

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI, Clause 2(g)(5)

Name: John F. Biagas

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2008. Include the source and amount of each grant or contract.

See attachment

(Federal Contracts & Subcontracts Received since October 1, 2008).

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

I am testifying as President/CEO and on behalf of Bay Electric Co., Inc.

I am also testifying as a member and on behalf of the National Black Chamber of Commerce.

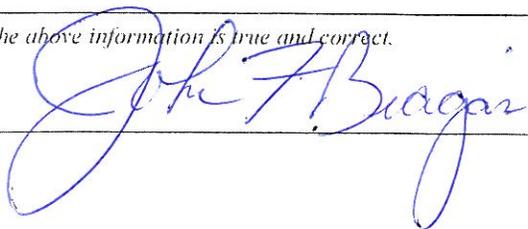
3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2008, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

See attachment.

(Federal Contracts & Subcontracts Received since October 1, 2008).

All contracts and subcontracts listed were received by
Bay Electric Co., Inc.

I certify that the above information is true and correct.
Signature:



Date: March 14, 2011

JOHN F. BIAGAS
President & CEO, Bay Electric Co., Inc.

John F. Biagas started his career as an electrician trainee about the same time he started elementary school. The youngest of 14 children, John joined his brothers and sisters working in the family's business, Biagas & Son's Electric, owned and operated by his father, Alvin Biagas, Sr. Growing up in Lake Charles, Louisiana, John spent his weekends and after-school hours learning the electrical service business and helping his father and brothers. After studying business management and accounting and playing on the college baseball team at McNeese State University, he joined three of his older brothers in Maryland. There they formed their own electrical and general contracting business, AVA Electric. At AVA, he not only honed his skills as an electrician, but he also learned to manage a fast-paced contracting company. In 1997, he purchased Bay Electric Co., Inc. and moved his family to Newport News, Virginia, corporate headquarters of Bay Electric.

With John serving as President and Chief Executive Officer of Bay Electric, the once small electrical shop has become one of the fastest growing, minority-owned electrical and general construction contractors in the Mid-Atlantic area. The company, a recent graduate of the Small Business Administration 8(a) certification program, has more than quadrupled in size and revenue. From its early days of 30 strong, topping at a generous \$2.5 million to what it is today—170 qualified experienced people with revenues in excess of \$90 million—Bay Electric Co., Inc. is a financially strong and stable firm. A steady upward trend line continues to encompass all financial metrics which includes revenues, profits, net worth, cash, credit, and assets.

As a compliment to Bay's humble beginnings, John remains a very strong advocate of the Small, Women & Minority Owned business program. Bay Electric continues to demonstrate support by providing an amplitude of subcontracting opportunities to fully qualified small businesses in all categories. Additionally, Bay Electric extends mentorship programs and sponsors events and conferences that open a plethora of varied opportunities to Small, Small Disadvantaged, Women-Owned, HUBZone, Service Disabled Veteran Owned, and Veteran Owned business concerns.

John has gained significant experience over the years in the design, analysis, development and construction of various federal government, local government and private entity structures. Specialty areas include large scale federal government command centers, battalion headquarters and dining facilities. Higher education construction along with design/build and renovation work with residential and commercial structural projects take a close second.

Since 1997, Bay Electric has focused on design-build and general construction renovation projects, allowing Bay to mature into a multifaceted corporation that not only offers electrical services, but general construction, design-build, and renewable energy as well. With this versatility, Bay provides a unique blend of general and electrical contracting that allows our customers to have a one-stop shop for all their construction needs.

A Master Electrician licensed in four states and the District of Columbia, John is the former National President (2005) of the leading independent electrical contracting group in the industry, the Independent Electrical Contractors (IEC) organization. One of the founders of the Hampton Roads, Virginia, IEC Chapter, he served as IEC's Senior Vice President, chaired the Government Affairs Committee for two years, served on the organization's Executive Committee, and was the IEC National Treasurer and Vice President before being elected president by the organization membership.

John Biagas serves on numerous boards, both local and statewide:

- An Achievable Dream: Member, Board of Directors – Middle and High School
- Young Presidents' Organization (YPO): Chairman, Virginia Chapter
- Virginia Company Bank: Founding Member and Board of Directors Member
- Virginia Chamber of Commerce: Member, Board of Directors
- National Black Chamber of Commerce: Member
- Independent Electric Contractors (IEC): Chairman, Government Affairs Committee
- Virginia Minority Supplier Development Council (VMSDC): Member, Board of Directors
- City of Newport News Police Foundation: Member, Board of Directors
- Boys and Girls Club: Member, Board of Directors
- Virginia Living Museum: Member, Board of Trustees
- Virginia Apprenticeship Council: Appointed Member
- York Foundation for Public Education: Member, Education Committee
- Associated Builders and Contractors (ABC): Member
- Associated General Contractors (AGC): Member
- National Association of Minority Contractors (NAMC): Member
- Institute for Civic Leadership: Member
- Governor's Economic Development and Jobs Creation Commission: Served as Appointed Member
- Governor's Supplier Diversity Advisory Board: Served as Appointed Member

John currently lives in Yorktown, Virginia, with his wife and their two daughters.



**Federal Contracts & Subcontracts
Received Since October 1, 2008**

DESCRIPTION	LOCATION	SOURCE	DOLLAR VALUE
Refueler Bay Deficiencies	Atlanta, GA	USACE	\$89,316.00
Replace Generators & ATS Bldg 1752, 1811, 3056, 3465	Andrews AFB, MD	USACE	\$394,955.93
Replace Generators & ATS Bldg 1245, 1287, 1281, 1535, 3007, 3008, 3034	Andrews AFB, MD	USACE	\$744,093.16
Repair/Replace 600 Generator	Andrews AFB, MD	USACE	\$587,181.18
Replace Generator Building 1845	Andrews AFB, MD	USACE	\$538,480.01
Design Build Building 141	Blackstone, VA	USACE (Subcontractor)	\$736,397.60
D/B P-010 EODOSU 10 Ordnance Operations Facility	NAB Little Creek, VA	NAVFAC MIDLANT	\$8,419,094.57
D/B Buiding 1595 Repair/Renovate Missile Maint. Facility	NAB Little Creek, VA	NAVFAC MIDLANT	\$5,627,378.00
Hampton Blvd Traffic Automation	Norfolk, VA	NAVFAC MIDLANT	\$618,314.00
D/B Build Replace Mini Mart Gas Station	Fort Story, VA	NAVFAC MIDLANT	\$4,556,187.00
ECIP-Phase III	Fort Lee, VA	USACE	\$831,634.79
Video Detection System Installation	NAB Little Creek, VA	NAVFAC MIDLANT	\$52,365.00
Fixtures, Furnishing & Equipment, Building Z-140	Norfolk, VA	NAVFAC MIDLANT	\$85,000.00
Electrical Conduit for SBR Tanks-Craney Island	Portsmouth, VA	NAVFAC MIDLANT	\$67,411.00
Conduit Support Repair, Pier 7	Norfolk, VA	NAVFAC MIDLANT	\$127,293.00
ECIP, Building 3535	NAB Little Creek, VA	NAVFAC MIDLANT	\$1,625,961.00
Exterior Lighting Improvements-Building LP-1	Norfolk, VA	NAVFAC MIDLANT	\$78,300.00
Bldg. SP-237 - New Fence & Motorized Gates	Norfolk, VA	NAVFAC MIDLANT	\$225,982.00
Upgrade Diesel Generators, Building Q-81	Norfolk, VA	NAVFAC MIDLANT	\$466,588.00
Building Z-140, Room 105, Phase IB	Norfolk, VA	NAVFAC MIDLANT	\$1,346,404.00
BRAC Modifications, Building CEP-156, Naval Station	Norfolk, VA	NAVFAC MIDLANT	\$221,315.00
MWR Sailing Center, Naval Station	Norfolk, VA	NAVFAC MIDLANT	\$95,840.00
Fort Lee Preventative Maintenance - Option Year 2	Fort Lee, VA	USACE	\$673,498.00
Fort Lee Preventative Maintenance - Option Year 3	Fort Lee, VA	USACE	\$673,498.00
Replace Generators 2 & 3 at Bldg. NH-94	Norfolk, VA	NAVFAC MIDLANT	\$1,924,322.00
Pneumatic Control Panel Replacement @ Bldg CEP-162	Norfolk, VA	NAVFAC MIDLANT	\$15,733.00
Replace UPS for Air Traffic Control Tower, Bldg LP-212	Norfolk, VA	NAVFAC MIDLANT	\$109,206.00
Replace Generators 1 & 4 at Bldg. NH-94	Norfolk, VA	NAVFAC MIDLANT	\$1,964,981.00
M-51 Replace Chiller Frequency Drive	Norfolk, VA	NAVFAC MIDLANT	\$113,605.00
Curb Repairs @ Building U-40	Norfolk, VA	NAVFAC MIDLANT	\$10,198.00
Electrical/Sprinkler Modifications-Modular Breakroom, Building Y-109	Norfolk, VA	NAVFAC MIDLANT	\$33,621.00
24/7 Child Development Group Home	Portsmouth, VA	NAVFAC MIDLANT	\$1,595,984.00
Breaker Replacement at CD-2	Portsmouth, VA	NAVFAC MIDLANT	\$13,645.00
Repair Parking Garage Lighting, Building 275	Portsmouth, VA	NAVFAC MIDLANT	\$53,933.62
Preventative Maintenance Repairs/Mods to EDC's	Portsmouth, VA	NAVFAC MIDLANT	\$256,663.74
Large Gypsum Wall Repairs	Portsmouth, VA	NAVFAC MIDLANT	\$27,093.00
Replace Cables at Substation FD, Dry Dock #3	Portsmouth, VA	NAVFAC MIDLANT	\$417,490.00
Building 104 & 272 Street Lighting	Portsmouth, VA	NAVFAC MIDLANT	\$48,260.00
Bldg 250 2nd Floor Toilet Renovations, Naval Med Center	Portsmouth, VA	NAVFAC MIDLANT	\$235,637.00
Replace Motor Starters at NW Building 352	Portsmouth, VA	NAVFAC MIDLANT	\$3,324.00
Provide Futniture, Building Z140	Portsmouth, VA	NAVFAC MIDLANT	\$33,576.00



**Federal Contracts & Subcontracts
Received Since October 1, 2008**

DESCRIPTION	LOCATION	SOURCE	DOLLAR VALUE
Z140 FEAD Office,Bathroom,Conf Room,Phase 1A Renovations	Norfolk, VA	NAVFAC MIDLANT	\$2,103,612.00
Replace 2000 AMP, Building NH-19, NSA	Norfolk, VA	NAVFAC MIDLANT	\$14,088.00
Replace Generator Building NH-154	Norfolk, VA	NAVFAC MIDLANT	\$234,863.00
Bldg NH-8 Chiller Replacement	Norfolk, VA	NAVFAC MIDLANT	\$544,584.00
Replace 2 400HZ Inverters, B-1700	Cherry Point, NC	NAVFAC MIDLANT	\$151,626.00
Construct Means of Egress, B-4576	Cherry Point, NC	NAVFAC MIDLANT	\$26,463.00
Repair 34.5KV Utility Intertie	Kittery, ME	NAVFAC MIDLANT	\$3,647,511.93
Repairs to Transportable Substation	Kittery, ME	NAVFAC MIDLANT	\$2,386,638.00
Install Antenna Cable Chases & Pitch Pockets, Bldg. 86	Groton, CT	NAVFAC MIDLANT	\$74,278.00
Repair Electrical Systems at the Nautilus Museum	Groton, CT	NAVFAC MIDLANT	\$21,607.00
Replace Sections of Waterfront Electrical Feeders M2/M12	Groton, CT	NAVFAC MIDLANT	\$460,888.00
Breaker Maint. On Shore Power Circuit Breakers, Pier 17	Groton, CT	NAVFAC MIDLANT	\$36,575.00
Test Pier 33 Breakers	Groton, CT	NAVFAC MIDLANT	\$16,598.00
Repairs to 15KV Switch in South Switching Station Next to B411	Groton, CT	NAVFAC MIDLANT	\$12,947.00
Install Chafing Bars on Shore Power Boxes, Various Locations	Groton, CT	NAVFAC MIDLANT	\$9,606.00
Installation of Convection Oven, Building Y	Groton, CT	NAVFAC MIDLANT	\$82,765.00
Install & Test 5 GE Micro Trip Units-Pier 15N	Groton, CT	NAVFAC MIDLANT	\$13,953.00
Pier 33 Breaker Trip Unit Replacement	Groton, CT	NAVFAC MIDLANT	\$10,708.00
Replace Trip Units - Pier 33	Groton, CT	NAVFAC MIDLANT	\$94,930.00
Installation of Electronic Harbor Security System	Groton, CT	NAVFAC MIDLANT	\$210,886.00
Emergency Repair Work, B-499	Groton, CT	NAVFAC MIDLANT	\$14,166.00
Bi-Annual Maintenance - Pier 15	Groton, CT	NAVFAC MIDLANT	\$6,500.00
Disconnect & Remove Transformers	Groton, CT	NAVFAC MIDLANT	\$71,612.00
Building 484 Commissary Loading Deck	Groton, CT	NAVFAC MIDLANT	\$141,078.00
Test Main Substation Transformers	Groton, CT	NAVFAC MIDLANT	\$18,961.00
Installation of Electric Meters	Groton, CT	NAVFAC MIDLANT	\$513,485.00
Relocate Electronic Sign & Navigation	Groton, CT	NAVFAC MIDLANT	\$21,461.00
Replace Power Trip Units @ Pier 15N	Groton, CT	NAVFAC MIDLANT	\$50,281.00
Disconnect & Remove High Voltage Transformers	Groton, CT	NAVFAC MIDLANT	\$25,735.00
Piers 8 & 10 Bi-Annual Breaker Maintenance	Groton, CT	NAVFAC MIDLANT	\$39,379.79
Electrical Distribution Systems - Thermographic Survey	Groton, CT	NAVFAC MIDLANT	\$91,995.00
Electrical Conduit on Piers 12 and 15	Groton, CT	NAVFAC MIDLANT	\$48,530.00
Provide Fiber Optic Cable From B-449 to B-77	Groton, CT	NAVFAC MIDLANT	\$82,754.00
Replace Potential Transformers w/ Passive Voltage	Groton, CT	NAVFAC MIDLANT	\$17,757.00
Repair Underground Fuel Oil Tank at B-29	Groton, CT	NAVFAC MIDLANT	\$784,460.00
Pier 33 Electrical Utility Hoods	Groton, CT	NAVFAC MIDLANT	\$75,685.00
Bi Annual Testing - Piers 6 & 12	Groton, CT	NAVFAC MIDLANT	\$41,796.00
Breaker Maintenance - Bulding 463, Ring Bus Breakers 4 & 6	Groton, CT	NAVFAC MIDLANT	\$13,909.00
Parking Garage, Building 275	Portsmouth, VA	NAVFAC MIDLANT	\$3,905.00
Control Board & Calibration	Portsmouth, VA	NAVFAC MIDLANT	\$9,022.77
Fuel Polishing & Fuel Polishing Equipment	Portsmouth, VA	NAVFAC MIDLANT	\$27,003.60
Bi Annual Testing on Piers 6 & 12	Groton, CT	NAVFAC MIDLANT	\$41,796.00

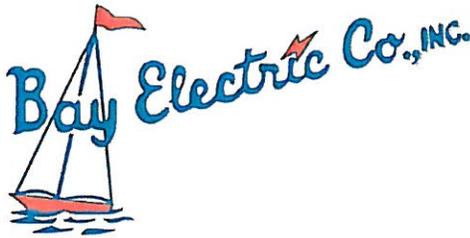


**Federal Contracts & Subcontracts
Received Since October 1, 2008**

DESCRIPTION	LOCATION	SOURCE	DOLLAR VALUE
Breaker Maintenance Bldg 463, Ring Bus Breakers 4 &6	Groton, CT	NAVFAC MIDLANT	\$13,909.00
Repairs to Building 2	Portsmouth, VA	NAVFAC MIDLANT	\$256,921.00
Various Electrical Repairs at PNMC - Oceana	Portsmouth, VA	NAVFAC MIDLANT	\$226,056.00
Electrical Preventative Maintenance at NMC	Portsmouth, VA	NAVFAC MIDLANT	\$289,536.84
Upgrade Automatic Transfer Switches, Bldg 2	Portsmouth, VA	NAVFAC MIDLANT	\$106,809.00
Grow the Force-Unit Maintenance Facility	Ft. Campbell, KY	USACE	\$5,466,072.34
Rifle/Machine Gun Zero Range 3	Ft. Benning, GA	USACE	\$1,737,135.91
Rifle/Machine Gun Zero Range 4	Ft. Benning, GA	USACE	\$1,839,081.16
Rifle/Machine Gun Zero Range 1	Ft. Benning, GA	USACE	\$1,865,143.00
Night Infiltration Course	Fort Jackson, SC	USACE	\$1,791,965.72
Veterans Affairs Medical Center	Atlanta, GA	VAMC (Subcontractor)	\$3,182,429.02
Design and Construction of Dining Facility I	Fort Jackson, SC	USACE (Subcontractor)	\$6,898,313.15
Design and Construction of Dining Facility II	Fort Jackson, SC	USACE (Subcontractor)	\$7,196,129.48
North Parking Garage-Community Hospital	Fort Belvoir, VA	USACE (Subcontractor)	\$978,929.90
South Parking Garage-Community Hospital	Fort Belvoir, VA	USACE (Subcontractor)	\$1,180,471.91
16th CAV General Instruction Complex Battalion HQ	Ft. Benning, GA	USACE	\$9,253,845.00
Curacao Intrusion Detection System	Curacao	USAF (Subcontractor)	\$1,086,282.19
D/B Regional Training Institute, Bldgs 100, 200, 300 ,800	Fort Pickett, VA	USACE (Subcontractor)	\$1,820,284.03
Gate 10 Relocation	Norfolk, VA	NAVFAC (Subcontractor)	\$175,891.00
USPS Merrifield Access Controls	Merrifield, VA	USPS	\$872,327.66
Albany BEQ	Albany, GA	NAVFAC (Subcontractor)	\$1,485,033.04
SERE Barracks, Building H-21	Kittery, ME	NAVFAC (Subcontractor)	\$3,515,548.65
NASA Rehab of HVAC Systems Bldg 1244 - Option #1	Langley AFB, VA	USAF (Subcontractor)	\$102,050.00
NASA Rehab of HVAC Systems Bldg 1244 - Option #2	Langley AFB, VA	USAF (Subcontractor)	\$83,687.16
Munitions/EOD Training Facility	Fort Lee, VA	USACE (Subcontractor)	\$1,815,046.00
USCG Rescue Swimmer Training Facility	Elizabeth City, NC	USCG (Subcontractor)	\$1,783,782.00
Install Electrical Equipment for JMOAC	Fort AP Hill	USACE	\$41,536.00
P3508 Renovate Building 350 Training, Dam Neck	Virginia Beach, VA	NAVFAC (Subcontractor)	\$179,906.00
VAMC Durham, NC - E. Wing	Durham, NC	VAMC (Subcontractor)	\$204,592.00
Canopy Cover Construction at Rear Gate Entrance	Hampton, VA	USAF (Subcontractor)	\$72,957.00
Building 667, Fort Eustis	Fort Eustis, VA	USACE (Subcontractor)	\$94,628.00
Technology & Engineering Development Facility, Jeff. Lab	Newport News, VA	US Dept of Interior (Sub)	\$5,561,790.00
Installation ASA Generator	Andrews AFB, MD	USACE (Subcontractor)	\$525,975.73
P516 Pier 5 Replacement	Portsmouth, VA	NAVFAC (Subcontractor)	\$27,177,492.43
Design & Construct a Consolidated Communications Facility	Dover AFB, Dover, DE	USACE (Subcontractor)	\$1,575,000.00

LETTERS SUBMITTED AGAINST PROJECT LABOR AGREEMENTS (PLAS)

DATE	AGENCY	SPECIFIC PROJECT (IF APPLICABLE)
November 1, 2010	Army Corps of Engineers, Louisville District	Newtown/Bridgeport Armed Forces Reserve Center, Danbury, CT
January 20, 2011	Army Corps of Engineers, Fort Worth District	Southwest Region (AR, AZ, CA, LA, NM, NV, OK, & TX) – Barracks Primarily Fort Bliss Multiple Award Task Order Contract (MATOC) Initial Task Order – Unaccompanied Enlisted Personnel Housing (UEPH) White Sands Missile Range, NM
February 23, 2011	Army Corps of Engineers, Fort Worth District	None – Work at Lackland Air Force Base
February 23, 2011	Army Corps of Engineers, Fort Worth District	Lackland Ambulatory Care Center, Construction of Phase 2, Willford Hall Hospital Replacement Project, Lackland Air Force Base, San Antonio, TX <ol style="list-style-type: none"> 1. Garden Level: Logistics, Information Management, Pathology (Main Laboratory) and Tumor Registry 2. First Level: Expansion of Family Health, Radiology, Pharmacy, Internal Medicine, TRICARE, Volunteer Services and Pathology (Outpatient Phlebotomy) 3. Second Level: Vascular Surgery, Ophthalmology, Ambulatory Surgery, Urology and Cystology, and Central Sterile 4. Third Level: Expansion of Patient Administration/TOPA, Mental Health, Physical Therapy and Orthotics



ELECTRICAL & GENERAL CONTRACTOR
VIRGINIA CONTRACTOR NO. 10409A * DCJS NO 11-4024
MBE & SWAM Certified Contractor
Website: <http://www.bayelectricco.com> * Email: info@bayelectricco.com

627 36th Street Newport News Virginia 23607 Phone (757) 595-2300 Fax (757) 595-6112

Via Email Transmission
cody.d.cotten@usace.army.mil

January 20, 2011

Attn: CESWF-CT
P.O. Box 17300
Fort Worth, Texas 76102-0300

RE: Potential Use of Project Labor Agreements
Army Corps of Engineers, Fort Worth District
Southwest Region (AR, AZ, CA, LA, NM, NV, OK, TX) – Barracks Primarily Fort
Bliss Multiple Award Task Order Contract (MATOC) Initial Task Order –
Unaccompanied Enlisted Personnel Housing (UEPH) White Sands Missile Range, NM

To Whom It May Concern:

On behalf of Bay Electric Co., Inc., I'd like to thank you for the opportunity to comment on the possible use of Project Labor Agreements (PLAs) in the Southwest regions.

Bay Electric Co., Inc. is a minority-owned electrical and general construction contractor with more than 45 years of experience. A merit shop, Bay Electric performs design/build general construction and also provides engineering, electrical, technology, security, and fire alarm systems and services. Our customers include commercial and industrial clients, all branches of the military, almost every branch of the federal government, and numerous government agencies, including the U.S. Army Corps of Engineers.

Bay Electric takes pride in our membership in the Independent Electrical Contractors (IEC), a national trade association of merit shop electrical and systems contractors. Founded in 1957, IEC membership includes approximately 3,700 member companies, the majority of which are small businesses with 10 or fewer employees. The membership is dispersed among approximately 70 chapters nationally. In total, the member companies employ almost 100,000 men and women, including apprentices in the process of learning to become qualified electricians.

Bay Electric Co., Inc., as well as the IEC, is fundamentally opposed to government-mandated PLAs. A union-only PLA is a contract that requires a construction project to be awarded to contractors and subcontractors that agree to: recognize unions as the representatives of their

employees on that jobsite; use the union hiring hall to obtain workers; obtain apprentices through union apprenticeship programs; and obey the union's work rules and job classifications.

Union-only PLAs discriminate against merit shop contractors, like Bay Electric, and their employees (which comprise 84% of the construction workforce, according to the Bureau of Labor Statistics), by effectively denying them the opportunity to bid on contracts that are funded with their own tax dollars.

We would also like to bring to your attention that the IEC has filed comments expressing their opposition and concern with President Barack Obama's Executive Order (EO) 13502, as well as the related rule (FAR Case 2009-005).

In the pages that follow, we have addressed the questions posed by your office.

a. Should a PLA be executed on selected large dollar contracts within the above referenced regions by the Fort Worth District?

No. PLAs restrict competition by requiring that a contract be awarded only to companies who agree to collective bargaining and union hiring. PLAs exclude a majority of the workforce from the opportunity to participate in federally-funded projects. PLAs are discriminatory and are an inefficient use of taxpayer dollars.

➤ **What other factors should the Corps consider before deciding to include PLA provisions in a Fort Worth contract?**

The federal regulations implementing Executive Order (EO) 13502 list several factors that contracting officials should consider when debating the use of a PLA.

First among those questions is whether "The PLA will advance the government's interest in achieving economy and efficiency in federal procurement, producing labor-management stability, and ensuring compliance with laws and regulations governing safety and health, equal employment opportunity, labor and employment standards, and other matters."

There is no evidence, nor analysis, demonstrating that any PLA has lowered the cost and/or increased the quality or otherwise improved the construction of any government-funded construction project. Likewise, it should be emphasized that there is no evidence that minimum labor and employment standards, equal employment opportunity and health and safety are, in any way, left unprotected in the absence of a PLA or, conversely, are advanced by a PLA. The Davis-Bacon Act requires contractors on federal construction projects to provide prevailing wages and benefits. The Equal Employment Opportunity Commission and numerous federal and state laws promote equal employment opportunity. And, the Occupational Safety and Health Act applies federal safety and health standards to such projects, with or without a PLA.

If PLAs offer any true benefit, findings of such benefit should be specifically provided and explained by the agency in connection with the project.

➤ **What type of project should or should not be considered for PLA?**

Bay Electric believes that no projects should be considered for PLAs.

b. Is the use of PLAs effective in achieving economy and efficiency in Federal procurement? What is the estimated relative cost impact, or any other economies or efficiencies derived by the Federal Government, if using PLAs? Will a PLA impact the cost of submitting an offer?

Since we do not know the exact term of the PLAs, we cannot accurately answer this question as it relates to the Fort Worth District.

One of the many problems with EO 13502, and the subsequent federal regulations, is the lack of details regarding the federal PLA. The specifics of a PLA are the root cause of the potential cost increases and delays in completing a project.

A PLA could mandate everything from the employees working on a job to the restrictions on exactly what kind of work those employees can do.

While academic studies, such as the Beacon Hill Institute's 2003 analysis of the use of PLAs on school construction in Boston, have shown that PLAs increase the cost of government projects, there are no reports of any kind that attempt to show cost savings or increased efficiency through the use of PLAs.

c. Is the use of PLAs effective in producing labor-management stability? Have labor disputes or other labor issues contributed to project delays in the local area?

This question assumes that there is labor-management instability that needs to be corrected by a PLA. Much like the cost-savings argument, this notion of labor unrest is grounded more in myth than reality.

During the eight years of the last Bush Administration, when there was a ban on federal PLAs, there is no evidence that labor-management stability was an issue that delayed federal construction projects in any way.

It is also worth noting that merit shop employees do not go on strike or engage in corporate campaigns against "management;" those acts are undertaken by labor unions specifically for the purpose of creating labor-management instability.

d. Is the use of PLAs conducive to ensuring compliance with laws and regulations governing safety and health, equal employment opportunity, labor and employment standards, and other relevant matters? Are there instances where these standards have not

been met on Federal contracts in the local area? Were PLAs used for those specific contracts?

PLAs do not ensure compliance with federal laws and regulations: As noted earlier, all federal laws apply to federal contractors, regardless of whether a PLA is used.

e. The project will require multiple construction contractors and/or subcontractors employing workers in multiple crafts or trades. Do you foresee any work on the project that may result in both the prime contractor and at least one subcontractor, or two or more subcontractors, employing the same trade?

Bay Electric's efficient approach to project management will be in no way improved by the use of a mandatory PLA.

f. Are there concerns by prime contractors on the availability of skilled construction labor? Information may reference current apprenticeship statistics and workforce age demographics.

Given the current high employment rate in the construction industry, there is no shortage of skilled construction workers who would be willing to work on a federal project.

g. Completion of the anticipated project will require an extensive performance period. Will a PLA impact the completion time? What is the anticipated volatility in the labor market for the trades required for the execution of the project? Would a PLA benefit a project which contains a unique and compelling mission-critical schedule?

The myth that PLAs guarantee on-time work in a stable labor-management environment, with the implication that merit shop contractors do neither, is not grounded in reality.

Merit shops are capable of meeting mission-critical schedules. Through quality workmanship and successful project execution—including on time delivery—Bay Electric, a Merit Shop, has proven our value as a federal contractor. Between current projects and projects completed in 2010, Bay Electric has accomplished/is accomplishing projects valued in excess of \$36 million dollars for the U.S. Army Corps of Engineers.

h. Where have PLAs been used on comparable projects undertaken by Federal, State, municipal, or private entities in the geographic area of this project?

To our knowledge, PLAs have not been used on comparable projects undertaken by Federal, State, municipal, or private entities in the geographic area of this project.

i. Will the use of PLAs impact the ability of potential Offerors and subcontractors to meet small-business utilization goals?

Given that union employees make up less than 15% of the private sector construction workforce, it is logical that a PLA mandating union work rules and hiring would also limit the pool of employers and employees who could possibly meet federal small business goals.

To close, we would like to point out that neither EO 13502 nor the final rule mandates that a PLA be used; this discretion is left to each agency and its contracting officers. Bay Electric hopes that we have shown that there is no need, or benefit from, the use of a government-mandated PLA on projects in the Fort Worth District.

Thank you again for your consideration.

Sincerely,



John F. Biagas
President/CEO

Sample

Broken Promises, Big Losses

*The story of DC workers watching from the dugout
as the \$611 million Washington Nationals Ballpark is built*

A study by the District Economic Empowerment Coalition

October 1st, 2007

The study 'Broken Promises, Big Losses' is authored by the District Economic Empowerment Coalition (DEEC). Founded in 2005, DEEC is an alliance of businesses and community-based organizations that promotes inclusive economic opportunity in the District of Columbia, with an emphasis on economic opportunities for historically disenfranchised individuals and groups. DEEC is a 501(c)6. Learn more at www.dceec.org.

Executive Summary

The District's new \$611 million Ballpark was intended to produce numerous jobs and opportunities for local residents. Instead, most of the work has gone to residents from outside the city.

Finding #1

Non-DC residents have worked twice as many hours in the highest paying jobs* as DC residents.

- Project Labor Agreement (PLA) requirement: At least 50% of 'journeyman' hours (that is, those hours in the highest paying jobs) must be performed by DC residents.
- Actual result: Non-DC workers have worked 506,926 journeyman hours (71.1% of total journeyman hours), while DC residents have worked just 206,444 journeyman hours (28.9%).

Finding #2

DC Residents have not received the apprenticeships* – and job training opportunities – they were promised.

- PLA requirement: 100% of new apprenticeships must go to DC residents.
- Actual result: Half of the firms involved with Ballpark construction have hired no new apprentices; of those companies that have hired new trainees, only 17 (of 56) have met the 100% requirement.

Finding #3

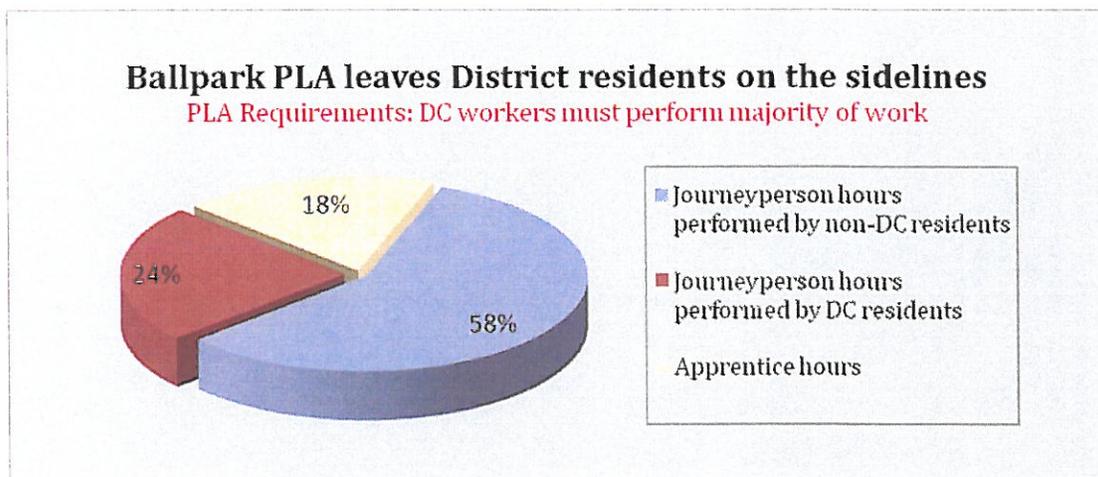
Most contractors hired no new employees, or hired a majority of their new employees from out-of-DC.

- Requirement: At least 51% of new hires must be DC residents.
- Actual result: Just one-third (34%) of firms hired new employees and met the 51% requirement.

Finding #4

0% of ballpark contractors (0 out of 56) have met all four Project Labor Agreement requirements.

- Many contractors did not meet a single requirement, some hit only a few – but not a single firm fulfilled each of the four guarantees for DC residents.



* Note: The term "journeyman" refers to construction workers who are proficient in a given trade and who are paid at the highest scale. The other kind of worker in construction is an "apprentice." The term "apprenticeship" refers to a program that trains a worker in the skills of a particular trade. The apprentice is compensated for work performed under the supervision of a journeyman, but is paid a fraction of a journeyman's wage.

The DC Ballpark Project Labor Agreement: *Broken Promises, Big Losses for DC Residents*

A \$611 million government investment should have been a homerun for District residents.

In March of 2006, after successfully courting the Montreal Expos to move to the Nation's Capital, the District of Columbia signed a lease agreement to spend up to \$611 million to build a new baseball stadium. The new Washington Nationals Ballpark was built for a variety of reasons, but a critical selling point was the assurance of thousands of jobs for DC residents.

In a deal to give District residents priority in the construction of the stadium, a Project Labor Agreement (PLA) was signed in March 2006 by Mayor Anthony Williams, the construction trade unions, the construction manager (Clark/Hunt/Smoot), and the District's Sports and Entertainment Commission. (A PLA is an agreement sometimes negotiated between cities or states and the local Building and Construction Trades Councils (labor unions) to establish a set of rules to be followed by all firms bidding on the construction project.) The PLA detailed the contractual obligations of the contractors wishing to participate in the Ballpark construction; requirements included mandates that 50% of the journey person hours would be performed by DC workers, 100% of apprenticeships would go to city residents, and at least 25% of the total work hours would be performed by apprentices.

The day after the Project Labor Agreement was signed, the headline of the *Washington Post* read, "D.C. Council Approves Stadium Labor Pact; Residents Are Assured Jobs, Backers Say."¹ A press release from a local labor union read, "DC Stadium Project Labor Agreement Generates Jobs for DC Residents."²

Ballpark construction is striking out for DC.

Without a doubt, the District's \$611 million investment to build the new baseball stadium presented a tremendous opportunity – desperately needed jobs for DC residents – and the PLA was signed to ensure the agreement delivered tangible results for the city.

But nineteen months and hundreds of millions of dollars later, the terms of the Williams Administration's PLA have been violated in nearly every instance. **In fact, not a single contractor has complied with each of the four PLA requirements** (56 firms have participated in the Ballpark construction as of this printing). The construction of the Ballpark has been a disaster for the District, with city workers and residents passed over for out-of-town workers.

Not a single contractor has fulfilled each of the four PLA requirements.

One unchallenged statistic sums it up: **Less than 29% of hours in the highest paying jobs have been performed by DC residents.**³ That's not all: only 30% of firms have hired new apprentices and met the 100% requirement for DC residents, and only 34% of firms have made new hires and met the requirement that at least half of new workers must be from the District.

This report details how the guarantees of the PLA – and the interests of Washingtonians – have been ignored. The reasons include contractors and unions not willing to devote the energy and time into basic job recruitment, and a lack of city oversight. But the bottom line is plain: **District residents are watching on the sidelines as the \$611 million Ballpark is built primarily by out-of-town workers.**

Broken Promise #1:

"The Parties agree that bona fide City residents shall perform fifty percent (50%) of all journeyperson ... hours worked on a craft by craft basis."

-Project Labor Agreement (Article IV, Section 4)

Note: The term "journey person" refers to construction workers who are proficient in a given trade and who are paid the highest wages. The other kind of worker in construction is an "apprentice" (paid less and described on the following page).

Strike One:

Non-DC residents have performed the vast majority of work on the Nats ballpark.

Requirement:

50% of hours in the highest paying jobs must be performed by DC workers.

Cumulative journeyperson hours worked on Ballpark construction	713,371 ⁴
Required DC journeyperson hours to meet 50% requirement	356,685
Actual hours performed by DC workers	206,444
<u>% of total journeyperson hours performed by DC residents</u>	28.9%
Trades that met 50% requirement	1 (of 19)
Contractors that met 50% requirement	4 (of 56)

Critical Statistic

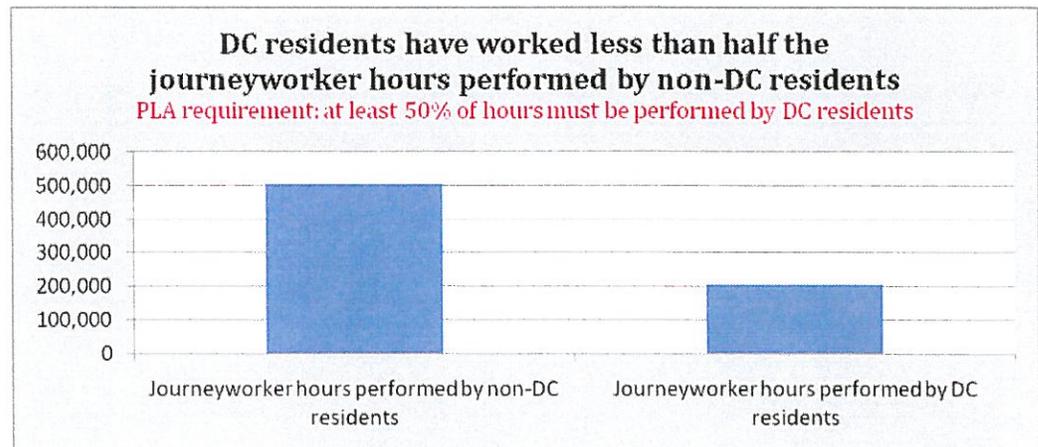
The number of 'journey person' hours performed is the central statistic.

Journey person jobs are the 'good jobs' on a construction project; as noted above, this is the work for which an employee receives the highest pay (as opposed to an apprentice, who makes a fraction of a journey-worker's wage).

It is critical to distinguish this statistic from that of 'new hires.' In many instances, a contractor has met the requirement to make 51% of new hires DC residents, but fallen far short of the critical requirement that 50% of journey person hours to go to city workers. This occurs because either the contractor has made few or no hires (and thus used previously employed out-of-town workers), or the contractor has given the new hires little or no work. Either way, the contractor has failed to deliver for DC residents.

Bottom line

District residents have been left out of more than 150,000 hours of the highest paying work promised with the PLA agreement.



Broken Promise #2:

“Contractors will employ only bona fide City residents as new apprentices (100% of all new apprentices shall be bona fide City residents).”

–Project Labor Agreement (Article X, Section 3)

Note: The term “apprenticeship” refers to a program that trains a worker in the skills of a particular trade. The worker is compensated for work performed under the supervision of a journeyman, but is paid a fraction of the normal wage.

Strike Two:

DC residents have not benefited from the promised apprenticeships.

Number of contractors	56 ⁵
Number of contractors hiring new trainees (‘apprentices’)	28
Number of contractors that met 100% requirement	17
<u>% of contractors that hired new trainees and met requirement</u>	<u>30%</u>

Apprenticeships are critical

The firms involved in the Stadium project were required by the Project Labor Agreement to hire DC residents as trainees not only to provide jobs for local workers, but to present an opportunity for city residents to get valuable on-the-job training.

This was such an important component of the PLA, that firms were required to hire **100% of their new trainees** from among residents of the District of Columbia.

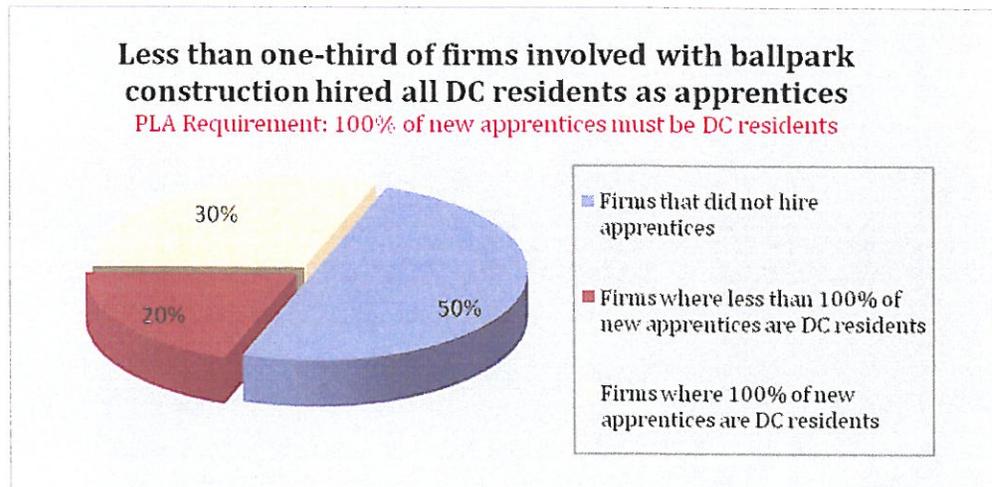
Eleven contractors violated this part of the agreement by hiring new out-of-town trainees. Moreover, half of the firms violated the spirit of the agreement – to hire new apprentices – by not hiring any new trainees.

Requirement:

Firms must provide 100% of their new apprenticeships to DC residents.

Bottom line

Because 70% (39 out of 56) of firms either hired no new trainees at all, or did not meet the 100% requirement, District residents were deprived of countless apprenticeships and opportunities.



Broken Promise #3:

"51% of All New Hires Must Be DC Residents."

-First Source Requirement as referenced in PLA Taskforce Report

Strike Three:

Most firms have either failed to hire new employees, or the majority of their new hires have been from out-of-town.

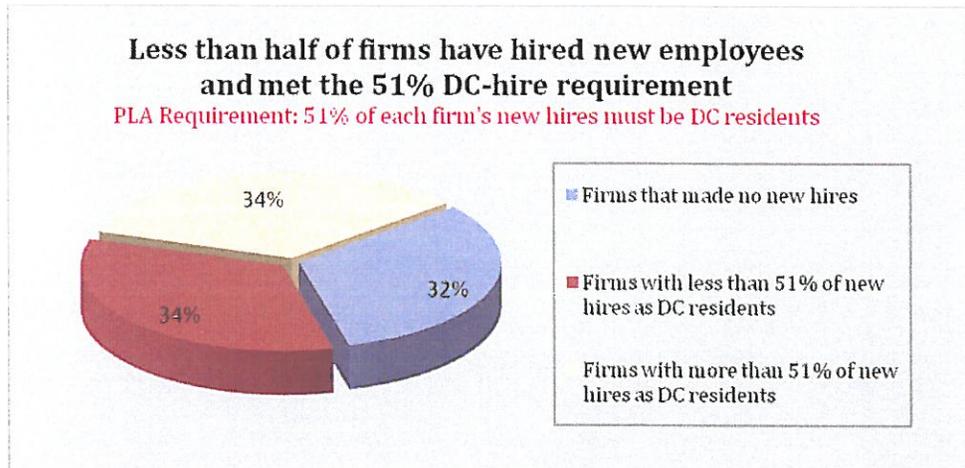
Requirement:

51% of new hires must be DC residents.

Number of contractors	56 ⁶
Number of contractors with new hires	38
Total number of contractors with new hires that met 51% requirement	19
<u>% of firms that made new hires and met 51% requirement</u>	<u>33.9%</u>

Bottom Line

The majority of firms either did not meet the 51% requirement, or did not make any new hires at all.



Other Broken Promises

Time and time again, District residents – and the terms of the PLA – have been ignored.

Required apprentice hours (PLA requirement: 25% of total hours must be performed by apprentices)	218,667 ⁷
Actual apprentice hours performed	161,296

Number of firms violating goal that 50% of all apprentice hours must be performed by DC residents, or those firms with no DC apprentice hours at all	36 (of 56)

Number of firms that met each of the four PLA requirements	0 (of 56)

Conclusion: Stadium Project Fails to Benefit City Workers

Every term of the PLA – meant to give city residents a leg up in job opportunities – has been violated.

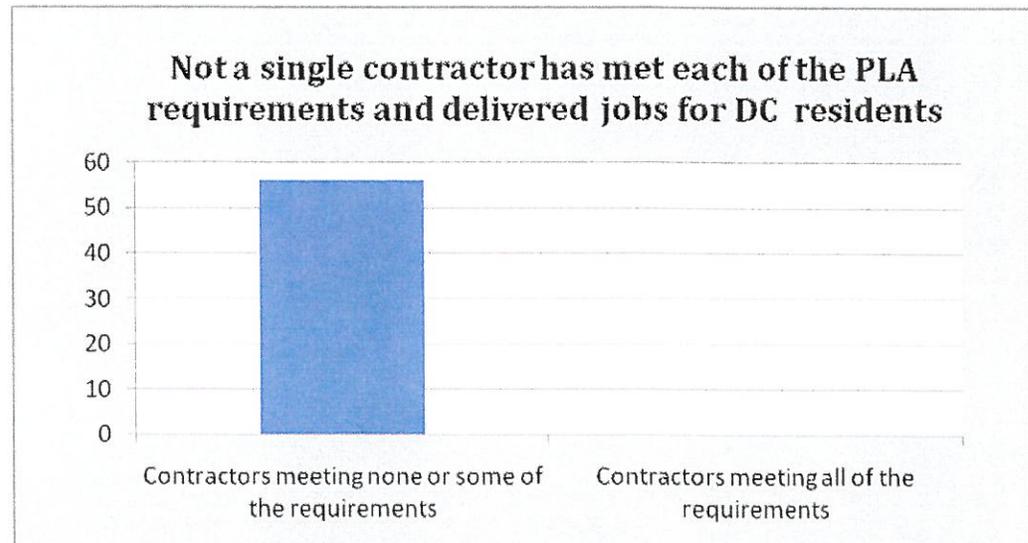
The Nationals haven't played a single game in their new stadium, yet the ballpark itself already has a record of failure.

The Williams Administration's Project Labor Agreement for the new Ballpark construction was signed with the expressed purpose of bringing jobs to District workers. The various parties involved agreed to the stipulations in the PLA – a legally binding contract.

Yet the parties involved did not live up to those stipulations. The contractors have violated the contract by failing to meet multiple benchmarks designed to ensure DC workers benefited from this massive publically funded construction project. The broken promises include:

- Failing to meet the requirement that at least half of all journeyperson hours will be performed by DC residents
- Failing to hire apprentices who are DC residents
- Failing to hire more than half of all new employees from among DC residents
- Failing to have apprentices complete a minimum of 25% of total work hours
- Failing to provide adequate hours for DC apprentices
- 0% of contractors – 0 out of 56 – met each of the four PLA requirements.

By failing to meet these requirements, a windfall of new jobs, new income, and new opportunities has been taken from District residents.



¹ Washington Post, June 22, 2005

² Press release from AFL-CIO Washington, DC Metro Council, June 16, 2005

³ Project Labor Agreement Task Force Report, as of July 31, 2007, received at September 20, 2007 meeting of the Project Labor Agreement Task Force (441 4th St, NW, WDC, Room 1117; 6:30pm). *Note: The data cited comes from the Project Labor Agreement Task Force and has not been independently verified. A follow-up report will independently review all data.*

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ Ibid.



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FASB: Put Pension Status on the Balance Sheet

The board takes the first step in its purported overhaul of the current retiree-benefit accounting system.

[David M. Katz](#), CFO.com | US

March 31, 2006

The Financial Accounting Standards Board proposed Friday that employers should put the amounts that their retiree-benefit plans are underfunded or overfunded on their balance sheets.

FASB also wants to require employers to gauge their retiree-benefit-plan assets and obligations as of the date of their financial statements. The proposed changes would boost "the transparency and completeness of financial statements for shareholders, creditors, employees, retirees, donors, and other users," the board claimed.

The exposure draft the board issued stems from the first phase of a previously announced "comprehensive project to reconsider guidance" in Statement No. 87 (Employers' Accounting for Pensions) and Statement No. 106 (Employers' Accounting for Postretirement Benefits Other Than Pensions). A second, much more complex phase will tackle the entire retiree-benefit accounting system, including health benefits as well as pensions. The board expects to link up with the International Accounting Standards Board on that part of the effort.

Current accounting standards don't provide complete information about postretirement-benefit obligations, according to FASB. For example, the standards enable an employer to recognize an asset or liability in its balance sheet that almost always differs from its overfunded or underfunded positions. Instead, employers report their current funded status in the notes to financial statements. That incomplete reporting spawns delayed recognition of changes in plan assets and liabilities that affect the costs of providing benefits, the board asserted.

Indeed, Bradley Belt, the outgoing executive director of Pension Benefit Guaranty Corp., has contended that because employers operate under both generally accepted accounting principles and Employee Retirement Income Security Act rules, they sometimes engage in "information arbitrage" — choosing whichever system tells a better story. That has enabled some plan sponsors to report that their plans are "fully funded" when they are actually running short of funds.

"Many constituents, including our advisory councils, investors, creditors, and the [Securities and Exchange Commission] staff, believe that the current incomplete accounting makes it difficult to assess an employer's financial position and its ability to carry out the obligations of its plans," said FASB member George Batavick. "We agree. Today's proposal, by requiring sponsoring employers to reflect the current overfunded or underfunded positions of postretirement benefit plans in the balance sheet, makes the basic financial statements more complete, useful, and transparent."

With the exception of the requirement to measure plan assets and obligations as of the balance-sheet date, FASB's proposed changes would be effective for fiscal years ending after December 15. The board would require public companies to apply the proposed changes to the measurement date for fiscal years beginning after December 15. Nonpublic entities, including nonprofits, would have to apply the changes in fiscal years beginning after December 15, 2007.

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