

*Andrew W. Klein*

FROM	NAME & TITLE	Andrew W. Klein, Chief
	AGENCY NAME & ADDRESS	Bureau of the Budget and Management Research Room 469, City Hall (396-4941)
	SUBJECT	City Council Bill # 10-0455

CITY of  
BALTIMORE  
**MEMO**



TO

The Honorable President and  
Members of the City Council  
C/O Karen Randle  
Room 409, City Hall

DATE: July 21, 2010

Attention: Karen Randle

Council Bill 10-0455 would require that contractors on City projects of \$5 million or more enter into "Community Partnership Agreements" (also known as Project Labor Agreements) with the City and the appropriate qualified construction union.

Project Labor Agreements (PLAs) are pre-hire collective bargaining agreements with labor organizations that specify the terms and conditions of hiring, work rules, etc. for a construction project. The bill requires at a minimum that contractors hire union workers in exchange for union agreement not to strike, picket or otherwise disrupt a project.

The research is mixed on whether and to what extent PLAs increase the cost of construction projects. The construction industry claims that they reduce competition and increase costs; unions say that they promote labor harmony, ensure a ready pool of skilled workers, and prevent costly work interruptions.

The Finance Department is concerned about the potential impact of this bill on City construction project costs. The Department believes that the City's living wage ordinance is sufficient to ensure that workers are fairly compensated.

In the absence of a comprehensive study of how PLAs would impact Baltimore City construction projects, the Finance Department cannot support the bill.

Cc: Edward J. Gallagher  
Angela Gibson

*unfav.*

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