



The Case Against Mandatory Project Labor Agreements for Dayton Public Works

Why PLAs Undermine Fairness, Competition, and Fiscal Responsibility

Make no mistake, unions - *and their elected official advocates* - support the required use of project labor agreements because they steer taxpayer funded construction projects to union companies by eliminating fair and open competition.

Mandatory Project Labor Agreements (PLAs) have become a contentious prerequisite for bidding on Dayton public works projects. While advocates argue that PLAs provide labor stability and uphold quality standards, closer scrutiny reveals that these agreements are inherently discriminatory, stifle competition, inflate project costs, and open the door to corruption. For the sake of public interest and fiscal responsibility, Dayton should reject mandatory PLAs as a condition for bidding on public works projects.

Discriminatory Impact of Project Labor Agreements

At the heart of PLAs lies a powerful implicit bias. By mandating that all contractors—union or non-union—adhere to union work rules, pay union dues, and hire through union halls, PLAs exclude a substantial segment of the construction workforce. In Montgomery County and across the United States, the majority of construction workers and firms are non-union. Forcing these businesses to operate under a set of rules designed for unions creates a significant barrier to participation. Minority- and women-owned firms, which are disproportionately represented among non-union contractors, are particularly disadvantaged. The result is a system that inadvertently, but materially, discriminates against non-union workers and small, diverse contractors, diminishing opportunities for the very groups public works should empower.

Reduction in Competitive Bidding

Mandatory PLAs have a chilling effect on the number and diversity of bids submitted for public works projects. Non-union contractors are often unwilling or unable to conform to union hiring practices and benefit structures, as these can disrupt existing business

models, impose unfamiliar administrative burdens, and force experienced employees to join unions temporarily. Consequently, many reputable and qualified non-union firms simply opt out of the bidding process altogether, leading to a reduced pool of bidders. Fewer bidders mean less competition, and less competition rarely yields better outcomes for taxpayers. Instead, the county risks paying more for lower overall value and stifling innovation that comes from a broad and competitive marketplace.

Increased Project Costs

The reduction in bidders caused by PLAs has direct and measurable financial consequences. Studies of public works projects across the country consistently show that PLAs drive up costs by 12% to 18% compared to projects without them. These cost increases are primarily due to reduced competition, higher labor costs stemming from the administrative overhead of complying with complex union rules. In a time when every tax dollar must be justified, Montgomery County cannot afford to pay a premium for its infrastructure—especially when those premiums deliver no corresponding improvement in quality. Instead, higher project costs may mean fewer projects are completed or that essential services are delayed, harming public welfare.

Fostering an Environment Ripe for Corruption

The combination of less competition and exclusive labor arrangements creates the perfect conditions for favoritism and corruption. When only a select few firms are able to bid, politically connected contractors and union officials gain undue influence over public works projects. The lack of transparency and competition makes it easier for collusion, bid-rigging, and other unethical practices to take root—often at the direct expense of taxpayers and small businesses. Instead of rewarding merit and efficiency, the system incentivizes political patronage and insider deals.

Conclusion

Mandatory Project Labor Agreements as a condition of bidding for Dayton public works projects are a step backward for equality, competition, fiscal prudence, and good governance. They discriminate against non-union and minority-owned firms, reduce the number of competitive bids, inflate taxpayer costs, and invite corruption into the public procurement process. Dayton city leaders should champion policies that open the doors of opportunity wider, not narrow them. Rejecting mandatory PLAs is an essential step toward a fairer, more competitive, and more responsible future for all.

That is why eighteen organizations* join the Associated Builders and Contractors in opposing PLAs. Dayton commissioners should stand with their constituents and reject the bid rigging practice of requiring project labor agreements on public construction projects. Award construction bids based on merit instead.

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Associated Builders and Contractors is a national construction industry trade association representing more than 23,000 members. Based on the merit shop philosophy we help our members develop people, win work and deliver work safely, ethically and profitably for the betterment of the communities in which they work.

*Associations on record opposed to legislatively mandated use of project labor agreements:

1. American Fire Sprinkler Assoc.
2. American Pipeline Contractors Assoc.
3. American Road and Transportation Builders
4. Association Associated Builders and Contractors
5. Business Coalition for Fair Competition
Construction Industry Round Table
6. Electronic Security Assoc.
7. Independent Electrical Contractors
8. National Association of Home Builders
9. National Black Chamber of Commerce
10. NFIB – National Federation of Independent Business
11. National Ready Mixed Concrete Assoc.
12. National Stone, Sand & Gravel Assoc.
13. National Utility Contractors Assoc.
14. Plastics Pipe Institute
15. Power and Communication Contractors Assoc.
16. Small Business and Entrepreneurship Council
17. U.S. Chamber of Commerce
18. U.S. Pan Asian American Chamber of Commerce