22.504 General requirements for project labor agreements.

(a) *General*. *Project labor agreements* established under this subpart *shall* fully conform to all statutes, regulations, and Executive orders.

(b) *Requirements*. A *project labor agreement shall*-

(1) Bind all contractors and subcontractors engaged in *construction* on the *construction* project to comply with the *project labor agreement*;

(2) Allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;

(3) Contain guarantees against strikes, lockouts, and similar job disruptions;

(4) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the *project labor agreement*;

(5) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health; and

(6) Include any additional requirements as the agency deems necessary to satisfy its needs.

(c) *Labor organizations.* An agency *may* not require contractors or subcontractors to enter into a *project labor agreement* with any particular *labor organization*.

(d) *Exceptions to project labor agreement requirements—*

(1) *Exception.* The *senior procurement executive may* grant an exception from the requirements at 22.503(b), providing a specific written explanation of why at least one of the following conditions exists with respect to the particular contract:

(i) Requiring a *project labor agreement* on the project would not advance the Federal Government's interests in achieving economy and efficiency in Federal *procurement*. The exception *shall* be based on one or more of the following factors:

(A) The project is of short duration and lacks operational complexity.

(B) The project will involve only one craft or trade.

(C) The project will involve specialized *construction* work that is available from only a limited number of contractors or subcontractors.

(D) The agency's need for the project is of such an unusual and compelling urgency that a *project labor agreement* would be impracticable.

(ii) *Market research* indicates that requiring a *project labor agreement* on the project would substantially reduce the number of potential *offerors* to such a degree that adequate competition at a fair and reasonable price could not be achieved. (See 10.002(b)(1) and 36.104). A likely reduction

in the number of potential *offerors* is not, by itself, sufficient to except a contract from coverage under this authority unless it is coupled with the finding that the reduction would not allow for adequate competition at a fair and reasonable price.

(iii) Requiring a *project labor agreement* on the project would otherwise be inconsistent with Federal statutes, regulations, Executive orders, or Presidential memoranda.

(2) *Considerations.* When determining whether the exception in paragraph (d)(1)(ii) of this section applies, *contracting officers shall* consider current market conditions and the extent to which price fluctuations *may* be attributable to factors other than the requirement for a *project labor agreement* (*e.g.,* costs of labor or materials, supply chain costs). Agencies *may* rely on price analysis conducted on recent competitive proposals for *construction* projects of a similar size and scope.

(3) *Timing of the exception —*

(i) *Contracts other than IDIQ contracts.* The exception *must* be granted for a particular contract by the *solicitation* date.

(ii) *IDIQ contracts.* An exception *shall* be granted prior to the *solicitation* date if the basis for the exception cited would apply to all orders. Otherwise, exceptions *shall* be granted for each order by the time of the notice of the intent to place an order (*e.g.,* 16.505(b)(1)).

Parent topic: Subpart 22.5 - Use of Project Labor Agreements for Federal Construction Projects