

## **EXECUTIVE ORDER NO. 24-31**

### **ESTABLISHING PROJECT LABOR AGREEMENTS FOR STATE CONSTRUCTION PROJECTS**

**WHEREAS**, the State of Oregon has a compelling need to ensure that all construction project contracts awarded adhere to the highest standards of quality and efficiency at the lowest responsible cost and,

**WHEREAS**, a project labor agreement, a form of pre-hire collective bargaining agreement covering all terms and conditions of a specific construction project, can ensure a construction project will have the highest standards of quality and efficiency at the lowest responsible cost and,

**WHEREAS**, on February 4, 2022, the President of the United States declared it is the policy of the Federal Government for agencies to use project labor agreements in connection with large-scale construction projects to promote economy and efficiency in Federal procurement and,

**WHEREAS**, project labor agreements provide for peaceful, orderly and mutually binding procedures to resolve workforce issues without labor disruption which can result in significant lost time and additional expense on a construction project and,

**WHEREAS**, project labor agreements provide the State with assurance that public construction projects will be completed by highly skilled workers and,

**WHEREAS**, the use of highly skilled workers will further reduce costs over the lifetime of the completed project for repairs and maintenance, and

**WHEREAS**, a project labor agreement helps to ensure equal employment opportunity and uplift economically disadvantaged workers, and

**WHEREAS**, the State of Oregon has a unique role in the construction industry to ensure that public dollars spent benefit the community they serve and do not indirectly or passively perpetuate discrimination against minorities, women, and low-income people in the construction industry, and

**WHEREAS**, the State of Oregon enacted ORS 279C.308 to authorize public agencies to include specific elements in public improvement contracts.

**NOW, THEREFORE, I, TINA KOTEK**, Governor of the State of Oregon, by virtue of the power and authority vested in me by the Constitution and statutes of the State of Oregon, do hereby issue this order to become effectively immediately:



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#### IT IS HEREBY ORDERED THAT:

1. All state agencies awarding any contract or obligating funds in connection with a construction project as defined below shall require every contractor and/or subcontractor engaged in the construction of the project to agree, for that project, to negotiate or become a party to a project labor agreement with one or more appropriate labor organizations.
2. A project labor agreement will be required to be negotiated and executed for public improvement projects where labor costs constitute fifteen (15) percent or more of the total construction, reconstruction, or major renovation project costs.
3. To ensure that state agencies are advancing gender and racial equity in contracting through project labor agreements, state agencies shall:
  - a. Set targets for the utilization of Certification Office for Business Inclusion and Diversity (COBID) certified firms that meet or exceed the baseline utilization rate reported in the 2023 State of Oregon Disparity Study, or an approved, agency specific disparity study.
  - b. Track the utilization of COBID and/or Disadvantaged Business Enterprise firms and report utilization data annually to the Department of Administrative Services.
  - c. Utilize a payroll system or equivalent tool to track labor data for the purpose of reporting.
4. The Governor's office will conduct a biannual review of all relevant data to assess how the state is performing against the stated goals of the order and provide recommendations for corrective measures if needed.
5. A project labor agreement required to be negotiated and executed pursuant to this order shall:
  - a. Contain guarantees against strikes, lockouts, and similar job disruptions.
  - b. Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the project labor agreement.
  - c. Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, and safety and health.



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- d. Fully conform to all Federal and State statutes, laws, rules, and regulations.
  - e. Be non-exclusionary to open-shop and local firms.
6. An agency director may petition the Governor to exempt a specific contract by not later than the solicitation date. Additionally, a project labor agreement is not required on projects:
- a. for which no funds of a contracting agency are directly or indirectly used, except for participation that is incidental or related primarily to project design or inspection, or
  - b. that constitute necessary emergency construction work, minor alterations, repairs, or maintenance necessary to preserve a public improvement, or
  - c. that are of short duration, lack operational complexity, or involve only one craft or trade.

This Order shall be effective immediately and shall apply to all solicitations for contracts and contracts awarded on or after the effective date.

Solicitations and contracts that are planned for advertisement but have not yet been awarded may exercise the exemption in Section 6 of this order through March 31, 2025.

Done at Salem, Oregon, this 18<sup>th</sup> day of December, 2024.



Tina Kotek  
GOVERNOR

ATTEST:

LaVonne Griffin-Valade  
SECRETARY OF STATE

## **Executive Order No. 24-31 Frequently Asked Questions**

### **What are Project Labor Agreements?**

Project Labor Agreements (PLAs) are pre-hire collective bargaining agreements negotiated between construction unions and construction contractors that establish the terms and conditions of employment for construction projects. PLAs are an effective tool to ensure timely completion of projects, provide employers with a reliable source of highly skilled workers, increase diversity and support equitable workforce development and improve worker health and safety on the job.

### **What projects are covered by the order?**

The executive order is limited to state agencies and specifically, public improvement projects where:

- The State of Oregon is the contracting authority and the constructed improvement is owned by the state.
- 15% or more of the total construction cost of the project is made up of onsite labor.
- The project does not meet exemption criteria.

### **What does construction labor mean?**

The order pertains to onsite construction labor, which includes all of the work done at the physical location of a construction project.

### **Does the EO apply to local projects that utilize state funding?**

Local projects are not covered by this order even if they utilize state funding.

### **Are state funded affordable housing projects covered by this order?**

Affordable housing projects that are owned by non-state entities are not subject to this order.

### **Are higher education institutions subject to this order?**

No.

### **Are broadband projects subject to this order?**

If the state will not own the constructed asset, this order does not apply.

### **The order exempts projects that are of short duration and operational complexity? What does that mean?**

Duration and operational complexity do not have a single definition. Agency directors that would like to seek an exemption based on the complexity or duration of the project should petition the Governor directly.

**How does the exemption process work?**

Agency directors must petition the Governor directly for an exemption. More detailed instructions on how to do so are under development and will be released in the coming weeks.

**What data will be included in the annual report and how will it be shared publicly?**

More detailed instructions to agencies on how to submit reports to the Governor's office will be released in the coming weeks.

**Does this order violate open competition laws?**

No. EO 24-31(5)(d) states a negotiated PLA would "fully conform to all Federal and State statutes, laws, rules, and regulations." EO 24-31 is consistent with the contracting and procurement policies described in ORS 279A.015(1) through 279A.015(6).

**Does this mean that non-union contractors cannot bid on state projects?**

No. Non-union contractors can and do enter into PLAs.

**Why now?**

As we embark upon multiple large scale infrastructure projects across the state, broad adoption of PLAs by the state government will help ensure that our projects are adequately resourced and provide benefits to the communities where they are constructed.

**What determines whether the project is new and therefore doesn't qualify for an exemption?**

Solicitations and contracts that are planned for advertisement but have not yet been awarded may exercise the exemption in Section 6 of the EO through March 31, 2025. Projects that were advertised prior to December 19th, 2024, are not subject to the order.

**How will the Governor be following up to ensure that this EO doesn't increase disparities in terms of who gets to work on these state projects?**

PLAs can and should be a tool to reduce workforce disparities. The Governor's Office will conduct a biannual review of all relevant data to assess how the state is performing against the stated goals of the order (including that state agencies are advancing gender and racial equity in contracting through PLAs) and provide recommendations for corrective measures if needed.