

## **TESTIMONY to the Senate Ways and Means Committee**

### **In Opposition to HB 2515, By Andy Sanchez, Executive Secretary-Treasurer, KS AFL-CIO**

**March 13, 2012**

Chairwoman McGinn and members of the committee, thank you for this opportunity to appear before you today and share our views on HB 2515. The Kansas AFL-CIO will have to oppose the bill before you today because it seeks to remedy problems that really do not exist and actually goes counter to accomplishing the purposes set out in the bill. Inherent in HB 2515 is a focus on Efficiency; Fair and Open Competition; and a notion that the use of Project Labor Agreements (PLA's) involves some sort of unfairness or competitive edge to some contractors. Addressing the latter first, federal law requires nondiscriminatory referral of workers, union and nonunion. PLA's are simply a tool to meet the needs of an industry (construction) where bidders will know what is expected of them whether they be union or non-union. HB 2515 uses the term "pre-hire" as a negative term when in fact qualified and skilled are the goals sought. PLA's are simply a tool for accountability and have been in used in public and private sectors for nearly a century.

#### **Efficiency, Fair and Open Competition**

Next, we should consider that PLA's were borne out of "need" and not to give union contractors an advantage. PLA's were developed to outline terms and conditions whereby construction specifications and standards are met. A PLA does and should give an advantage to responsible contractors; that simply means responsible to the needs of the customer. PLA's are a voluntary collaborative effort on behalf of a customer and a general contractor with deliberate intent for the efficient and effective completion of a project. Entities of government as they are referred to in the bill have a moral obligation and responsibility to the public, PLA's help to meet that obligation. PLA's are often called Community Workforce Agreements and many public PLA's are crafted to address specific needs of the community, with provisions for local hiring, minority and at-risk targeted Training programs, minority owned small businesses and apprenticeship ratios.

**Accountability**

Accountability is already present without this bill. Public officials have a stake because their integrity is called into question if they award a contract based solely on the lowest bid. Past experience and history may justify that they reason their decisions based on the things that could go wrong and indeed have gone wrong. Like any consumer, they must weigh the cost with the value of the finished product. If the project comes in over budget or behind schedule public officials bear the responsibility of their decision. We offer that delivery of poor quality projects can result in cost overruns that may be the equivalent of doing a project twice and thus twice or more the cost over. That is, it is a lot easier to do it right the first time and PLA's remove that burden of concern.

Again, PLA's were fostered out of mutual interests as a result of the responsibility to bring a project from design to reality. The record shows that PLA's improve efficiency and productivity. They eliminate shortages of skilled workers. They provide mechanisms for avoiding and resolving disputes, and for ensuring the project proceeds smoothly. PLA's save millions of dollars in health and safety costs through workplace standards that are viewed as "best practices" in the industry. Such agreements benefit the local community; otherwise they would not exist today. In addition, we at the Kansas AFL-CIO see no need to further infringe upon the local control of local government entities; after all, Kansas is already a right to work state. We believe the use of PLA's are what is right with the procurement process and asking governmental entities to compromise their standards is counter-productive. We respectfully ask that you keep sacred the customers preference for quality standards by local and state government experts and oppose HB 2515. Thank you.

---