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### Unions Favored On Prison Projects

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The state expects to build two new prisons in place of Graterford in Skippack Township, Montgomery County, and is prepared to allow only union labor in the construction process.

An association of mostly nonunion contractors said the Pennsylvania Department of General Services (DGS) had asserted earlier that the state wouldn't approve a project labor agreement (PLA) that kept nonunion shops from working on Graterford.

"There were assurances that there wasn't going to be a PLA," said Geoffrey Zeh, president of Associated Builders and Contractors' (ABC) southeastern Pennsylvania chapter. "Then at the 11th hour, they come in."

In the spring of 2008, DGS issued a "letter of commitment" saying it would proceed to issue PLAs for several prison rebuilding projects if feasibility studies support the idea. A project in Centre County, for which a PLA has already been issued, and another in Forest County have also come under scrutiny because of the department's letter. The letter only came to ABC's attention the week before last.

ABC, along with many of its affiliated companies and workers, has filed a lawsuit in Commonwealth Court alleging that DGS and the Department of Corrections violated the law in signing a PLA. The petition describes such agreements as inequitable.

"Respondents' actions, under color of state law, lacked any legitimate reason and were arbitrary, capricious, discriminatory and not rationally related to any legitimate government interest....," the document states.

DGS is expected to submit a response to ABC's petition in short order.

The two new prisons in Skippack are expected to cost over \$400 million and take three years to complete. The Forest and Centre prisons will cost roughly the same, bringing the total expense to about \$800 million. Pennsylvania's General Assembly passed a capital budget last year that covered the estimated costs of these projects.

Mr. Zeh said he expects the PLA to have the effect of increasing these costs to taxpayers, an especially poignant concern during a tight budgetary squeeze. He also decried their cutting off work opportunities for over 75 percent of southeastern Pennsylvania's construction workforce.

DGS spokesman Ed Myslewicz said nonunion outfits are entirely free to bid on the prison projects, even with PLAs in place. He said such agreements merely "streamline the construction process" by facilitating subcontracting arrangements before a project starts and guaranteeing an ample supply of skilled labor.

“The use of a PLA does not exclude anyone from bidding on this project,” he said.

Mr. Zeh however countered that only union firms would bid on a project that requires the use of union-represented labor.

“Why would I bid as an open-shop contractor on this job when what makes me competitive is my skillfully trained workforce?” he said. “Financially, it makes absolutely no sense, and that’s why nobody does it.”

Economists with the Keystone Research Center (KRC), the Harrisburg-based think tank that conducted the feasibility studies for the PLAs, said they view these agreements as particularly helpful on larger projects, many of which are state-funded. Nonunion contractors, they said, do a great deal of residential building, while unionized outfits often handle more complex developments that require a greater variety of skills.

“The work requires a broader range of training,” said KRC labor economist Mark Price. “The union sector succeeds in tracking people into the industry and training them.”

Unions provide at least five percent of KRC’s funding, and most of the organization’s board work for organized labor. Mr. Zeh said the organization’s pro-union orientation boded ill from the start for those who did not want to see the state get a recommendation in favor of a PLA.

He also took issue with Mr. Price’s assertion that union contractors possess broader skill sets. If that were the case, he said, nonunionized companies would never have the ability to outbid their unionized competitors, which they often do in the absence of PLAs.

Mr. Zeh said this is the case despite the fact that both union and nonunion shops are subject to prevailing wage rules governing how much their workers must get paid for publicly funded projects. The nonunion outfits, he said, simply operate with greater facility.

“The reason [unionized companies] can’t compete is because of their work rules,” he said.

As ABC and its affiliated companies head into court, the association is organizing a marketing campaign opposing the DGS decision and alerting Montgomery County residents to implications for nonunion workers and taxpayers.

The state will hold a pre-bid meeting on the prison construction Wednesday, Aug. 12, at Perkiomen Valley Middle School at 100 Kagey Road in Collegeville.

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