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February 16, 2024

COMPTROLLER'S MEMORANDUM NO. 2024-03

TO: All Department Heads

ATTN: Construction Project Managers

FROM: Keith A. Regan, Comptroller

SUBJECT: Guidelines - Project Labor Agreements (PLA) for State Construction Projects

By Administrative Directive No. 24-01, Governor Green declared that the executive agencies of the State of Hawaii will adhere to the terms of the PLA executed by Governor Green (Attachment A) on a variety of construction projects in order to address obstacles that might arise due to a lack of labor coordination. Administrative Directive No. 24-01 tasked the Department of Accounting and General Services to establish guidelines to implement the directive.

Attached are the "Guidelines for Implementing Administrative Directive No. 24-01 relating to Use of Project Labor Agreements for State Construction Projects". These guidelines shall be effective immediately.

Attachments

**Guidelines for Implementing Administrative Directive No. 24-01 relating to
Use of Project Labor Agreements for State Construction Projects**

**Issued by the Department of Accounting and General Services Effective
February 16, 2024**

Discussion

Large-scale construction projects pose special challenges to efficient and timely procurement and administration by the State Government. Construction employers typically do not have a permanent workforce, which makes it difficult for them to predict labor costs when bidding on contracts and to ensure a steady supply of labor on contracts being performed.

Challenges may also arise due to the fact that construction projects can typically involve multiple employers at a single location and labor disputes involving one employer can delay the entire project. Furthermore, lack of coordination among various employers, or uncertainty about the terms and conditions of employment of various groups of workers, may create friction and disputes in the absence of an agreed-upon resolution mechanism. These problems threaten the efficient and timely completion of construction projects undertaken by State contractors and, especially on larger projects, which are generally more complex and of longer duration, these problems tend to be more pronounced.

The use of a project labor agreement may prevent these problems from developing by providing structure and stability to large-scale construction projects, thereby promoting the efficient and expeditious completion of State construction contracts.

To that end, Governor Green signed a PLA that covers all executive agency construction projects in excess of one million five hundred thousand dollars (\$1,500,000). Under the PLA, executive agencies shall require contractors to adhere to the terms of the PLA through execution of an Agreement-To-Be Bound (Attachment B) as further described below. The PLA applies to all Covered Projects, as that term is defined in the PLA, initiated on or before December 31, 2026.

Policy

Accordingly, in order to promote the efficient procurement, administration and completion of State construction projects under the PLA, Governor Green issued Administrative Directive No. 24-01 (Directive) on February 16, 2024 requiring all executive branch agencies to adhere to the terms of the PLA for all Covered Projects, as that term is defined by the PLA, in order to promote economy and efficiency.

All construction contracts for Covered Projects shall:

- a. Bind all contractors and subcontractors on the construction project through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents, as well as the execution of an Agreement-To-Be-Bound as required by the PLA;

- b. Allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
- c. Fully conform to all statutes, regulations, and executive orders.

Solicitation Guidelines

Covered Projects shall comply with State procurement laws and administrative rules and follow the competitive bidding process. The relevant agency shall make adherence to the terms of the PLA part of the bid specifications for the project. The instructions to bidders shall provide that the agency has the right to select any qualified bidders for the award of project contracts without reference to whether the bidders are unionized, so long as the bidders comply with the PLA and execute an Agreement-To-Be-Bound.

The instructions to bidders shall provide that the PLA shall be binding on all contractors and subcontractors on the project through inclusion of appropriate bid specifications in all relevant bid documents. Following award of the contract for the project, the Agreement-To-Be-Bound shall be finalized and executed by the contractor and all subcontractors.

If an agency determines to use a PLA, the agency should include the following statement in the solicitation notice:

The Contractor who is awarded the project shall be required to submit to the Department of _____ a complete, fully executed Agreement-To-Be-Bound within fourteen (14) days of project award. The required Agreement-To-Be-Bound is available at _____. The Contractor must also obtain Letters of Assent from each subcontractor of whatever tier who may be employed on the project and submit copies of such Letters to the Department of _____ within 14 days of project award.


Conditions

The Contractor shall maintain in a current status throughout the life of the contract the Agreement-To-Be-Bound entered into.

Agencies shall remain impartial concerning any dispute between labor and contractor management and not undertake the conciliation, mediation, or arbitration of a labor dispute. All labor disputes shall be resolved pursuant to the procedure set forth in the PLA.

Effective Date

This Guideline shall apply to all solicitations for contracts issued on or after the effective date.



Keith A. Regan, Comptroller



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

February 16, 2024

ADMINISTRATIVE DIRECTIVE NO. 24-01

TO: All Department Heads

SUBJECT: Project Labor Agreement for State Construction Projects.

Project labor agreements (PLAs) are a longstanding government procurement method designed to streamline the administration of construction projects by requiring all parties to enter into one agreement that contains universal terms governing the work. The State has an overriding interest in maintaining the continuity of efficient construction work to avoid delay in completing critical public works projects so that public funds are utilized prudently, and residents and visitors are not adversely impacted by interruption in public services or delay in the use of facilities that are important to the essential operations or infrastructure of the State.

In accordance with 29 U.S.C. § 158(f), PLAs are pre-hire collective bargaining agreements negotiated between one or more construction unions and one or more construction project owners/contractors that establish the terms and conditions of employment. Public works projects involve numerous contractors and employees in different trades, have critical timelines for completion, and require skilled and properly trained workers to successfully complete the work in a safe and timely manner.

PLAs on public works projects are open to both union and non-union contractors. A public agency awarding a project covered by a PLA may select any qualified bidder for the award, without regard to whether it is otherwise a signatory to a union collective bargaining agreement.

To avoid delays and additional expense to the State of Hawai'i, it is essential that public works projects proceed without labor disruptions, whether due to external labor relations factors or the frictions that can arise when a large number of contractors and their employees and subcontractors work in proximity to one another on a job site. PLAs have proven to be a valuable mechanism across the United States in addressing many of these issues and have been a major factor in producing high quality construction work and projects that are completed on time, within budget, and without labor strife or disruptions.

To that end, I signed a PLA that covers all executive agency construction projects in excess of one million five hundred thousand dollars (\$1,500,000) (Attachment A). Under the PLA, executive agencies shall require contractors to adhere to the terms of the PLA through execution of an Agreement-To-Be Bound (Attachment B) as further described below. The PLA applies to all Covered Projects, as that term is defined in the PLA, initiated on or before December 31, 2026.

POLICY

Accordingly, in order to promote the efficient administration and completion of State construction projects, I direct all executive branch agencies as follows:

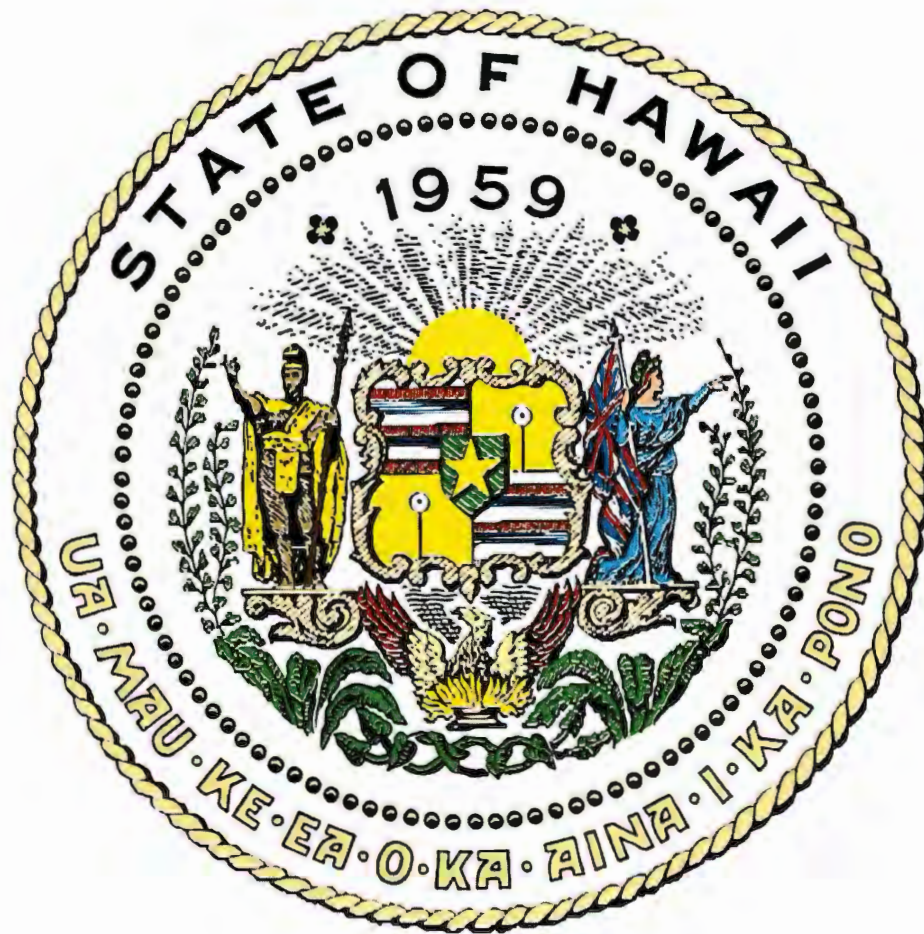
1. All executive agencies of the State Government are required to adhere to the terms of the PLA for all Covered Projects.
2. For Covered Projects, all executive agencies shall require all Contractors to agree to be bound by the PLA by executing an Agreement-To-Be-Bound as a condition of any future request for proposal issued on or after the effective date of this PLA for a covered project.
3. The State has the absolute right to award a construction contract to any Contractor notwithstanding the existence or nonexistence of any agreement between such Contractor and any union, provided only that such Contractor is willing, ready and able to comply with the PLA. All qualified Contractors and subcontractors may bid and be awarded work on Covered Projects without regard to whether they are otherwise parties to collective bargaining agreements.
4. It is understood that by virtue of executing an Agreement-To-Be-Bound a Contractor will not be obligated to sign a collective bargaining agreement as a condition of performing work.
5. All Contractors on all Covered Projects must execute an Agreement-To-Be-Bound as a precondition of performing, assigning, awarding, or subcontracting work on a covered project.
6. When a Contractor enters into a subcontract with any subcontractor to perform Covered Work, the Contractor shall require the subcontractor, as a condition of accepting the award of the subcontract, to execute an Agreement-To-Be-Bound prior to the commencement of work. The Prime Contractor has the primary obligation to meet all conditions of the PLA. This obligation cannot be relieved, evaded or diminished by subcontracting. Should the Prime Contractor elect to subcontract, the Prime Contractor shall continue to have such primary obligation.

7. The Department of Accounting and General Services shall establish guidelines for the implementation of this directive that shall be applicable to all executive agencies.
8. If any provision of this directive, or the application of such provision to any person or circumstance, is held to be invalid, the remainder of this directive and the application of the provisions of such to any person or circumstance shall not be affected thereby.
9. Nothing in this directive shall be construed to impair or otherwise affect:
 - a. Authority granted by law to an executive department, agency, or the head thereof; or
 - b. Functions of the Department of Budget and Finance relating to budgetary, administrative, or legislative proposals; and
 - c. This directive shall be implemented consistent with applicable law and subject to the availability of appropriations.
 - d. This directive is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the State, its departments, agencies, or entities, its officers, employees, or agents, or any other person.
10. This directive shall take effect immediately.



Josh Green, M.D.
Governor, State of Hawai'i

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PROJECT LABOR AGREEMENT

For the State of Hawaii

TABLE OF CONTENTS

ARTICLE I – Purpose and Findings.....	4
ARTICLE II – Definitions.....	5
ARTICLE III – Scope of Agreement	7
ARTICLE IV – Appointment of Administrator	7
ARTICLE V – Union Recognition	7
ARTICLE VI – Management Rights of Contractors	8
ARTICLE VII -- Hiring Procedures.....	9
ARTICLE VIII – Work Stoppages.....	10
ARTICLE IX – Grievance Procedure	11
ARTICLE X – Pre-Job Conferences	13
ARTICLE XI – Jurisdictional Disputes	13
ARTICLE XII – General Work Rules: Obligations of Contractor and Unions	15
ARTICLE XIII – Safety, Environmental and Health.....	16
ARTICLE XIV – Substance Abuse Policy and Drug and Alcohol Testing Procedure.....	16
ARTICLE XV – Apprenticeship Program	17
ARTICLE XVI – Wages, Hours, Etc.....	17
ARTICLE XVII – Subcontracting: Obligations of Contractors.....	17
ARTICLE XVIII – Joint Administrative Committee	17
ARTICLE XIX – No Discrimination	18
ARTICLE XX – Savings Clause	19
ARTICLE XXI – Duration.....	19
ARTICLE XXII – Execution in Counterparts.....	19
ARTICLE XXIII – Annual Review upon Request	19
ATTACHMENT “A” AGREEMENT TO BE BOUND	24

PROJECT LABOR AGREEMENT

This agreement is entered into by and between the State of Hawaii (“State”), the Hawaii Construction Alliance and its affiliated labor unions, and the Unions that become signatory to this Agreement for any construction project covered by this Agreement (hereinafter referred to as the “Union” or “Unions” individually or collectively, as the context may require).

ARTICLE I – Purpose and Findings

Public works projects involve numerous contractors and employees in different trades, have critical timelines for completion, and require skilled and properly trained workers to successfully complete the work in a safe and timely manner. To avoid delays and additional expense to the State of Hawaii, it is essential that the most critical public works projects proceed without labor disruptions, whether due to external labor relations factors or the frictions that can arise when a large number of contractors and their employees and subcontractors work in proximity to one another on a job site.

As the State grows in size and connects more communities via infrastructure development, the State has an overriding interest in maintaining the continuity of efficient construction work by using skilled and trained labor. In a complex environment such as the State of Hawaii, it is essential to avoid delay in completing critical public works projects so that public funds are utilized prudently and residents and visitors are not adversely impacted by interruption in public services or delay in the use of facilities that are important to the essential operations or infrastructure of the State.

A Project Labor Agreement ("PLA"), is a construction industry collective bargaining agreement applied to a particular public works project or set of projects. PLAs have been used for many years to achieve high-quality construction performance and the economic benefits that result from having a guaranteed source of skilled workers and avoiding work disruptions.

In the private sector, PLAs have been and are being used successfully on a variety of projects, such as the United States Navy's privatized military housing stabilization agreement, and other large and small private developments, including the retrofitting and remodeling of existing buildings and facilities. On public works projects, PLAs have been and are being used successfully by governmental entities, including the Honolulu Authority for Rapid Transportation.

PLAs on public works projects are open to both union and non-union contractors. A public agency awarding a project covered by a PLA may select any qualified bidder for the award, without regard to whether it is otherwise a signatory to a union collective bargaining agreement.

PLAs are effective mechanisms for controlling construction costs, ensuring efficient completion of projects, and establishing fair wages and benefits for all workers.

PLAs also help ensure worker health and safety protections while providing a unique opportunity for workforce development

PLAs on public works projects also promote government efficiency, thus lowering costs, in a number of ways. They prevent labor strikes or slowdowns during the life of the agreement; set work rules, schedules and conditions; build jobsite harmony by placing all contractors and workers on a level playing field; and provide for arbitration procedures to resolve grievances and jurisdictional disputes. They also increase public confidence in government procurement and improve transparency in the competitive bidding process.

The construction crafts needed on public works projects require a supply of new apprentices to perpetuate those crafts into the future. It is essential to train a local pool of skilled labor in the construction sector who will be able to competently and safely construct future public works projects. Through their apprenticeships, local construction unions provide genuine opportunities for long-term, well-paid careers in the construction industry. Entry into and employment through these apprenticeships can be facilitated by a formal understanding between the State and the local construction unions who fund and operate such apprenticeships.

In addition, veterans may be seeking employment on public works projects and training opportunities for entrance into the construction industry. Such training opportunities are available through programs such as "Helmets to Hardhats."

PLAs have proven to be a valuable mechanism across the United States in addressing many of these issues and have been a major factor in producing high quality construction work and projects that are completed on time, within budget, and without labor strife or disruptions. This PLA is intended to promote labor harmony, prevent labor disputes and slowdowns, achieve and promote efficient, high-quality construction that meets strict construction deadlines, improve State services, and ensure a steady local supply of skilled and trained labor on proprietary construction projects.

ARTICLE II – Definitions

As used in this Agreement:

"Agreement To Be Bound" means the acceptance agreement signed by each Contractor, agreeing to be bound by the terms of this PLA, in the form attached hereto as Attachment "A."

"Project Labor Agreement" or "PLA" means this multi-craft collective bargaining agreement between the State, the Hawaii Construction Alliance and its affiliated labor unions, and the Unions signatory to this Agreement, which shall be approved for use on Covered Projects by the Chief Procurement Officers of the State.

"Contractor" means any individual, firm, partnership, corporation, or other business entity (including but not limited to a general contractor, project manager,

construction manager, or primary employer, or combination thereof), including joint ventures, and any successors and assigns of the foregoing, that has entered into a contract to perform, assign, award, or subcontract any part of the construction work on a Covered Project, and all contractors and subcontractors of any tier.

"Covered Work" means on site construction work covered by each respective Master Agreements of the Unions signatory to this Agreement for a Covered Project., including facilities dedicated exclusively to supplying products to Covered Projects.

"Covered Project" means all large-scale public works projects in excess of one million five hundred thousand dollars (\$1,500,000) for the building, erection, installation, or assembly of a structure, building, or facility, or infrastructure, including any such projects receiving funding from a bond issuance of the State, and any other public works project where the State has determined that delay in completing the project may lead to interruption or delay of services or use of facilities that are important to the essential operations or infrastructure of the State; provided, however, that the term does not include the routine operation or maintenance of a structure, building, or facility, or of new infrastructure.

"Maintenance" means the upkeep of a structure, building, or facility, or of infrastructure, to preserve the original functional and operational state of the structure, building, facility, or infrastructure, and includes any task that has been traditionally and historically performed by public workers in or upon structures, buildings, facilities, and infrastructure.

"Master Agreement" means the master collective bargaining agreement of each Union signatory to the Project Labor Agreement.

"Operation" means activities related to the normal performance of the functions for which a structure, building, facility, or infrastructure is intended to be used.

"Union" or "Unions" includes the Hawaii Construction Alliance ("HCA"), and their affiliated labor organizations, and the Unions signatory to this Agreement, acting on their own behalf and on behalf of their own respective affiliates and member organizations whose names are subscribed to the Project Labor Agreement. The parties to the Project Labor Agreement may mutually agree, in writing, to amend or modify the list of affiliated labor organizations in the event there is a change in affiliation. Nothing in this article is intended to imply that the state has the authority to approve which local unions may affiliate with the HCA.

"Work Disruption" means any strike, lockout, sympathy strike, slowdown, work stoppage, boycotting, picketing or similar activity that interferes with work on a Covered Project.

ARTICLE III – Scope of Agreement

The State shall require all Contractors to agree to be bound by this PLA by executing an Agreement To Be Bound as a condition of any future request for proposal issued on or after the effective date of this PLA for a Covered Project. The Unions agree that this PLA will be available to, and will fully apply to, any successful bidder for the project work for a Covered Project, without regard to whether the successful bidder performs work at other sites as either a union or non-union Contractor, and without regard to whether employees of such bidder are or are not members of any union.

It is understood that this PLA constitutes a stand-alone agreement, and by virtue of executing an Agreement To Be Bound, Contractor will not be obligated to sign any other collective bargaining agreement as a condition of performing work within the scope of this PLA.

All Contractors on all Covered Projects must execute an Agreement to be Bound by this PLA as a precondition of performing, assigning, awarding, or subcontracting work on the Covered Project.

It is understood that each party to this PLA acts independently of the other, and this PLA does not give rise to any joint and several liability between or amongst the parties. The Unions agree that this PLA does not have the effect of creating any joint employment status between and among the State and any Contractor.

ARTICLE IV – Appointment of Administrator

It is understood that the parties hereto support the active and effective administration and enforcement of the terms of this PLA by all signatory parties to ensure that the benefits envisioned from it flow to all intended parties. In furtherance thereof, the Joint Administrative Committee (as such term is defined in Article XVIII hereof) shall appoint the Director or Deputy Director of the Department of Labor and Industrial Relations, or its Interim Director if appropriate, as the administrator (the “Administrator”), to oversee the parties’ compliance with this PLA and, subject to the provisions of Article XVIII hereof pertaining to the authority of the Joint Administrative Committee, to interpret, monitor and enforce the terms and conditions of this PLA. For such purposes, the Administrator shall be considered a party in interest in all matters related to this PLA, except the resolution of grievances and jurisdictional disputes.

ARTICLE V – Union Recognition

The Contractor recognizes the signatory Unions as the sole and exclusive bargaining representatives of all craft employees within their respective jurisdictions working on Covered Projects.

There shall be no discrimination against any Employee or applicant for employment because of his or her membership or non-membership in the Union or based upon race, creed, color, sex, age or national origin of such employee or applicant,

or any other factor prohibited by state or federal law.

The Contractor agrees to deduct dues and fees in the amount designated by a particular Union, subject to applicable law, provided that the Employee has executed a written assignment calling for such a deduction, which is provided to the Contractor, and provided further that the form of the written assignment is that form that is used for all operations by the particular Union for its members in the State of Hawaii. The Contractor will remit to the Union the dues and fees deducted in the manner set forth in the applicable Master Agreement. All Employees of Contractor who are not member of any Union shall pay dues and uniform assessments in accordance with the requirements of the applicable Union and applicable law. Such dues and assessments shall be limited to fees necessary for the performance for the Union's representation duties. Any employee failing to meet the above condition of employment shall upon written notice by the Union be discharged by the Contractor within five (5) working days, if permitted by existing law.

This PLA shall not unlawfully deprive, nor shall it be construed to unlawfully deprive, any non-union or union employee of his or her rights under federal and state laws.

Each Union shall have the right to designate a working craft employee as steward for each Contractor employing such craft on the Covered Project. Such designated steward shall be a qualified workman assigned to a crew and shall perform the work of the craft. The steward shall not perform supervisory duties. Under no circumstances shall there be a non-working steward. Stewards shall be permitted a reasonable amount of time during work hours to perform applicable Union duties related to the work being performed by the craft employees of his or her Contractor and not to the work being performed by the other Contractors or their employees.

Authorized representatives of the Union shall have access to the Project, provided that such representatives fully comply with the posted visitor, security, and safety rules and the environmental compliance requirements of the Project, provided they do not unnecessarily interfere with the employees or cause them to neglect their work. The Contractor recognizes the right of access set forth in this Section and such access will not unreasonably be withheld from an authorized representative of the Union.

To the extent this PLA addresses a subject, it represents the complete agreement of the parties on that subject. To the extent the PLA does not address a subject, the terms and conditions of the respective Master Agreement for the appropriate craft shall apply to that subject.

ARTICLE VI – Management Rights of Contractors

Contractors retain full and exclusive authority for the management of their respective operations except as specifically set forth in this PLA. The Contractors shall have the right to direct its work forces at their sole discretion, including, but not limited to, hiring, promotion, determining competency to perform work, transfer, lay-off, discipline or discharge for just cause; the selection of foreman and general foreman; the

assignment and scheduling of work; the requirement of overtime work; the determination of when work will be done; and the number and identity of employees engaged to perform such work.

The Contractor may, in its sole discretion, utilize the most effective method or techniques of construction, tools, or other labor-saving devices. Except as otherwise expressly stated in this PLA, there shall be no limitation or restriction upon the Contractor's choice of materials or design, nor upon the full use and installation and utilization of equipment, machinery, tools, or other labor-saving devices. If there is any disagreement between the Contractor and a Union concerning the manner or implementation of such device or methods of work, the implementation shall proceed as directed by the Contractor and the Union shall have the right to grieve and/or arbitrate the dispute as set forth in Article VIII of this PLA.

ARTICLE VII -- Hiring Procedures

Unless otherwise required by this PLA, Contractors shall utilize the job referral system of the appropriate signatory Union to acquire employees to work on the Project. The job referral system will be operated in a non-discriminatory manner and in full compliance with federal, State, and local laws and regulations which require equal employment opportunities and non-discrimination.

A probationary period of ten (10) working days shall be established for all new employees; during such time period such named employees may be summarily discharged and such discharge is not subject to the grievance and arbitration process. Notwithstanding the above, the Contractor may reject any referral for any lawful nondiscriminatory reason provided it complies with this Article. All disputes involving the discipline and/or discharge of an employee working on a Covered Project shall be resolved through the grievance and arbitration provisions. The Contractors shall have the right to reject any applicant referred by a Union, in accordance with the applicable Master Agreement.

In the event a Union is unable to fill a request for qualified employees within forty-eight (48) hours after such request is made by a Contractor (Saturdays, Sundays and Holidays excepted), the Contractor may employ applicants from any other available source. The Contractor shall inform the Union of the name and social security number of any applicant hired from the other sources and shall refer the applicant to the Union for dispatch to the Project within twenty-four (24) hours after hiring.

Except as required by law, the Unions shall not knowingly refer an employee currently employed by any Contractor working under this PLA to any other Contractor. This provision shall not be applicable in any case in which the Covered Employee has given notice to the Contractor-Employer of his or her intent to quit.

The selection of craft foremen and/or general foreman and the number of such foremen and/or general foreman required shall be entirely the responsibility of the Contractor, and Craft foremen shall be designated working foremen at the request of the Contractor and once so designated shall be allowed to perform work on the Project in

their respective crafts.

The parties recognize the State's interest in providing opportunities to participate on the Project to emerging Contractors, as well as other enterprises which may not have previously had a relationship with the Unions signatory to this PLA. To ensure that Contractors will have an opportunity to employ their "core" employees on this Project, all "core" employees must register with the appropriate Union prior to employment. The parties agree that such Contractor may request by name, and the Union will honor, referral of such persons who have registered with the appropriate Union for Project work and who demonstrate the following qualifications:

- (a) possess any license required by State or federal law for the Project work to be performed;
- (b) have worked a total of at least one thousand (1,000) hours in the construction craft during the prior three (3) years;
- (c) were on the Contractor's active payroll for at least sixty (60) out of one hundred eighty (180) calendar days prior to the contract award; and
- (d) have the ability to perform safely the basic functions of the applicable trade.

The Union will refer to such Contractor one journeyman employee from the hiring hall out-of-work list for the affected trade or craft and will then refer one of such Contractor's "core" employees as a journeyman and shall repeat the process, one and one, until such Contractor's crew requirements are met or until such Contractor has hired seven (7) "core" employees, whichever occurs first. Thereafter, all additional employees in the affected trade or craft shall be hired exclusively from the hiring hall out-of-work list(s), if available. For the duration of the Contractor's work, the ratio shall be maintained and when the Contractor's workforce is reduced, covered Employees shall be reduced in the same ratio of "core" covered Employees to hiring hall referrals as was applied in the initial hiring.

It is understood that Contractors that do not follow this process shall be subject to the Grievance Procedure of the PLA.

ARTICLE VIII – Work Stoppages

During the term of this PLA, there shall be no strikes, picketing, work stoppages, slow-downs, or other work disruption for any reason by the Union, its applicable Local Union or by an Employee, and there shall be no lockout by the Contractor. Failure of any Union, Local Union, or Employee to cross any picket line established at the Project site is a violation of this Article.

In the case of nonpayment of wages or benefits on a Covered Project, the Union shall give the State and the Contractor three (3) business days' notice should the Union intend to withhold labor from the Contractor's workforce, during which time the

Contractor or its upper tier contractor or the State may take action to correct the default. In this instance, a Union's withholding of labor (but not picketing) from a Contractor who has failed to pay wages or benefits shall not be considered a violation of this Article.

If the State or any Contractor contends that any Union signatory to this Agreement has violated this Article, it will so notify in writing the senior executive of the Union, setting forth the facts alleged to violate this Article. The HCA or the Union in violation of this Article and signatory to this Agreement will immediately use its best efforts to cause the cessation of any violation of this Article. The leadership of the Union will immediately inform the workers of their obligations under this Article. A Union complying with this obligation shall not be held responsible for the unauthorized acts of employees it represents.

ARTICLE IX – Grievance Procedure

This PLA is intended to provide close cooperation between management and labor. Each of the Unions will assign a representative to this Covered Project for the purpose of completing the construction of the project economically, efficiently, continuously, and without interruptions, delays, or work stoppages.

It is understood that the Contractors, the Unions, and the Contractors' Employees, collectively and individually, realize the importance to all parties to maintain continuous and uninterrupted performance of the work of the project and agree to resolve disputes in accordance with the grievance-arbitration provisions set forth in this Article.

Any question or dispute arising out of and during the term of this PLA (other than trade jurisdictional disputes) shall be considered a grievance and subject to resolution under the following procedures:

Step 1. (a) When any Contractor's Employee feels he or she is aggrieved by a violation of this PLA, he or she, through his or her local union business representative or job steward, shall, within ten (10) working days after becoming aware of the dispute, but in no event more than thirty (30) business days after the Employee reasonably should have become aware of the event giving rise to the dispute, give notice to the work-site representative of the involved Contractor, stating the provision(s) alleged to have been violated. The business representative of the local Union or the job steward and the work-site representative of the involved Contractor shall meet and endeavor to adjust the matter within three (3) working days after timely notice has been given. The representative of the Contractor shall keep the meeting minutes and shall respond to the Union representative in writing at the conclusion of the meeting but not later than twenty-four (24) hours thereafter. If they fail to resolve the matter within the prescribed period, the grieving party may, within forty-eight (48) hours thereafter, pursue Step 2 of the Grievance Procedure, provided the grievance is reduced to writing, setting forth the relevant information

concerning the alleged grievance, including a short description thereof, the date on which the grievance occurred, and the provision(s) of the PLA alleged to have been violated.

(b) Should the Local Union(s) or the Contractor have a dispute with the other party and, if after conferring, a settlement is not reached within three (3) working days, the dispute may be reduced to writing and proceed to Step 2 in the same manner as outlined herein for the adjustment of an employee complaint.

Step 2. The Union Representative, and other representatives as needed, and the involved Contractor shall meet within seven (7) working days of the referral of a dispute to this second step to arrive at a satisfactory settlement thereof. Meeting minutes shall be kept by the Contractor. If the parties fail to reach an agreement, the dispute may be appealed in writing in accordance with the provisions of Step 3 within seven (7) calendar days thereafter.

Step 3. (a) If the grievance has been submitted but not adjusted under Step 2, either party may request in writing, within seven (7) calendar days thereafter, that the grievance be submitted to the appropriate Arbitrator from the list of the permanent panel of Arbitrators, as described herein. The decision of the Arbitrator shall be final and binding on all parties. The fee and expenses of such Arbitration shall be borne equally by the Contractor and the involved Local Union(s).

The Contractors and the Unions agree to the following permanent panel of five (5) arbitrators from which an Arbitrator shall be selected to hear and decide disputes arising under this Article. The members of the panel are:

Eden Hifo
Louis Chang
Lori Aquino
Ron Brown
James Duffy

In the event any panel member is no longer available to serve under this PLA, the State and the Unions collectively shall agree on a substitute panel member within thirty (30) calendar days of notification by the panel member of the member's unavailability to serve. If the parties cannot reach an agreement within the specified time, the remaining panel members shall establish a list of five (5) individuals from which the State and the Unions collectively shall select the substitute panel member by striking an individual from the list in an alternating and equal number of strikes. The remaining individual shall thereafter serve as the new panel member in substitution for the member who is no longer available to serve.

Selection of the Arbitrator from the panel shall be by mutual agreement of the Contractor and the Union(s) involved in the dispute. If an Arbitrator cannot mutually be agreed to by the parties, each party shall have an alternating and equal amount of strikes

from the panel of five (5) and the remaining panel member shall serve in the dispute. The Contractor or Union(s) invoking this procedure shall notify the Arbitrator selected. In the event that the selected Arbitrator is unavailable, the Contractor and Union(s) shall mutually agree upon another Arbitrator.

(b) Failure of the grieving party to adhere to the time limits established herein shall render the grievance null and void. The time limits established herein may be extended only by written consent of the parties involved at the particular step where the extension is agreed upon. The Arbitrator shall have the authority to make decisions only on issues presented to him or her, and he or she shall not have authority to change, amend, add to or detract from any of the provisions of this Agreement.

The Project Contractor shall be notified of all actions at Steps 2 and 3.

The time limits in this Article may be extended by mutual written agreement of the parties to the grievance.

Nothing in this Agreement shall be construed to interfere with or supersede the usual and customary legal remedies available to the Unions and/or employee benefit trust funds to collect delinquent wages or Trust Fund contributions from Contractors on the Project.

ARTICLE X – Pre-Job Conferences

The Contractor shall conduct a pre-job conference with the designated representatives for the HCA, and the Unions signatory to this agreement within thirty (30) days after the execution of the Contractor's contract with the State. The Contractor shall provide such representatives with a list of subcontractors seven (7) days prior to the pre-job conference.

ARTICLE XI – Jurisdictional Disputes

The Contractor performing the work shall be responsible for the assignment of work within the scope of work they will perform.

Should a jurisdictional dispute arise, including based on the assignment of work by the Contractor performing the work, there shall first be an attempt to resolve the dispute at the Project level by the Contractor and the Unions involved in the dispute by no later than seven (7) calendar days from the date a written notice of the dispute was received by the Contractor. If the dispute is not resolved within seven (7) calendar days, it shall be settled and adjudicated according to the following process. The decision rendered in the Plan proceeding described below or arbitration shall be final, binding and conclusive on the Contractor and Unions parties to the Plan proceeding or arbitration. A decision in any Plan proceeding or arbitration proceeding shall not create or be perceived to create a

precedent for future disputes. It is understood that the Joint Administrative Committee has no authority to rule on any issue involved in the jurisdictional dispute. Each signatory union to this PLA agrees to make a good faith effort to avoid jurisdictional disputes.

Jurisdictional disputes between Unions signatory to this Agreement who are members of the Hawaii Building and Construction Trades Council ("HBCTC") may be settled and adjudicated according to the current Plan for the Settlement of Jurisdictional Disputes in the Construction Industry (the "Plan") established by the North America's Building Trades Unions ("NABTU") or any other dispute resolution plan or procedure that may be adopted in the future by the HBCTC if all such unions agree. If there is no mutual agreement, then the dispute shall be resolved as set forth below.

Unions that are not members of the HBCTC, or HBCTC members who are also members of the Hawaii Construction Alliance ("HCA") and decide not to use the procedure set forth in the immediately preceding paragraph or jurisdictional disputes between a member of HBCTC and a member of HCA shall utilize the following procedure. An arbitrator, based upon a review of Hawaii local industry standards and applying the other factors utilized by the National Labor Relations Board to resolve jurisdictional disputes, such as NLRB certification, collective bargaining agreements with the contractor, relative skills and training, past practice of employer, performance of employees, employer performance, and economy and efficiency of operations, shall determine the jurisdictional dispute.

- (a) Either party may request, in writing, that the dispute be submitted to arbitration, before a single arbitrator, in accordance with the Arbitration Rules, Procedures and Protocols of Dispute Prevention & Resolution, Inc. ("DPR"), or its successors, then in effect, a current copy of which is attached hereto as Exhibit A, and the provisions of the Federal Arbitration Act, as amended (collectively, the "Required Arbitration Procedures").
- (b) The arbitrator shall be selected in accordance with the Required Arbitration Procedures.
- (c) The arbitration on the dispute shall be held at a mutually acceptable location in Honolulu, Hawaii. The decision of the arbitrator rendered in any such arbitration shall be final and binding upon the parties and judgment thereon may be entered in any court having jurisdiction thereof. The cost of the arbitration service and the fees of the arbitrator shall be shared equally and paid by the parties to the arbitration. Each party to the arbitration shall bear its own attorneys' fees and costs in the defense or prosecution thereof. Such arbitration award or decision shall not constitute a precedent for any future dispute.

All jurisdictional disputes between Unions signatory to this Agreement shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor's assignment shall be adhered to until the dispute is resolved by agreement, Plan proceeding or arbitration award covering all employees who are involved. The Arbitrator is not authorized to award back pay or any other damages for a misassignment of work, except that a party may seek back pay or damages for the period of non-compliance with an Arbitrator's decision from any party that fails to comply with such decision within seven (7) business days of the issuance of the Arbitrator's decision.

ARTICLE XII – General Work Rules: Obligations of Contractor and Unions

Slowdowns, standby crews, and featherbedding practices will not be tolerated.

It is understood that the Project Contractor may establish reasonable project rules that will be uniformly applied and adhered to by all Contractors, the Unions, and all employees. These rules will be provided to all Contractors for the Contractor's pre-job conference and made available in writing to their Covered Employees. These rules shall be provided to the Unions.

Security procedures for the control of tools, equipment, and materials are the responsibility of the Contractor. Covered Employees having in their possession without authorization any property of the Contractor or of another employee shall be subject to immediate discharge by the Contractor. The Contractor will be responsible for the establishment of reasonable security measures for the protection of personal, company, and Contractor property.

There shall be no restrictions on the use of any tools by any qualified employee in any emergency situation endangering life, limb, or property; or on the use of any tools or equipment for the performance of work within the Union's jurisdiction, provided the employee can safely use the tools and/or the equipment involved.

The selection of a craft foreman and general foreman and the number of same required shall be entirely the right and responsibility of the Contractor.

The Contractor has the sole and exclusive right to assign specific Covered Employees and/or crews to perform overtime work when such overtime work is necessary to accomplish the job. The overtime work shall be assigned to Covered Employees and/or crew(s), to the extent needed, who performed the work involved during the regular work day or work shift.

The Contractor shall provide a convenient and sanitary supply of drinking water and sanitary drinking cups.

The Contractor shall provide adequate sanitary toilet facilities, water, and clean up facilities to Covered Employees.

The Contractor shall provide a safe and secure place for storage of tools.

All required safety equipment will be provided by the Contractor.

ARTICLE XIII – Safety, Environmental and Health

It shall be the responsibility of the Contractor to ensure safe working conditions and employee compliance with any safety rules herein or established by the Contractor.

Covered Employees shall be bound by the safety, security and site access rules established by the Contractor for the Project. These rules will be published and given to each employee as part of their new-hire orientation, as well as posted throughout the Project.

The Contractor shall conduct safety meetings at least once a week for all Covered Employees. Such mandatory meetings will be conducted on paid time. Attendance at such meetings is mandatory and employees who do not attend may be subject to disciplinary action.

Covered Employees shall use, maintain, and care for personal protective equipment and other health and safety equipment issued or assigned them. Proper use of the equipment is mandatory, and failure to do so may result in disciplinary action up to and including discharge.

To further the health, safety and security of the workplace, the Contractor and Unions agree to implement the policy covering drugs and other controlled substances pursuant to Article XII.

ARTICLE XIV – Substance Abuse Policy and Drug and Alcohol Testing Procedure

The parties to this PLA acknowledge the prohibition of the use, sale, transfer, purchase, and/or possession of a controlled substance, alcohol, and/or firearms while on Project premises. Additionally, all parties to this PLA agree to a “drug free” workplace policy, which prohibits those working on this Project from having a level of alcohol which could indicate impairment, and/or any level of controlled substances (i.e., illegal drugs) in their system. No employee shall be permitted to work on the Project under the influence of intoxicants or drugs and shall be removed from the Project if found under the influence of intoxicants or drugs.

To that end, the parties agree that all employees performing work under this PLA shall be obligated and bound to their employer’s drug and alcohol prevention policies and programs, whether those policies and procedures are contained in separate collective bargaining agreement between the Union and Contractor or policies and procedures of a contractor that has no separate collective bargaining agreement with the union. If a Contractor with no separate collective bargaining agreement with a union has drug and alcohol prevention policies and procedures, those policies and procedures shall be just as

effective in preventing drug and alcohol abuse as the policies and procedures contained in the corresponding collective bargaining agreement with the union, and shall have no lower testing standards than contained in that agreement. The Contractor shall provide a copy of those policies and procedures to the Union upon request. If a Contractor with no separate collective bargaining agreement with a union has no drug and alcohol prevention policies and procedures, those policies and procedures contained in the corresponding collective bargaining agreement with the union shall apply.

ARTICLE XV – Apprenticeship Program

All apprentices must be indentured in a State-approved apprenticeship program.

Contractors shall employ apprentices in their respective craft to perform work customarily performed by the craft in which they are apprenticed and within their capabilities.

To promote training and employment opportunities for military veterans who are interested in careers in the building and construction trades, the Contractor-Employer and Unions agree, when appropriate, to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment in the Center’s “Helmets for Hardhats” program to serve as a resource for assessment for construction aptitude of the military veterans and for possible referral to apprenticeship programs.

Consistent with any restriction contained in applicable federal and state law and regulations, including those governing equal employment opportunity, prevailing wage and apprenticeship requirements and limitations, the Contractor may employ registered apprentices.

Apprentice pay scales and ratios shall be governed by the appropriate Union’s joint apprenticeship program.

ARTICLE XVI – Wages, Hours, Etc.

The wages, hours, shift schedules, holidays, and other terms and conditions of employment will be governed by the master agreement of the applicable craft.

ARTICLE XVII – Subcontracting: Obligations of Contractors

Contractor agrees that it will not subcontract any Covered Work to be performed on a Covered Project, except to an individual firm, partnership, corporation, or any combination thereof or joint venture that signs an Agreement To Be Bound and thereby agrees to become a Contractor subject to this PLA.

ARTICLE XVIII – Joint Administrative Committee

The parties to this PLA shall establish a four (4) person Joint Administrative Committee (JAC). This JAC shall be comprised of a management party made up of two

(2) representatives selected by the State, including one Contractor who has signed the Agreement To Be Bound during the term of this PLA; and a labor party made up of two (2) representatives from the Unions signatory to this Agreement of which one representative shall be a member in good standing, officer or administrator of the Hawaii Construction Alliance. Each representative shall designate an alternate who shall serve in his or her absence for any purpose contemplated by this PLA.

The JAC shall not be involved in or rule upon any individual grievances or on any issue involved in a jurisdictional dispute. Outside of the context of an individual grievance or a jurisdictional dispute, the JAC will resolve any interpretations or clarifications of this PLA that may be required by the Unions and/or the Contractor by majority vote with such resolutions to be binding on all signatories of this PLA as provided herein. Any question regarding the meaning, interpretation, or application of the provisions of this PLA, shall be referred directly to the JAC for resolution prior to such question being referred to arbitration in the event the JAC is unable to resolve the question. Such resolutions or clarifications shall be reduced to writing, jointly signed by the JAC and distributed to the signatory parties to this PLA. If the JAC fails to resolve any questions regarding the meaning, interpretation, or application of the provisions of this PLA within its authority, the Administrator shall have the authority to resolve such question. Labor and management shall each have one equal vote at JAC meetings regardless of the number of attendees. Labor and management shall jointly chair the JAC. In addition to its charter to rule on interpretations or clarifications to this PLA, the JAC shall annually review the effectiveness of the PLA in meeting the PLA goals of:

- a. No construction Work Disruption on this Project.
- b. Reducing friction that may arise when union and open shop employees are working at a common jobsite.
- c. High quality, cost effective construction work.
- d. Providing training opportunities for local craft workers.
- e. Ensuring compliance with health and safety policies and laws.

ARTICLE XIX – No Discrimination

The Contractor and Unions shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, age, disability, sexual orientation, marital status, ancestry, arrest or court record, or any other protected status pursuant to federal or state law or regulations.

All covered projects shall comply with and be in accordance with the right to organize for the purpose of collective bargaining guaranteed under Article XIII, Sections 1 and 2, of the State Constitution, and the operation and maintenance of facilities that are constructed pursuant to this PLA shall be consistent with the merit principle under Article XVI, Section 1, of the State Constitution.

Contractor agrees that it will not subcontract any Covered Work to be performed on a Covered Project, except to an individual firm, partnership, corporation, or any combination thereof or joint venture that signs an Agreement To Be Bound and thereby agrees to become a Contractor subject to this PLA. Any Contractor working on a Covered Project shall, as a condition to working on said Project, perform all work under the terms of Article XV – Subcontracting: Obligations of Contractors.

ARTICLE XX – Savings Clause

This document contains the entire agreement of the parties, and no party has made any representations to another party which are not contained herein. This PLA is intended to fully conform to all applicable statutes, regulations, and Executive Orders. Should any provision herein contained be rendered or declared invalid by reason of any existing legislation or by any decree of a court of competent jurisdiction, such invalidation of such part or portion of this PLA shall not invalidate the remaining portions thereof, and they shall remain in full force and effect. The parties shall immediately meet to renegotiate the portion or portions thereof rendered invalid.

ARTICLE XXI – Duration

The PLA shall become effective upon the execution by the State, the HCA, and the Unions signatory to this Agreement. The PLA shall remain in full force and effect until December 31, 2026 and, unless extended by the parties to the PLA, shall terminate thereafter. Amendments and modifications to the PLA must be made by mutual agreement of all the parties.

The PLA shall apply until the completion of any individual Covered Project regardless of the PLA term.

ARTICLE XXII – Execution in Counterparts

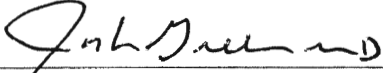
This Agreement may be executed in counterparts, such that original signatures may appear on separate pages and when bound together all necessary signatures shall constitute an original. Faxed or emailed signature pages transmitted to other parties to this Agreement shall be deemed the equivalent of original signatures.

ARTICLE XXIII – Annual Review upon Request

At each anniversary of the commencement date of the PLA, any signatory union (the “Requesting Party”) may request a review of any issues of concern arising under the PLA to determine whether such issues can be resolved. If the Requesting Party is not satisfied with the outcome of the review process, the Requesting Party shall have the right to terminate its participation in the PLA upon thirty (30) days advance written notice to the Administrator.

This Project Labor Agreement is executed on this 22 day of December, 2023,
Honolulu, Hawaii.

State of Hawaii



Governor

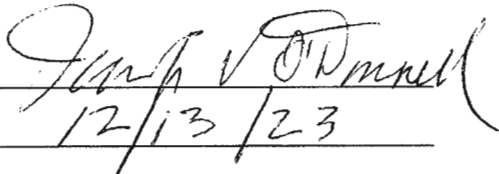
Hawaii Construction Alliance

UNION SIGNATURES

The undersigned Unions hereby agree to comply with all of the terms and conditions of Covered Projects.

It is understood that this signing shall be as binding on the undersigned Unions as though they signed the above-referenced Project Labor Agreement.

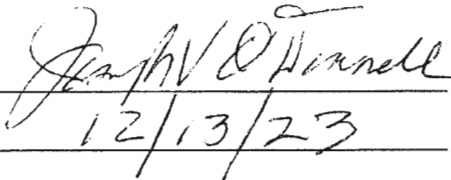
Iron Workers Local 625



12/13/23

Date

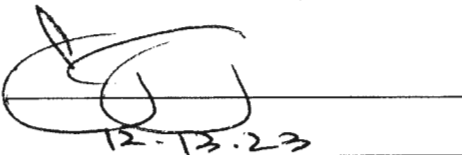
Ironworkers Local 625S



12/13/23

Date

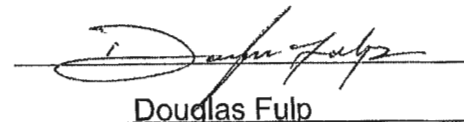
United Union of Roofers,
Waterproofers & Allied Workers
Local 221



12-13-23

Date


International Union of Heat &
Frost Insulators & Allied
Workers Local 132



Douglas Fulp

Date 12/15/2023

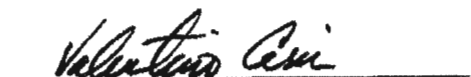
IBUAC, AFL-CIO Local 1 Hawaii



12 | 13 | 2023

Date

Plumbers & Fitters UA Local 675



Valentino CERIA

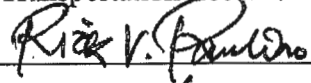
Date 12/28/23

International Brotherhood of
Electrical Workers Local 1186



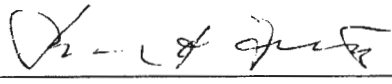
Date 12/13/23

International Association of Sheet
Metal, Air, Rail &
Transportation Local 293


12/20/2023

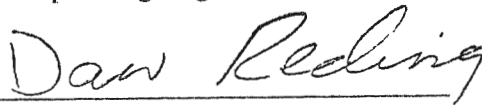
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Hawaii Regional Council of
Carpenters


12/14/23

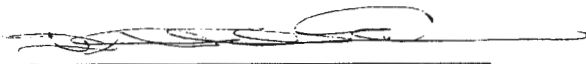
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International Union of
Operating Engineers Local 3


11/31/2024

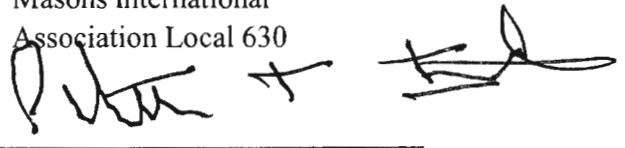
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Laborers' International Union of
North America Local 368


12/14/23

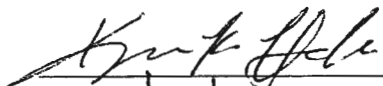
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Operative Plasterer's & Cement
Masons International
Association Local 630





Date

Hawaii Teamsters & Allied
Workers Local 996


12/13/23

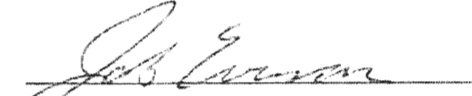
Date

International Union of Elevator
Constructors Local 126

Date

International Brotherhood of
Boilermakers Local 627


December 13, 2023

Date

International Brotherhood of
Electrical Workers Local 1260

Date

District Council 50
International Union of
Painters & Allied Trades
Local 1791
Glaziers, Architectural
Metal & Glass Workers
Local 1889 Carpet,
Linoleum & Soft Tile
Local 1926
Drywall, Tapers &
Finishers Local 1944

Date

**ATTACHMENT "A"
AGREEMENT TO BE
BOUND**

This is to certify that the undersigned Contractor has examined a copy of the Project Labor Agreement between the State of Hawaii, the Hawaii Construction Alliance, and its Affiliated Labor Unions, and the Unions signatory to this Agreement ("PLA"). The undersigned Contractor hereby agrees to comply with all of the terms and conditions of the PLA on this Covered Project, entitled _[Name of Project]_.

It is understood that the signing of this Agreement To Be Bound shall be as binding on the undersigned Contractor as though the Contractor had signed the above-referenced PLA. The Contractor further agrees that all of its subcontractors, of whatever tier, shall execute this Agreement To Be Bound and agree to be bound by the PLA for all work within the scope of this Covered Project, entitled _[Name of Project]_.

The Contractor agrees to pay contributions to the bona fide fringe benefit trust funds established by the applicable Master Agreement(s) for each hour worked on the Covered Project, in the amounts designated in the applicable Master Agreement(s). By signing this Agreement To Be Bound, the Contractor adopts and agrees to be bound by the legally established trust agreements governing such trust funds, which may from time to time be amended. The Contractor authorizes the parties to such trust agreements to appoint trustees and successor trustees to administer the trust funds and hereby ratifies and accepts the trustees so appointed. The Contractor agrees to execute a separate subscription agreement in the event the trust funds so require.

CONTRACTOR/SUBCONTRACTOR: _____

Contractor State License # or Motor Carrier Permit #: _____

Name of Authorized Person (print): _____

Signature of Authorized Person: _____

Title of Authorized Person: _____

Telephone Number of Authorized Person: _____

Address of Authorized Person: _____