



Memorandum

Date of Issuance: June 27, 2025

To: AAQ, AAP, APM, AGC and AFN

From: Jake Lewis, Deputy Administrator for Acquisition and Business Services, FAA Acquisition Executive (ACQ-1) (Acting)

Subject: Interim Changes to AMS – Reinstatement of Project Labor Agreements Requirements for Federal Construction Projects

1. **Purpose.** This Memorandum effects changes to the Acquisition Management System (AMS) to reinstate the requirements of Executive Order (E.O.) 14063, Use of Project Labor Agreements in Federal Construction Projects, initially issued February 4, 2022.
2. **Effective Date.** The interim changes implemented to AMS listed in “Attachment 1” of this Memorandum are effective June 27, 2025. They remain in effect indefinitely until they are permanently incorporated into AMS or are otherwise rescinded.
3. **Applicability.** The interim changes to AMS must be applied to all SIRs, contracts (including real property contracts), and orders.
4. **Background.** E.O. 14063 requires Federal Government agencies to mandate the use of Project Labor Agreements (PLAs) for large-scale Federal construction projects with a total estimated cost of \$35 million or more, unless an exception applies. Agencies may, at their discretion, require PLAs for Federal construction projects that do not meet the \$35 million threshold. Agencies must publicly report on their use of PLAs and any exceptions to PLA requirements granted.

Concurrent with other Federal agencies, the FAA initially implemented E.O. 14063 to the AMS in February 2024. PLA requirements were implemented via AMS Policy, Guidance, clauses, and accompanying documents (Tools and Resources). These requirements were subsequently removed from AMS in April 2025.

5. **Reimplementation.** Consistent with the White House’s support of PLA requirements as stated in OMB Memorandum M-25-29 (June 12, 2025), the FAA is reinstating all preexisting PLA requirements to AMS along with their accompanying FAST documents. Pursuant to M-25-29, AMS’ reinstated “Project Labor Agreement (PLA) Guide” is altered from its original version to provide further clarity on when the PLA requirement inhibits full and open

competition sufficient to merit an exception. The Guide is also altered to remove references to rescinded executive actions to advance diversity, equity, and inclusion, and to otherwise align with the White House Administration's priorities. The PLA Guide included as Attachment 2 to this memorandum uses track changes to highlight revisions from the original PLA Guide that was in FAST until its removal in April 2025.

6. Contracting Officer Instructions. Contracting Officers must comply with the PLA requirements in AMS for all new SIRs and contracts.

For any existing SIR for a Federal construction project within the United States where the total estimated cost of the construction is \$35 million or more, that was published without PLA requirements, the Contracting Officer must either:

- (1) Amend the SIR to include the reinstated PLA requirements; or
- (2) Request an exception from PLA requirements from the FAA Acquisition Executive (FAE) as permitted by the reinstated AMS Guidance.
 - If the FAE grants an exception, document the exception in accordance with AMS Guidance prior to contract award.
 - If the FAE does not grant an exception, amend the SIR with PLA requirements.

7. AMS Changes. The interim changes reinstating previous AMS Policy and Guidance and previous accompanying documents on FAST are listed below and included in their entirety in Attachments 1 and 2 of this Memorandum.

Included in Attachment 1:

The following is reinstated to AMS:

- AMS Guidance T3.6.2A.20 Project Labor Agreements
- AMS Guidance T3.8.7A.4.b Project Labor Agreement Requirements
- AMS Procurement Clause 3.6.2-42 Notice of Requirement for Project Labor Agreement; and its Alternate I
- AMS Procurement Clause 3.6.2-43 Project Labor Agreement; and its Alternate I
- AMS Real Property Clause 6.5.23
- AMS Real Property Clause 6.5.24

The following is revised in AMS to reinstate previously included language:

- AMS Policy 3.6.2 Labor Laws
- AMS Policy Appendix E

Included in Attachment 2:

The following Tools and Resources are readded to FAST (Note: these documents are attached to this memo for reference only and can again be located on FAST in their traditional format):

- PLA Reporting Template - Exception to Project Labor Agreement Requirement (*Located within (1) Procurement Templates and (2) Real Property Procurement Templates & Samples*)
- PLA Reporting Template - Use of Project Labor Agreement (*Located within (1) Procurement Templates and (2) Real Property Procurement Templates & Samples*)
- Project Labor Agreement (PLA) Guide (*Located within (1) Procurement Guides and Handbooks and (2) Real Property Procurement Templates & Samples*)

8. Contact For Questions. Contracting Officers may forward questions to their management, who will respond or consult with AAQ/AAP management, as needed.

CC:	David Ingram	AAQ-1
	Angel Jones	AAQ-2
	Tye White	AAP-1
	Monica Rheinhardt	AAP-2
	Mark Teskey	AGC-500

Attachment 1: Interim Reinstated AMS Policy, Guidance and Clauses

Attachment 2: Reinstated Procurement Tools and Resources

Email Attachment: CO Instructions for Reinstated PLA Requirements

Attachment 1: Interim Reinstated AMS Policy, Guidance and Clauses

- Part I: Reinstated AMS Guidance
- Part II: Reinstated Procurement Clauses
- Part III: Reinstated Real Property Clauses
- Part IV: Revised AMS Policy to Reinstate Previous Language

Part I: Reinstated AMS Guidance

Summary: AMS Guidance T3.6.2A.20, currently “Reserved,” is revised to reinstate its previous language pertaining to E.O. 14063. In addition, Guidance T3.8.7A.4 is also revised to reinstate its respective E.O. 14063 related language previously at “b. *Project Labor Agreement Requirements*.”

Revisions: Reinstated language is as follows.

T3.6.2 – Labor Laws Revised 4/2009

A Labor-Related Laws

[...]

20 Project Labor Agreements Interim 6/2025

- a. *Applicability.* The requirements described in this subsection apply to all “large-scale construction projects,” as that term is defined within b. Definitions, of this subsection, and to other than large-scale construction projects when the CO and requiring service organization determine that requiring a project labor agreement is appropriate per T3.6.2A.20.c.(2) *Other than large-scale construction projects*.
- b. *Definitions.* As used in this subsection—
 - (1) “Construction” means construction, reconstruction, rehabilitation, modernization, alteration, conversion, extension, repair, or improvement of any real property.
 - (2) “Labor organization” means a labor organization as defined in 29 U.S.C. § 152(5) of which building and construction employees are members.

- (3) “Large-scale construction project” means a Federal construction project within the United States when the total estimated potential value (TEPV) of the construction contract(s) is equal to or exceeds \$35 million.
 - (4) “Project labor agreement (PLA)” means a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project, and is an agreement as described in 29 U.S.C. § 158(f).
- c. *General – Executive Order 14063.* Executive Order (E.O.) 14063, Use of Project Labor Agreements for Federal Construction Projects, requires the use of PLAs in large-scale construction projects to promote economy and efficiency in the administration and completion of Federal construction projects. Consistent with E.O. 14063, PLAs with one or more labor organizations are required as follows:
- (1) *Large-scale construction projects.* When awarding a contract in connection with a large-scale construction project, PLAs are required for all contractors and subcontractors engaged in construction on the project, unless an exception at paragraph d. *Exceptions to project labor agreement requirements*, applies.
 - (2) *Other than large-scale construction projects.*
 - (A) For construction projects where the TEPV does not exceed \$35 million, the FAA may require PLAs for every contractor and subcontractor engaged in construction on the project, when the CO in consultation with the requiring service organization determines that the use of a PLA will:
 - (i) Advance the FAA’s interests in achieving economy and efficiency in 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; and
 - (ii) Be consistent with the law.
 - (B) The following factors may be considered in deciding whether the use of a PLA is appropriate for an other than large-scale construction project:
 - (i) The project will require multiple construction contractors and/or subcontractors employing workers in multiple crafts or trades.
 - (ii) There is a shortage of skilled labor in the region in which the construction project will be sited.
 - (iii) Completion of the project will require an extended period of time.

- (iv) PLAs have been used on comparable projects undertaken by Federal, State, municipal, or private entities in the geographic area of the project.
 - (v) A PLA will promote the FAA's long term program interests, such as facilitating the training of a skilled workforce to meet the FAA's future construction needs.
 - (vi) Any other factors deemed appropriate.
- (3) *Indefinite-delivery indefinite-quantity (IDIQ) contracts.* For IDIQ contracts, the use of a PLA may be required on an order-by-order basis rather than for the entire contract. For orders where the TEPV is equal to or exceeds \$35 million, an agency must require the use of a PLA, unless an exception applies. See paragraph d. *Exceptions to project labor agreement requirements.*
- (4) *Requirements for project labor agreements.* When required, a PLA must:
- (A) Bind all contractors and subcontractors engaged in construction on the construction project to comply with the PLA;
 - (B) Allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
 - (C) Contain guarantees against strikes, lockouts, and other job disruptions;
 - (D) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the PLA;
 - (E) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health;
 - (F) Include any additional requirements deemed necessary to meet the needs of the FAA.
- (5) *FAA labor advisors.* COs and requiring service organizations may coordinate with FAA labor advisors, including the Senior Advisor, Labor and Workforce (ADA-3), in all matters related to PLAs.
- (6) *Labor organizations.* The FAA may not require contractors or subcontractors to enter into a PLA with any particular labor organization when the PLA includes multiple signatory labor organizations representing the same trade.

d. *Exceptions to project labor agreement requirements.*

(1) *Exception.* The FAA Acquisition Executive (FAE) may grant an exception from the requirements at T3.6.2A.20.c.(1) *Large-scale construction projects*, by approving a written justification, prepared by the CO in coordination with the requiring service organization, of why at least one of the following exceptions exists with respect to the particular contract:

(A) *Economy and efficiency-based exception.* Requiring a PLA on the project would not advance the FAA's interests in achieving economy and efficiency in procurement. The exception must be based on one or more of the following factors:

- (i) The project is of short duration and lacks operational complexity.
- (ii) The project will involve only one craft or trade.
- (iii) The project will involve specialized construction work that is available from only a limited number of contractors or subcontractors.
- (iv) The FAA's need for the project is of such an unusual and compelling urgency that a PLA would be impracticable.

(B) *Competition-based exception.* The market research demonstrates either of the following:

- (i) *PLA requirement inhibits full and open competition.* Requiring a PLA on the project would substantially reduce the number of potential offerors to such a degree that adequate competition at a fair and reasonable price could not be achieved. (See T3.2.1.2 for information on market research practices and T3.8.7 for further information specific to construction contracts). A likely reduction in the number of potential offerors is not, by itself, sufficient to except a contract from coverage under this authority unless it is coupled with the finding that the reduction would not allow for adequate competition at a fair and reasonable price.

When determining whether this exception applies, COs must consider current market conditions and the extent to which price fluctuations may be attributable to factors other than the requirement for a PLA (e.g., costs of labor or materials or supply chain costs). The FAA may rely on price analysis conducted on recent competitive proposals for construction projects of a similar size and scope.

- (ii) *PLA requirement inhibits small business set-aside opportunity.* The project can be set-aside for two or more small business concerns including joint ventures (see T3.6.1B.6) but for the PLA requirement.

(C) *Other Authoritative Exception.* Requiring a PLA on the project would otherwise be inconsistent with a Federal statute, regulation, Executive Order, or Presidential memorandum applicable to the FAA.

(2) *Timing of the exception.*

(A) *Contracts other than IDIQ contracts.* The exception must be granted for a particular contract by the date the SIR is issued.

(B) *IDIQ contracts.* An exception must be granted prior to the date the SIR is issued if the basis for the exception cited would apply to all orders. Otherwise, exceptions must be granted for each order by the time of the notice of the intent to place an order.

(3) *Documentation of FAE Approval.* If the FAE grants the exception, the CO must include documentation of the FAE's approval in the contract file.

e. *Roles and Responsibilities.*

(1) COs must incorporate AMS clauses to implement the PLA requirement as follows:

(A) *New SIRs and contracts (except certain IDIQ contracts, see (B) below).*

COs must incorporate AMS clauses 3.6.2-42 and 3.6.2-43 (or AMS Real Property clauses 6.5.23 and 6.5.24) for SIRs requiring PLAs. When AMS clause 3.6.2-42 (or AMS Real Property clause 6.5.23) is used, COs must indicate the time at which the proposed PLA is required.

(B) *IDIQ contracts.* For IDIQ contracts when the FAA will require a PLA on an order-by-order basis and it is anticipated one or more orders may not use a PLA, COs must insert AMS clause 3.6.2-43 Alternate I Project Labor Agreement in the IDIQ contract. For IDIQ contracts when the FAA will require a PLA for the entire base IDIQ, COs must incorporate AMS clauses 3.6.2-42 and 3.6.2-43 (or AMS Real Property clauses 6.5.23 and 6.5.24) (as in (A), above).

(C) *For Potential PLA Threshold Concerns.* If the CO anticipates that offeror proposals may be submitted at or above \$35 million (e.g., the IGCE is within 15% of \$35 million), the SIR should include:

- (i) AMS clauses 3.6.2-42 and 3.6.2-43 (or AMS Real Property clauses 6.5.23 and 6.5.24); and

- (ii) A statement that the PLA AMS clauses apply only if the offered price is \$35 million or greater.

(2) *Reporting on the use of project labor agreements and exceptions.*

(A) *Reporting Requirement for all large-scale construction contracts.* The FAA must report to OMB, on a transactional basis, all large-scale construction contracts that use a PLA and every exception granted to the PLA requirement. Accordingly, a report is required for every large-scale construction contract – either a report of the PLA or a report of an exception granted. Reporting is not required for other than large-scale construction contracts.

(B) *Reporting Procedure and Content Requirements.*

- (i) Section 4 of the “Project Labor Agreements Guide” describes the reporting requirements. The Guide is found on the FAST website in two locations: (1) Procurement Guides and Handbooks and (2) Real Property Procurement Templates & Samples.
- (ii) The CO must complete the applicable reporting template – either the Template for Reporting on Use of PLAs, when the contract requires a PLA, or the Template for Reporting on Exception to the PLA Requirement, when an exception has been granted to the PLA requirement. These templates are attachments to the Project Labor Agreements Guide and are also found on the FAST website in two other locations: (1) Procurement Templates and (2) Real Property Procurement Templates & Samples.
- (iii) After award of a large-scale construction contract, the CO, on behalf of the FAA, must submit the applicable reporting template to OMB at OBX.OMB.OFPPv2@OMB.eop.gov. The submission of the applicable template fulfills the reporting requirement.

[...]

T3.8.7 Construction Contracting Revised 8/2009

A Construction Contracting Added 7/2007

[...]

4 Laws, Regulations and Standards Interim 6/2025

- a. *Davis-Bacon Act*. The Davis-Bacon Act applies to construction contracts greater than \$10,000.
- b. *Project Labor Agreement Requirements*. In accordance with Executive Order 14063, Use of Project Labor Agreements in Federal Construction Projects, project labor agreements (PLAs) are required for large-scale Federal construction projects with a total estimated cost of \$35 million or more, unless an exception applies. Agencies may, at their discretion, require PLAs for Federal construction projects that do not meet the \$35 million threshold. (See AMS Guidance T3.6.2A.20 for further information on PLA requirements).

[The remainder of T3.8.7A.4 is re-lettered in alphabetical order as appropriate]

Part II: Reinstated Procurement Clauses

- Summary: Procurement clauses pertaining to project labor agreements (3.6.2-42 and 3.6.2-43 and its Alternate I) currently “RESERVED” are reinstated.
- Revisions: The following text and prescription of the clauses are reinstated. (Note: the clauses are reinstated in their original form with the exception of updated dates to account for their interim statuses.)

3.6.2-42 Notice of Requirement for Project Labor Agreement (Interim June 2025)

(a) *Definitions*. The terms “construction,” “labor organization,” “large-scale construction project,” and “project labor agreement,” as used in this provision, are defined in Clause 3.6.2-43 of this SIR.

(b) Offerors must:

- (1) Negotiate or become a party to a project labor agreement with one or more labor organizations for the term of the resulting construction contract; and
- (2) The Offeror must not require subcontractors to enter into a project labor agreement with any particular labor organization when the project labor agreement includes multiple signatory labor organizations representing the same trade.

(c) The project labor agreement reached pursuant to this provision must:

- (1) Bind the offeror and subcontractors on the construction project to comply with the project labor agreement;

- (2) Allow the Offeror and all subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
- (3) Contain guarantees against strikes, lockouts, and similar job disruptions;
- (4) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the project labor agreement;
- (5) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety and health; and
- (6) Fully conform to all statutes, regulations, Executive orders, and agency requirements.

(d) The Offeror must submit to the Contracting Officer (CO) a copy of the project labor agreement no later than at the following designated time [CO must mark the appropriate box below]:

- ☐ At the time of offer
- ☐ Prior to contract award
- ☐ After contract award and by/within [CO must insert date or number of days by which the PLA is required, when applicable].

(e) For PLAs that are negotiated post-award or pre-award with the apparent successful offeror; an equitable adjustment in price, related solely to the negotiated terms of the PLA, is allowable.

(End of provision)

Prescription: With the exception of IDIQ contracts when the FAA will require a PLA on an order-by-order basis,

- (1) must be used in all SIRs for large-scale construction projects (TEPV is equal to or exceeds \$35 million) for which a PLA exception has not been granted; and
- (2) may be used in SIRs for other than large-scale construction projects (TEPV is less than \$35 million) when the CO, in consultation with the requiring service organization, determines that PLA is required.

COs must mark the appropriate box at paragraph (d). If the PLA is not required until after contract award, COs should insert the specific time at which the PLA is due as indicated in the clause.

UCF Section: L

Include in Full Text

3.6.2-43 Project Labor Agreement (Interim June 2025)

(a) *Definitions.* As used in this clause-

“Construction” means construction, reconstruction, rehabilitation, modernization, alteration, conversion, extension, repair, or improvement of any real property.

“Labor organization” means a labor organization as defined in 29 U.S.C. § 152(5) of which building and construction employees are members.

“Large-scale construction project” means a Federal construction project within the United States for which the total estimated cost of the construction contract(s) to the Federal Government is \$35 million or more.

“Project labor agreement” means a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and is an agreement described in 29 U.S.C. § 158(f).

(b) If a project labor agreement was not submitted prior to contract award, the Contractor must negotiate a project labor agreement with one or more labor organizations for the term of this construction contract. The Contractor must submit an executed copy of the project labor agreement to the Contracting Officer. The project labor agreement reached pursuant to this clause must:

- (1) Bind the Contractor and subcontractors engaged in construction on the construction project to comply with the project labor agreement;
- (2) Allow the Contractor and all subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
- (3) Contain guarantees against strikes, lockouts, and similar job disruptions;
- (4) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the project labor agreement;
- (5) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety and health; and

(6) Fully conform to all statutes, regulations, Executive Orders, and agency requirements.

(c) The Contractor must maintain in a current status throughout the life of the contract the project labor agreement entered into prior to award of this contract or entered into pursuant to paragraph (b) of this clause.

(d) *Subcontracts*. The Contractor must include the substance of this clause, including this paragraph, in subcontracts engaged in construction on the construction project.

(End of clause)

Prescription: Must be used in all SIRs and contracts when AMS provision 3.6.2-42 is included.

UCF Section: I

Include in Full Text

3.6.2-43 Alternate I Project Labor Agreement (Interim June 2025)

(a) *Definitions*. As used in this clause-

“Construction” means construction, reconstruction, rehabilitation, modernization, alteration, conversion, extension, repair, or improvement of any real property.

“Labor organization” means a labor organization as defined in 29 U.S.C. § 152(5) of which building and construction employees are members.

“Large-scale construction project” means a Federal construction project within the United States for which the total estimated cost of the construction contract(s) to the Federal Government is \$35 million or more.

“Project labor agreement” means a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and is an agreement described in 29 U.S.C. § 158(f).

(b) When notified by the agency that an order under this contract will use a project labor agreement, the Contractor must negotiate or become a party to a project labor agreement with one or more labor organizations for the term of the order. The Contracting Officer will require that an executed copy of the project labor agreement be submitted to the agency—

(1) With the order offer;

(2) Prior to award of the order; or

(3) After award of the order.

(c) The project labor agreement reached pursuant to this clause must:

(1) Bind the Contractor and subcontractors engaged in construction on the construction project to comply with the project labor agreement;

(2) Allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;

(3) Contain guarantees against strikes, lockouts, and similar job disruptions;

(4) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the project labor agreement;

(5) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health; and

(6) Fully conform to all statutes, regulations, Executive orders, and agency requirements.

(d) For PLAs that are negotiated post award or pre-award with the apparent successful offeror; an equitable adjustment in price, related solely to the negotiated terms of the PLA, is allowable.

(e) The Contractor must maintain in a current status throughout the life of the order any project labor agreement entered into pursuant to this clause.

(f) *Subcontracts*. The Contractor must include the substance of this clause, including this paragraph, in subcontracts engaged in construction on the construction project.

(End of clause)

Prescription: Must be used in all IDIQ SIRs and contracts for construction when the FAA will require a PLA on an order-by-order basis (i.e., at least one individual order will be for a large-scale construction project with a TEPV that is equal to or exceeds \$35 million) and AMS provision 3.6.2-42 and AMS clause 3.6.2-43 are not included.

UCF Section: I

Include in Full Text

Part III: Reinstated Real Property Clauses

Summary: Real Property clauses pertaining to project labor agreements (6.5.23 and 6.5.24) currently “RESERVED” are reinstated.

Revisions: The following text and prescription of the clauses are reinstated. (Note: the clauses are reinstated in their original form with the exception of updated dates to account for their interim statuses.)

6.5.23 Notice of Requirement for Project Labor Agreement (Interim 06/2025)

(a) *Definitions.* The terms “construction,” “labor organization,” “large-scale construction project,” and “project labor agreement,” as used in this provision, are defined in Clause 6.5-24 of this SIR.

(b) Offerors must:

- (1) Negotiate or become a party to a project labor agreement with one or more labor organizations for the term of the resulting construction contract; and
- (2) The Offeror must not require subcontractors to enter into a project labor agreement with any particular labor organization when the project labor agreement includes multiple signatory labor organizations representing the same trade.

(c) The project labor agreement reached pursuant to this provision must:

- (1) Bind the offeror and subcontractors on the construction project to comply with the project labor agreement;
- (2) Allow the Offeror and all subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
- (3) Contain guarantees against strikes, lockouts, and similar job disruptions;
- (4) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the project labor agreement;
- (5) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety and health; and
- (6) Fully conform to all statutes, regulations, Executive orders, and agency requirements.

(d) The Offeror must submit to the Contracting Officer a copy of the project labor agreement no later than at the following designated time:

- ☐ At the time of offer
- ☐ Prior to contract award
- ☐ After contract award and by/within [insert date or number of days by which the PLA is required].

(e) For PLAs that are negotiated post award or pre-award with the apparent successful offeror; an equitable adjustment in price, related solely to the negotiated terms of the PLA, is allowable.

PRESCRIPTION: *Insert in all SIRs and standard space leases where the TEPV of construction is equal to or exceeds \$35 million.*

Include Full Text

6.5.24 Project Labor Agreement (Interim June 2025)

(a) *Definitions.* As used in this clause-

“Construction” means construction, reconstruction, rehabilitation, modernization, alteration, conversion, extension, repair, or improvement of any real property.

“Labor organization” means a labor organization as defined in 29 U.S.C. § 152(5) of which building and construction employees are members.

“Large-scale construction project” means a Federal construction project within the United States for which the total estimated cost of the construction contract(s) to the Federal Government is \$35 million or more.

“Project labor agreement” means a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and is an agreement described in 29 U.S.C. § 158(f).

(b) If a project labor agreement was not submitted prior to contract award, the Contractor must negotiate a project labor agreement with one or more labor organizations for the term of this construction contract. The Contractor must submit an executed copy of the project labor agreement to the Contracting Officer. The project labor agreement reached pursuant to this clause must:

- (1) Bind the Contractor and subcontractors engaged in construction on the construction project to comply with the project labor agreement;
- (2) Allow the Contractor and all subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
- (3) Contain guarantees against strikes, lockouts, and similar job disruptions;
- (4) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the project labor agreement;
- (5) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, and safety and health; and
- (6) Fully conform to all statutes, regulations, Executive orders, and agency requirements.

(c) The Contractor must maintain in a current status throughout the life of the contract the project labor agreement entered into prior to award of this contract or entered into pursuant to paragraph (b) of this clause.

(d) *Subcontracts.* The Contractor must include the substance of this clause, including this paragraph, in subcontracts engaged in construction on the construction project.

PRESCRIPTION: *Insert in all SIRs and standard space leases where the TEPV of construction is equal to or exceeds \$35 million.*

Part IV: Revised AMS Policy to Reinstate Previous Language

Summary: AMS Policy 3.6.2 Labor Laws is revised to reinstate language which states that E.O. 14063 related requirements apply to the AMS. Policy Appendix E is revised to again list E.O. 14063 as an External Authority applicable to the AMS.

Revisions: Reinstated language is as follows.

3.6 Socio-Economic and Other Policies and Programs

[...]

3.6.2 Labor Laws

3.6.2.1 Applicability Interim 6/2025

The Davis-Bacon Act (40 U.S.C. § 276a), Convict Labor (18 U.S.C. § 4082-(c)(2)), Copeland Act (18 U.S.C. § 874 and 40 U.S.C. § 276c), Walsh-Healey Public Contracts Act (41 U.S.C. §§ 6501-6511), Service Contract Labor Standards (41 U.S.C. §§ 6701-6707), Executive Order 14063 related to project labor agreements, and other labor laws and regulations apply to acquisitions for products, services, construction, and real property as appropriate.

[...]

Appendix E: External Authorities Revised 09/2020

[...]

Appendix E: Part II - Executive Orders Interim 6/2025

[...]

Executive Order 14063, Use of Project Labor	Furtherers policy of the Federal Government for agencies to use project labor agreements in connection with large-scale construction	Procurement Real Property		G	C	*
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Agreements for Federal Construction Projects, (February 4, 2022)	projects to promote economy and efficiency in Federal procurement. Revokes E.O. 13502.					
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Attachment 2: Reinstated Procurement Tools and Resources

- Part I: PLA Reporting Template – Exception to Project Labor Agreement Requirement
- Part II: PLA Reporting Template - Use of Project Labor Agreement
- Part III: Project Labor Agreement (PLA) Guide

Note: These documents are included for reference. They are again added on FAST within Procurement Tools and Resources. Redlines within the Project Labor Agreement (PLA) Guide denote alterations from its original version.

Part I: PLA Reporting Template – Exception to Project Labor Agreement Requirement

EXCEPTION TO PROJECT LABOR AGREEMENT REQUIREMENT REPORTING TEMPLATE

Must be used to report all construction contracts equal to or exceeding \$35 million that have been exempted from the PLA requirement per AMS T3.6.2A.20. For a large-scale construction contract that **DOES include a PLA requirement, the CO must instead complete the “Use of Project Labor Agreement Reporting Template.”**

Instructions:

The Contracting Officer (CO), on behalf of the FAA, must report information on Project Labor Agreements (PLAs) on a transactional basis for all construction contracts when the Total Estimated Potential Value (TEPV) is equal to or exceeds \$35 million (a “large-scale construction contract”).

After award of a large-scale construction contract¹ that does *not* include a PLA requirement, the CO must:

- (1) Complete the attached template, *Template for Reporting on Exception to PLA Requirements*;
- (2) Delete this instruction cover page;
- (3) Save the completed template; and

¹ This reporting is required whether the large-scale construction contract award is in the form of a standalone contract or an order under an IDIQ Contract.

(4) Send the completed template to OBX.OMB.OFPPv2@OMB.eop.gov.²

The template reports the basis for an exception to the PLA requirement that has been approved by the FAA Acquisition Executive (FAE). When completing the template, the CO must ensure that the “basis for exception” field identifies which one of the three authorized exceptions was used (i.e., AMS Guidance T.3.6.2A.20.d.(1)(A), (B), or (C)) and provide a narrative explanation in accordance with the table provided in the PLA guide § II(D). For more information, see AMS Guidance T.3.6.2A.20 and the Project Labor Agreement Guide, located on the FAST Website in two locations: (1) Procurement Guides and Handbooks and (2) Real Property Procurement Templates & Samples.

TEMPLATE FOR REPORTING ON EXCEPTION TO PLA REQUIREMENTS*

CONTRACTING AGENCY	Federal Aviation Administration
SENIOR PROCUREMENT EXECUTIVE (SPE) (FAE**)	
DATE EXCEPTION GRANTED BY SPE (FAE)	
SOLICITATION NUMBER	
SOLICITATION DATE	
MAGNITUDE OF CONSTRUCTION***	
PROJECT DESCRIPTION	
PROJECT LOCATION	

² Section 6(a) of E.O. 14063 requires agencies to publish, on a centralized public website, data showing the use of PLAs on large-scale construction projects, as well as descriptions of the exceptions granted, to the extent permitted by law and consistent with national security and executive branch confidentiality interests. Section 6(b) also requires this information to be reported to OMB.

BASIS FOR EXCEPTION****	
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* This Template is Attachment 1 from OMB Memo M-24-06.

** For purposes of the FAA, it will be the FAA Acquisition Executive (FAE).

*** Total Estimated Potential Value (TEPV) of construction only under base contract and all options. For Real Property, only include the estimated construction costs under the contract.

**** For instructions on completing this field, see § II(D) in the PLA Guide, located on the FAST Website in two locations: (1) Procurement Guides and Handbooks and (2) Real property Procurement Templates & Samples.

Part II: PLA Reporting Template - Use of Project Labor Agreement

USE OF PROJECT LABOR AGREEMENT REPORTING TEMPLATE

Must be used to report all construction contracts equal to or exceeding \$35 million that require a Project Labor Agreement (PLA). For a large-scale construction contract that does NOT require a PLA per an approved exception under AMS T3.6.2A.20, the CO must instead complete the “Template for Reporting on Exception to PLA Requirements.”

Instructions:

The Contracting Officer (CO), on behalf of the FAA, must report information on Project Labor Agreements (PLAs) on a transactional basis for all construction contracts when the Total Estimated Potential Value (TEPV) is equal to or exceeds \$35 million (a “large-scale construction contract”).

After award of a large-scale construction contract³ that requires a PLA, the CO must:

- (1) Complete the attached template, *Template for Reporting on Use of PLAs*;

³ This reporting is required whether the large-scale construction contract award is in the form of a standalone contract or an order under an IDIQ Contract.

- (2) Delete this instruction cover page;
- (3) Save the completed template; and
- (4) Send the completed template to OBX.OMB.OFPPv2@OMB.eop.gov.⁴

For more information, see AMS Guidance T.3.6.2A.20 and the Project Labor Agreement Guide, located on the FAST Website in two locations: (1) Procurement Guides and Handbooks and (2) Real Property Procurement Templates & Samples.

TEMPLATE FOR REPORTING ON USE OF PLAs*

CONTRACTING AGENCY	Federal Aviation Administration
PROCUREMENT INSTRUMENT IDENTIFIER (PIID)	
CONTRACT SIGNED DATE	
BASE AND ALL OPTION VALUE**	
PROJECT LOCATION	
PROJECT DESCRIPTION	

* This Template is Attachment 2 from OMB Memo M-24-06.

** Total Estimated Potential Value (TEPV) of construction only under base contract and all options. For Real Property, only include the estimated construction costs under the contract.

⁴ Section 6(a) of E.O. 14063 requires agencies to publish, on a centralized public website, data showing the use of PLAs on large-scale construction projects, as well as descriptions of the exceptions granted, to the extent permitted by law and consistent with national security and executive branch confidentiality interests. Section 6(b) also requires this information to be reported to OMB.

Part III: Project Labor Agreement (PLA) Guide

FAA Project Labor Agreement Guide



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This document provides guidance on Project Labor Agreements (PLAs) to the FAA acquisition workforce responsible for executing large-scale construction contracts, which are defined as contracts where the Total Estimated Potential Value (TEPV) is \$35 million or more.⁵ The document provides additional detail to implement the requirements of AMS Guidance T3.6.2A.20, in accordance with Executive Order (E.O.) 14063, *Use of Project Labor Agreements for Federal Construction Projects*, issued February 4, 2022. In particular, the document describes procedures and documentation requirements for: (1) conducting market research, (2) excepting projects from PLA requirements and (3) reporting on the use of PLAs and exceptions.

I. **BACKGROUND**

PLAs are pre-hire collective bargaining agreements with one or more labor organizations that establish the terms and conditions of employment for a specific construction project and are described in 29 U.S.C. § 158(f). *See* E.O. 14063 § 2(2); AMS Guidance T3.6.2A.20. In accordance with section 4 of E.O. 14063 and AMS Guidance T3.6.A.20.c(4), PLAs must:

- (A) Bind all contractors and subcontractors engaged in construction on the construction project to comply with the PLA;
- (B) Allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;
- (C) Contain guarantees against strikes, lockouts, and other job disruptions;
- (D) Set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the term of the PLA;
- (E) Provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health;
- (F) Include any additional requirements deemed necessary to meet the needs of the FAA.

E.O. 14063 states that large-scale construction projects pose special challenges to the efficient and timely procurement for the Federal Government—challenges that increased use of PLAs can help address. Section 1(a) of the E.O. explains that construction employers typically do not have a permanent workforce, which makes it difficult to predict labor costs when bidding on contracts and to ensure a steady supply of labor on contracts being performed. Challenges also arise because construction projects typically involve multiple employers at a single location, and a labor dispute involving one employer can delay the entire project. Moreover, a lack of coordination among various employers, or uncertainty about the terms and conditions of employment of various groups of workers, can create friction and disputes in the absence of an agreed-upon resolution mechanism.

¹ This document incorporates, throughout, guidance from OMB Memo M-24-06, dated December 18, 2023, which provides implementing instructions for E.O. 14063 to the federal contracting workforce.

Section 1(b) of the E.O. explains that expanded use of PLAs can address these concerns by providing structure and labor-management stability to large-scale construction projects. In particular, PLAs standardize the work rules, compensation costs, and dispute settlement processes across multiple employers and unions to help avoid and resolve labor disputes and the attendant disruption they can cause.

Expanding federal use of PLAs can also help agencies cope more effectively with the nationwide skilled labor shortage in the construction industry. By providing access to union hiring halls that will allow federal contractors to fill empty craft positions with skilled workers recruited from surrounding regions, PLAs help ensure a reliable stream of skilled labor. Use of PLAs will help reduce the risk of noncompliance with labor laws in the construction industry under federal construction projects.

PLAs have been used on federal construction projects since the 1930s and have been expressly recognized in the AMS since 2010 with the implementation of E.O. 13502, *Use of Project Labor Agreements*. E.O. 13502 encouraged agencies to consider requiring the use of PLAs in connection with large-scale construction projects, which were defined as construction projects where the total cost to the Federal Government is \$25 million or more. E.O. 14063 increases this threshold to \$35 million and requires “every contractor or subcontractor engaged in construction on 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.” E.O. 14063 § 3.

E.O. 14063 and AMS Guidance Section T3.6.2A.20.d do not require use of PLAs on a project when one of three exceptions applies, namely:

- (1) Requiring a PLA would not advance the Federal Government’s interests in achieving economy and efficiency in federal procurement,
- (2) Requiring a PLA would inhibit competition or small business opportunities; or
- (3) Requiring a PLA would otherwise be inconsistent with statutes, regulations, executive orders, or Presidential Memoranda.

II. **GUIDANCE**

A. Requirement to use PLAs

- (1) *PLAs are required for all construction contracts with a TEPV of \$35 million or more.*

The FAA must take full advantage of PLAs on large-scale construction contracts over \$35 million, consistent with E.O. 14063 and AMS Guidance T3.6.2A.20. Specifically, the CO and requiring service organization must: (1) conduct and document market research for all large-scale construction projects and require PLAs unless an exception applies, (2) ensure that any exception is approved by the FAA Acquisition Executive (FAE), and (3) report PLA activity and exceptions with supporting explanation of exceptions to OMB.

Requiring service organizations are encouraged, but not required, to consider use of PLAs for other than large-scale construction projects (i.e., those projects estimated at less than \$35 million). Factors for determining the suitability of a PLA for these projects are set forth at AMS Guidance T.3.6.2A.20.c.(2)(B).

For indefinite-delivery indefinite-quantity (IDIQ) contracts, Contracting Officers (COs) may establish whether a PLA is required at the contract level (i.e., for the basic IDIQ contract) or on an order-by-order basis. If the IDIQ contract is intended to support one large-scale construction project, the FAA must require a PLA for the entire contract (i.e., all orders of any size), unless an exception applies.

(2) *Contracting Officer responsibility to insert PLA AMS clauses.*

For new SIRs and Contracts (except IDIQ contracts as described below) where the TEPV is equal to or exceeds \$35 million, COs must:

- a. incorporate required AMS clauses:
 - for procurement contracts, AMS clauses 3.6.2-42, Notice of Requirement for Project Labor Agreement, and 3.6.2-43, Project Labor Agreement, or
 - for real property contracts, AMS Real Property clauses 6.5.23, Notice of Requirement for Project Labor Agreement, and 6.5.24, Project Labor Agreement; and
- b. indicate the time at which the proposed PLA is required (see below paragraph (3), *Timing of Requirement*).

For IDIQ contracts when the FAA will require a PLA on an order-by-order basis and it is anticipated one or more orders may not use a PLA, COs must insert in the IDIQ contract AMS Clause 3.6.2-43 Alternate I Project Labor Agreement. When a specific order requires a PLA, the CO must indicate the PLA requirement in the applicable order in accordance with that clause. (For IDIQ contracts when the FAA will require a PLA for the entire base IDIQ, COs must incorporate AMS clauses 3.6.2-42 and 3.6.2-43 (or AMS Real Property clauses 6.5.23 and 6.5.24), as described above).

At the time a SIR is issued, it may not be certain whether the resulting contract will equal or exceed \$35 million. If the CO anticipates that offeror price proposals *may* meet or exceed that threshold – for example, if the IGCE is within 15% of \$35 million – the CO should include the following in the SIR:

- a. AMS clauses 3.6.2-42 and 3.6.2-43 (or AMS Real Property clauses 6.5.23 and 6.5.24); and
- b. A statement that the PLA AMS Clauses will apply if the offered price is \$35 million or greater.

Thus, only offeror proposals priced at \$35 million or greater will be subject to the applicable AMS Clauses.

When a PLA is not required at contract award, then no PLA will be required for the duration of the contract. No PLA is required under such a contract, even if the actual cost of the construction contract exceeds \$35 million during the course of performance.

(3) *Timing of requirement for contractor submission of PLA.*

Requiring service organizations and COs have the flexibility to determine the best timing for requiring submission of the PLA. COs may require that Offerors/Contractors submit the PLA at the following times:

- a. *At the time of offer.* Proposed PLAs may be required at the time of offer.
- b. *At the time the apparent successful offeror is determined.* Proposed PLAs may be required from an apparent successful offeror at the time the apparent successful offeror is determined.
- c. *After award.* Proposed PLAs may be required within a specified number of days after award.

SIRs must specify the time, or if applicable the specific date, at which the submission of a proposed PLA is required. When used, COs must indicate within AMS Clause 3.6.2-42, Notice of Required Project Labor Agreement, the time at which the proposed PLA is required.

Requiring service organizations and COs are encouraged to use the results of their market research to help determine the best timing. If market research indicates that the prospective offerors have significant experience with PLAs, then it may be feasible for the solicitation to require that offerors submit their PLA with their proposals. By contrast, if few of the prospective offerors have experience with PLAs (e.g., they are non-unionized contractors or small businesses that lack experience with PLAs), then permitting submission of the PLA after award may help to facilitate greater interest in the competition and avoid unintended barriers to entry. Requiring submission of the PLA at the time of offer may reduce cost risk because the costs of the PLA may be more accurately factored into an offeror's proposal. If submission is permitted post-award, then the contracting officer should establish a reasonable deadline in the solicitation consistent with the FAA's interest in ensuring timely performance on the project.

Where the CO elects to require submission of the PLA only by the apparent successful offeror prior to award, the SIR must specify the procedure and may provide the apparent successful offeror the opportunity to revise its price proposal. After the identification by the acquisition team of the apparent successful offeror, the CO may notify the apparent successful offeror and request that the offeror submit the required PLA within a reasonable amount of time. If the apparent successful offeror does not already have an applicable, negotiated PLA, the apparent successful offeror must negotiate the required PLA before award. After its PLA negotiations, the offeror may submit the required PLA and, as applicable, a revised price proposal, along with an explanation of why the PLA affects the proposed price. The FAA should reserve the right to award to an offeror other than the apparent successful offeror based on the revised proposal.

B. Market Research

Requiring service organizations and COs conducting market research for construction contracts must utilize the procedures at AMS Guidance T3.2.1.2 to provide the most accurate reflection of the current market conditions present in the area for the prospective construction project. To meet the requirements of E.O. 14063, market research should also consider the availability of unionized and non-unionized contractors and gauge national, regional, and local interest.

(1) Project-specific determination.

Acquisition personnel must conduct a contemporaneous market analysis on a project-specific basis. Acquisition personnel may use various techniques to examine market conditions described in AMS Guidance T3.2.1.2A.1(e), such as conferring with interested parties using sources sought notices and advance notices for construction contracts. Acquisition personnel may also rely on the results of recent market research (e.g., less than 18 months) into similar or identical requirements, but reliance on such market research must be accompanied by a fact-based explanation of why that market research accurately reflects current market conditions for the prospective construction contract. In addition, the fact that a PLA was not previously required for a project in a given area does not, by itself, constitute market research adequate to support the exercise of an exception to the requirement for a PLA on a subsequent project.

(2) Availability of unionized and nonunionized contractors.

E.O. 14063 provides that a PLA shall “allow all contractors and subcontractors on the construction project to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements.” E.O. 14063 § 4(b). Thus, market research should seek to identify both union and non-unionized contractors that may be interested in participating in the competition.

OMB Memo M-24-06 provides examples of why a non-unionized source’s participation in a competition with a PLA should not put them at a competitive disadvantage. Examples include the following:

- While many PLAs require contractors to use the union’s hiring hall for referrals, they do not prevent the use of a contractor’s workforce. The union hiring halls are legally required to refer workers to the project without regard to whether the workers are union members. Non-union employers also may negotiate “core employee” provisions that permit retaining some employees without those employees registering at a union’s hiring hall. Ultimately, the contractor retains the right to decide whom to hire.
- The E.O. does not require non-union employees to pay union dues or join a union. Non-union contractors are free to negotiate provisions in PLAs to accommodate existing fringe benefits or union dues. For example, a PLA may allow non-union contractors to opt out of contributing to health and welfare funds designated under the PLA, if the benefits provided by the non-union contractor are equal in value to those provided under the PLA.

(3) *National, regional, and local interest.*

The requirement to gauge national, regional, and local interest ensures that the FAA can fully evaluate the extent to which sources in the marketplace, including new entrants, might compete. While unions have the ability to recruit skilled workers nationally to address local skilled labor shortages, the intent of the PLA requirement is not to replace local workers for the sole purpose of employing non-local union members. The acquisition team may consider unique local needs when negotiating PLAs on a project-by-project basis.

C. Exercising exceptions

AMS Guidance T3.6.2A.20.d. provides that the FAE may grant an exception to the requirement for the agency to use a PLA for a large-scale construction project. AMS Guidance T.3.6.2A.20.d.(2)(A) states that an exception must be granted for a particular contract by the date the SIR is issued.⁶

To seek an exception, the CO, in coordination with the requiring service organization, must prepare and submit to the FAE a documented written explanation of why requiring a PLA: (1) is not economical and efficient; (2) inhibits competition or small business opportunities; or (3) is inconsistent with federal statutes, regulations, executive orders, or Presidential memoranda. *See* AMS Guidance T.3.6.2A.20.d.(1). Below, this Guide outlines the documentation required to support each of the three exceptions. If the FAE grants the exception, the CO must include documentation of the FAE's approval in the contract file. *See* AMS Guidance T.3.6.2A.20.d.(3).

(1) *Considerations for economy and efficiency-based exception.*

This exception is based on a determination that requiring a PLA on the project would not advance the FAA's interests in economy and efficiency. To support the exception, the requiring service organization and CO must document one or more of the following four factors:

- a. The project is of short duration and lacks operational complexity.
- b. The project will involve only one craft or trade.
- c. The project will involve specialized construction work that is available from only a limited number of contractors or subcontractors.
- d. The agency's need for the project is of such an unusual and compelling urgency that a PLA would be impracticable.

The following table explains the documentation required to support each factor.

² This includes IDIQ contracts if the basis for the exception cited would apply to all orders. Otherwise, exceptions must be granted for each order by the time of the notice of the intent to place an order. AMS Guidance T.3.6.2A.20.d.(2)(B).

If the basis for the determination is . . .	The documentation should . . .
The project is of short duration and lacks operational complexity.	Describe the nature of the work and state the expected performance period. ⁷
The project will involve only one craft or trade.	State that only one craft or trade is involved in the performance of the contract.
Specialized construction work is available from only a limited number of contractors or subcontractors.	Detail the market research that was conducted to support the conclusion that the specialized work is only available from a limited number of contractors or subcontractors.
The agency's need for the project is of such an unusual and compelling urgency that a PLA would be impracticable.	Describe the procurement acquisition lead time for similar construction projects and the time available for this project. Substantiate with facts the urgency that has caused the need for an accelerated schedule and the impact to the project if the schedule is not accelerated. In general, most large-scale construction projects involve long lead times and extensive advanced planning. However, the FAA's ability to respond to natural disasters and pandemics, the agility required to meet national security needs, and the FAA's unique need for more timely acquisitions may require expedited timelines that make mandatory use of a project labor agreement impracticable (e.g., insufficient time for the FAA to conduct the market research necessary to identify the interest in participating on a project that requires a PLA and insufficient time for construction contractors and their subcontractors to negotiate PLAs).

(2) *Considerations for competition-based exception.*

a. *PLA requirement inhibits full and open competition.* To except a contract from the PLA requirement because a PLA requirement would inhibit competition, supporting documentation must show that requiring a PLA would substantially reduce the number of potential offerors to such a degree that adequate competition at a fair and reasonable price could not be achieved. *See* AMS Guidance T.3.6.2A.20.d.(1)(B)(i). This requires two findings, supported by documented facts and market research: first, that the PLA requirement will likely reduce the number of potential offerors; second, that the reduction would not allow for adequate competition at a fair and reasonable price.

COs must consider current market conditions and the extent to which price fluctuations may be attributable to factors other than the requirement for a PLA

³⁷ For contracts that involve a design phase (e.g., design-build contracts), duration should be measured by the length of the construction portion of contract performance.

(e.g., costs of labor or materials, supply chain costs). COs may rely on price analysis conducted on recent competitive proposals for construction projects of a similar size and scope. *See* AMS Guidance T3.2.1.2A.1(e).

In evaluating the anticipated impact of a PLA on the FAA's ability to conduct a competition, the determination should focus on whether the market research points to a sufficient number of anticipated offerors to achieve fair and reasonable pricing. In general, two or more qualified offers is sufficient to provide adequate price competition, per AMS Guidance T3.2.3A1a.(3)(a)(i). However, if the market research shows that despite the interest of two or more offerors, prices are expected to be higher than the FAA's budget by more than 10 percent due to the PLA requirement, the FAA may use this finding to support a determination that fair and reasonable pricing cannot be achieved.

If adequate price competition can be achieved, use of this exception would not be appropriate, even if the number of offerors who indicate they will not compete because of the PLA is significantly higher than the number of sources who have expressed an intent to compete.

b. *PLA requirement inhibits small business set-aside opportunity.* This exception requires a documented finding, based on market research, that a large-scale construction project can be set aside for two or more small business concerns, including joint ventures, but for the PLA requirement. *See* AMS Guidance T3.6.2A20.d.(1)(B)(ii).

Where the FAA is aware of potential offerors that would have interest but for the PLA requirement, the acquisition team should seek to engage with those sources to understand the nature of the concern (e.g., a misperception that nonunionized contractors must allow workers to organize in order to enter a PLA; a need for information or training on PLAs) and consider what steps might be taken to allay similar concerns on future construction projects with PLAs.

(3) *Other Authoritative exceptions.*

To except a contract from the PLA requirement because a PLA requirement would be inconsistent with an applicable federal statute, regulation, executive order, or Presidential memorandum, COs and requiring service organizations must coordinate with agency counsel.

D. Reporting on use of PLAs and exceptions.

The CO, on behalf of the FAA, must report information on a transactional basis⁸ for all exceptions granted and all contracts that use PLAs to OBX.OMB.OFPPv2@OMB.eop.gov.⁹

⁴ This reporting is required whether the large-scale construction contract award is in the form of a standalone contract or an order under an IDIQ Contract.

⁵ Section 6(a) of E.O. 14063 requires agencies to publish, on a centralized public website, data showing the use of PLAs on large-scale construction projects, as well as descriptions of the exceptions granted, to the extent permitted by law and consistent with national security and executive branch confidentiality interests. Section 6(b) also requires this information to be reported to OMB.

The CO must complete the template at Attachment 1 for all exceptions granted and the template at Attachment 2 for all contracts awarded with a PLA requirement.¹⁰ When completing the template in Attachment 1 to report on use of an exception, COs must ensure that the “basis for exception” field identifies which one of the three authorized exceptions was used (i.e., the exceptions identified in AMS Guidance T.3.6.2A.20.d.(1)(A), (B), or (C)) and provide a narrative explanation in accordance with the table below:

If the basis for the exception is . . .	The explanation should . . .
<i>Economy and efficiency-based exceptions.</i> Requiring a project labor agreement on the project would not advance the Federal Government's interests in achieving economy and efficiency in Federal procurement. AMS Guidance T.3.6.2A.20.d.(1)(A)	Identify the specific factor or combination of factors used and provide a summary of the documentation required by the table in § II.C(1), above.
<i>Competition-based exceptions.</i> (i) <i>PLA requirement inhibits competition.</i> Requiring a PLA on the project would inhibit competition. AMS Guidance T.3.6.2A.20.d.(1)(B)(i) Or (ii) <i>PLA requirement restricts small business set-aside opportunity.</i> A large-scale construction project can be set aside for two or more small business concerns, including joint ventures, but for the PLA requirement. AMS Guidance T.3.6.2A.20.d.(1)(B)(ii)	Summarize the market research undertaken per AMS Guidance T3.2.1.2 and the results of the research in sufficient detail to understand the basis for exercising the exception—i.e., the facts showing that 1) the PLA requirement will likely reduce the number of potential offerors and 2) the reduction would not allow for adequate competition at a fair and reasonable price. Indicate that research gauged national, regional, and local interest and considered contractors without regard to whether they are otherwise parties to collective bargaining agreements (i.e., both unionized and non-unionized labor). Summarize the market research undertaken per AMS Guidance T3.2.1.2 and the research results in sufficient detail to understand the basis for exercising the exception — i.e., (1) facts showing that if not for the PLA requirement, two or more set-aside eligible small businesses (including joint ventures) could submit adequate offers, and (2) the engagement between the FAA and the small businesses and the concerns expressed by the small businesses about the PLA requirement.

⁶ These two templates are also found on the FAST website in two other locations: (1) Procurement Templates and (2) Real Property Procurement Templates & Samples.

<i>Other Authoritative exceptions.</i> Requiring a project labor agreement on the project would otherwise be inconsistent with Federal statutes, regulations, executive orders, or Presidential memoranda. AMS Guidance T.3.6.2A.20.d.(1)(C)	Cite the statute, regulation, executive order, or Presidential memorandum that creates an inconsistency with use of a PLA.
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ATTACHMENT 1: TEMPLATE FOR REPORTING ON EXCEPTION TO PLA REQUIREMENTS*

CONTRACTING AGENCY	Federal Aviation Administration
SENIOR PROCUREMENT EXECUTIVE (SPE) (FAE)**	
DATE EXCEPTION GRANTED BY SPE (FAE)	
SOLICITATION NUMBER	
SOLICITATION DATE	
MAGNITUDE OF CONSTRUCTION***	
PROJECT DESCRIPTION	
PROJECT LOCATION	
BASIS FOR EXCEPTION****	

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- * This Template is Attachment 1 from OMB Memo M-24-06.
- ** For purposes of the FAA, it will be the FAA Acquisition Executive (FAE).
- *** Total Estimated Potential Value (TEPV) only under base contract and all options. For Real Property, only include the estimated construction costs under the contract.
- **** See § II(D) above in this PLA Guide for instructions on completing this field.

ATTACHMENT 2: TEMPLATE FOR REPORTING ON USE OF PLAs*

CONTRACTING AGENCY	Federal Aviation Administration
PROCUREMENT INSTRUMENT IDENTIFIER (PIID)	
CONTRACT SIGNED DATE	
BASE AND ALL OPTIONS VALUE**	
PROJECT LOCATION	
PROJECT DESCRIPTION	

- * This Template is Attachment 2 from OMB Memo M-24-06.
- ** Total Estimated Potential Value (TEPV) of construction only under base contract and all options. For Real Property, exclude any non-construction costs under the contract.

