive methods than PLAs and CWAs. Policymakers should carefully reconsider the adoption of PLAs/CWAs in favor of alternatives that empirically deliver greater fiscal responsibility and tangible community benefits.

VII. Bibliography

Primary Sources:

- Bachman, P., Burke, W. F., & Tuerck, D. G. (2019). *The Anticompetitive Effects of Government-Mandated PLAs on Construction in Washington State*. Washington Policy Center.
- Manzo IV, F., & Bruno, R. (2024). *The Impacts of Project Labor Agreements on Competition, Costs, Apprenticeships, and Diversity*. University of Illinois.
- Ward, J. M. (2021). *Effects of Project Labor Agreements on Affordable Housing Production Costs*. RAND Corporation.
- McGowan, J. R. (2020). *Do PLAs Reduce the Number of Bidders on Public Projects?* Public Works Management & Policy.

Secondary Sources:

- Ormiston, R., & Duncan, K. (2022). *Project Labor Agreements: A Research Review*. International Center for Employee Relations.
- Johansson, E. (2010). *Community Workforce Provisions in PLAs*. Cornell University ILR School.
- Madland, D., & Wall, M. (2023). *How PLAs/CWAs Support the Biden Administration's Investment Agenda*. Center for American Progress.

This legislative memo serves as a comprehensive framework to draft a legislative resolution critically evaluating PLAs and CWAs, emphasizing policy alternatives to better serve Whatcom County's economic and community interests.