

# ASSEMBLY STATE GOVERNMENT COMMITTEE

## STATEMENT TO

### ASSEMBLY COMMITTEE SUBSTITUTE FOR **ASSEMBLY, Nos. 2088, 1655, and 2089**

# **STATE OF NEW JERSEY**

DATED: JUNE 27, 1996

The Assembly State Government Committee reports favorably an Assembly committee substitute for Assembly Bill Nos. 2088, 1655 and 2089.

This substitute bill authorizes any public entity that undertakes a public works project to enter into a project agreement with one or more appropriate labor organizations. The public entities to which this authorization is extended are: the State; any political subdivision of the State; any authority created by the Legislature; and any agency or instrumentality of the State or any of its political subdivisions. To be eligible as a party to such an agreement, a labor organization would have to (a) represent, for purposes of collective bargaining, employees in one or more crafts or trades involved in the performance of public work contracts and eligible to be paid prevailing wages under the "New Jersey Prevailing Wage Act", (b) have entered into one or more labor agreements with one or more employers in the building and construction industry, (c) have represented employees employed in projects similar to the public works project, and (d) have the present ability to refer, provide or represent sufficient numbers of qualified employees in the crafts or trades required by the contract to perform the contracted work.

The legislation further authorizes a public entity to include a project agreement in public works projects on a project-by-project basis if the public entity determines that the agreement will promote labor stability and advance the interests of the public entity in cost, efficiency, quality, safety and timeliness.

Each project agreement entered into under the legislation is required to:

1. Advance the interests of the public entity, including the interests in cost, efficiency, quality, timeliness, and safety;
2. Contain guarantees against strikes, lock-outs, or other similar actions;
3. Set forth effective, immediate and mutually binding procedures for resolving jurisdictional and labor disputes arising before the completion of the work;

4. Be made binding on all contractors and subcontractors on the public works project through the inclusion of appropriate bid specifications in all relevant bid documents; and

5. Conform fully with all requirements of law regarding the implementation of set-aside goals for women and minority owned businesses.

The legislation provides that a public entity's project agreement with a labor organization may (i) permit contractors and subcontractors working on a public works project to retain a percentage of their current workforce, and (ii) provide that the successful bidder on a project need not be party to any labor agreement with that labor organization other than for the project covered by the project agreement.