Project Labor Agreements Required on Federal Construction Projects

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On December 18, 2023, the Federal Acquisition Regulatory (FAR) Council announced its final rule requiring Project Labor Agreements (PLAs) on all federal construction projects valued at $35 million or more. This final rule arises out of Executive Order 14063, which was issued by the Biden Administration on February 4, 2022. If PLA contracting officers are forced to require versus simply encourage PLAs (which was the case under President Obama), that would mean any contractor bidding on such work would be required to hire union labor, whether they are a union shop or not. This rule, which takes effect on January 22, 2024, is expected to be challenged in court.

We Can Help
If you have questions, please contact a member of our Construction practice.