

TIMELY CONSTRUCTION

The Effect of Project Labor
Agreements on Completion
Timeliness for Public Works
Construction in California

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Executive Summary

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Unique to the construction industry, Project Labor Agreements (PLAs) are pre-hire labor contracts between construction project owners and construction unions, typically local building trades councils or other representative multi-craft organizations. The impact of PLAs on public works construction outcomes are highly contested among scholars and practitioners alike. To date, no academic literature has examined the relationship between PLAs and project timeliness.

This Study is based on analysis of 65 PLA and 248 Non-PLA Public Works Construction Projects in Sacramento County, California between 2019 - 2023

Key Findings

PLA are completed faster than similar non-PLA projects

- Among 292 school and city projects completed between 2019-2023, PLAs were associated with 15-17% faster completion times compared to non-PLA projects

PLAs are more likely to be completed than similar non-PLA projects

- Among 313 completed and ongoing school and city projects between 2019-2023, PLAs were 43% more likely to be complete than non-PLA projects

Takeaways

Shorter timelines can reduce overall costs by lowering labor expenses and avoiding costs tied to stopping and restarting work. Faster completion also has broader social and economic benefits, such as quicker access to improved infrastructure like schools, roads, and water treatment facilities. Delays in public works can have ripple effects, including productivity losses from longer transportation times and delayed services. Overall, the findings highlight that construction and workforce policies like PLAs can significantly affect both project efficiency and community well-being.