



Project Labor Agreements:

Higher Costs and Less Competition for Massachusetts Public Construction

by Paul Bachman, Visiting Fellow at the Fiscal Alliance Foundation



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Executive Summary

Massachusetts Executive Order No. 641 should not become a pathway to routine Project Labor Agreement (PLA) mandates on public works projects. Although the order requires executive department agencies to review projects above \$35 million and determine whether a Project Labor Agreement serves the interests of the project, workers, and community, the evidence summarized in this report shows that PLAs restrict open competition by imposing union hiring, benefit, and work-rule requirements that discourage open-shop contractors from bidding.

The evidence reviewed in this report generally associates PLA requirements with higher construction costs and, in some cases, longer schedules or reduced project output. Across the summarized studies, estimated cost premiums average 16.2%, although results vary. School construction studies found premiums ranging from approximately 13% to 30.5%. In contrast, analyses of Los Angeles supportive housing found higher per-unit costs, longer completion times, and fewer units produced under the applicable PLA. A Department of Veterans Affairs study likewise concluded that PLAs may be cost-neutral in highly unionized markets but are more likely to raise costs in markets with lower union concentration. These findings indicate that PLAs reduce bidder participation from open-shop contractors and thus increase the winning bid and ultimately project costs.

The case studies illustrate this mechanism in practice. In Fall River, bids submitted under a PLA were characterized by limited participation and substantial budget overruns; rebidding without the PLA increased competition and reduced total bids for three schools by approximately \$5.8 million. Similarly, removing the PLA requirement for the New Hampshire Job Corps Center resulted in a winning bid more than \$6 million below the lowest PLA-restricted bid. Recent federal and Massachusetts court decisions also reinforce that a PLA restricts competition.

Applying the report's estimated 16.2% premium to major Massachusetts infrastructure projects suggests potentially significant fiscal exposure. This 16.2% PLA premium would add \$293 million to the Sagamore Bridge replacement project and approximately \$163 million for the North Station Draw One Bridge project. The Mystic River Bicycle and Pedestrian Bridge project was bid with a PLA in place, and the apparent winning bid was \$78.7 million, \$25.7 million, or 48.5% above the engineer's estimate of \$53 million. Clearly, the PLA has a role in the higher costs. Across 166 projects in the Massachusetts Department of Transportation (MassDOT) and Massachusetts Bay Transportation Authority (MBTA) five-year capital plans that meet the \$35

million threshold, the PLA premium would be \$3.695 billion. These potential costs would compound the sharp increase in regional construction prices, up 38% since 2020, and further constrain state capital budgets. In addition, the construction cost increase has pushed more project budgets over the Governor's executive order threshold of \$35 million. State agencies initiating public construction projects that exceed the threshold should consider the implications of the lower competition and higher costs that accompany using a PLA.

Introduction

On March 11, 2025, Massachusetts Governor Maura Healey issued Executive Order (EO) No. 641 to promote the use of PLAs "by state agencies for large public works projects." The Governor's order requires executive department agencies to review public works construction projects with estimated construction costs over \$35 million to determine whether a PLA is in the best interests of the projects, workers, and the community.¹

Project Labor Agreements (PLAs) require contractors and subcontractors to operate under union rules, hire through union halls, and contribute to union benefit plans even if the contractors are open-shop or nonunion. As a result, open-shop contractors are discouraged, if not prohibited, from bidding on projects with a PLA.

PLAs are promoted as tools to ensure labor harmony and predictable project delivery. However, a substantial body of empirical research, case studies, and market data now demonstrates that PLAs consistently increase construction costs, reduce bidder participation, and provide no measurable improvement in quality, safety, or timeliness. As the Commonwealth faces rising construction inflation and expanding capital needs, the continued use of PLAs under the Governor's executive order—particularly the \$35 million threshold—poses a growing fiscal challenge. PLA mandates would increase construction costs for state agency construction projects.

Arguments for and Against PLAs

Government-mandated PLAs on publicly financed construction projects are typically issued after lobbying campaigns by labor unions to help them regain lost market share. The logic of mandating PLAs is, however, increasingly dubious given the decline in union membership across the workforce, particularly in the construction sector. Only 12% of the U.S. private construction workforce currently belongs to unions.²

PLAs typically require that general contractors and subcontractors hire all construction trade labor through union halls and apprenticeship programs, pay union dues, contribute to union-sponsored retirement and health insurance plans, and follow union work rules. PLAs force

1 Mass.gov, Governor Maura Healey and Lt. Governor Kim Driscoll, Press Release, Governor Healey Signs Executive Order to Ensure Safe, On Time, and On Budget Construction Projects, March 11, 2025, [Governor Healey Signs Executive Order to Ensure Safe, On Time, and On Budget Construction Projects | Mass.gov](#).

2 U.S. Bureau of Labor Statistics, "Economic News Release," February 18, 2026, <https://www.bls.gov/news.release/union2.nr0.htm>.

contractors to hire union workers in place of most, if not all, of their own workforce. Contractors and existing employees must contribute to union benefit plans even if they cover their own workers under their own plans. The PLA work rules restrict the contractors from using their own, often more flexible, operating rules and multitasking procedures across multiple trades with their own nonunion employees. These restrictive conditions increase project costs for a project subject to a government-mandated PLA.

Open-shop (nonunion) contractors contend that PLAs nullify their competitive advantages even as they comply with other mandates such as prevailing wage laws. As a result, they cannot bid competitively on jobs with a PLA requirement. The absence of open-shop bidders for PLA projects results in fewer bidders, and with fewer bidders, the lowest bids are higher than they would be if open-shop contractors had participated. Therefore, project costs will be higher, with fewer bidders undercutting one another for the contract.

Proponents of PLAs counter that they keep projects on time and on budget and help ensure the use of qualified, skilled workers. They argue that the agreements provide harmonious working conditions by eliminating inefficiencies in existing union collective bargaining agreements and guarantee predictable wage costs for the life of the contract. They contend that the combination of work rules and provisions prohibiting strikes, slowdowns, and lockouts keeps the project on schedule and prevents cost overruns caused by delays. They argue, furthermore, that the wage stipulations allow firms to estimate labor costs accurately for the life of the project and thus keep the project on budget.³

Advocates also argue that PLA work rules, such as overtime and vacation pay, are often less generous than those in collective bargaining agreements for some trades. Thus, if a PLA stipulates that overtime pay begins only after 40 hours per week, rather than after eight hours per day, as in some collective bargaining agreements, the PLA will yield savings on overtime costs.

Proponents argue that PLA work rules and union training requirements promote safer worksites, reduce accidents, and lower workers' compensation claims. They also contend that union certification and apprenticeship programs improve workmanship and reduce costly errors. Over time, they say, these benefits help keep projects on budget, limit overruns, and support the hiring and training of local workers through established union apprenticeship programs.

Claims both for and against PLAs are often anecdotal. In soliciting and awarding construction contracts, the project owner is responsible for defining the contract terms, including the required completion schedule and expected quality of work. When the owner is a public entity managing multiple construction projects over time, it should rely on evidence rather than assertions to determine whether mandating a PLA reduces costs. What does the research literature show about the effects of PLAs?

3 Gerald Mayer, "Project Labor Agreements." Congressional Research Service, R41310, July 1, 2010, <https://www.cga.ct.gov/2011/rpt/2011-R-0360.htm>.

Evidence on PLAs

A broad body of research across multiple project types finds that PLAs are associated with higher construction costs. Studies by academic researchers, policy institutes, and public agencies reach a consistent conclusion: PLA mandates tend to increase the cost of public construction projects (see *Figure 1*).

The Beacon Hill Institute (BHI) found a suitable “natural experiment” that allowed it to formally compare the costs of projects with and without a PLA. Driven by an increase in the student population in the early 2000s and encouraged by state financial support, many towns and cities across the country have financed school construction over the past two decades. Schools have similar characteristics, such as classrooms, cafeterias, gymnasiums, and other features. Some cities or towns had PLAs in effect during the construction bidding process, while others did not. Using data on construction costs for school projects, adjusted for inflation using an appropriate construction cost index, they estimated the difference in cost per square foot between schools with a PLA in effect and those without. BHI conducted six studies over nearly two decades and consistently found that PLAs increased construction costs by an average of 16.5%. Other studies found similar results.⁴

Researchers at the National University System Institute for Policy Research researched school construction projects in California. The study analyzed 551 California public school construction projects built between 1995 and 2009, including 65 projects constructed under PLAs, to determine whether PLAs affect costs. After adjusting for inflation and controlling for factors such as square footage, demolition, gyms, pools, and construction dates, the authors found that PLA projects cost 13% to 15% more. Multiple regression models, weighted tests, and robust estimators consistently show PLA use correlating with higher costs.⁵

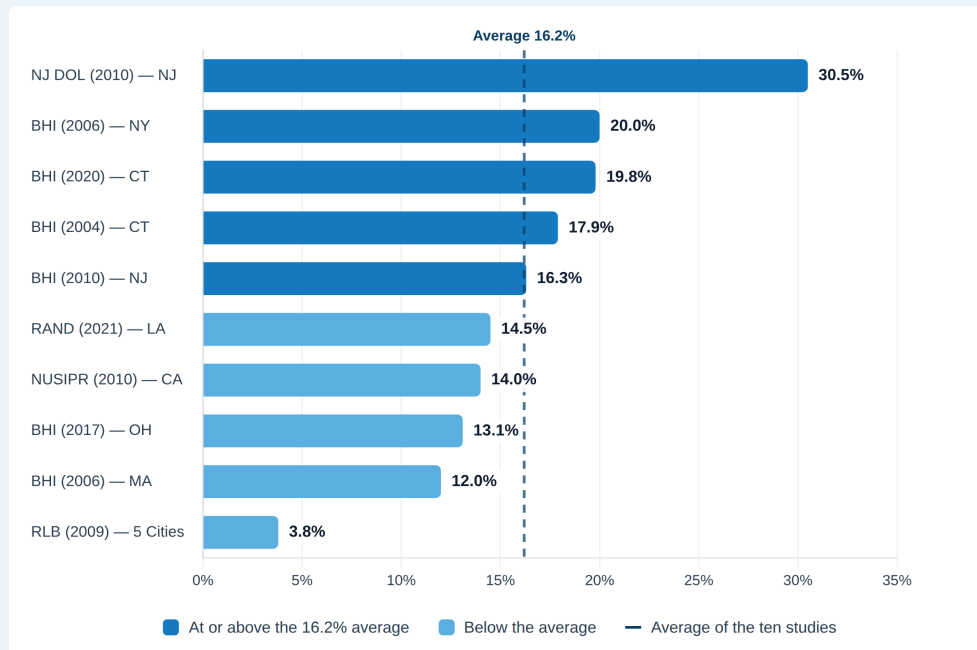
A RAND report analyzed 98 new-construction Proposition HHH (a large-scale fiscal initiative meant to spur the production of permanent supportive housing projects in Los Angeles) projects alongside a comparison group of non-HHH affordable housing projects to determine how the HHH PLAs affected both project size and construction costs. Because the PLA applied only to projects with 65 or more units, developers responded strategically: 22 HHH projects clustered at 60–64 units. In contrast, only one project landed just above the threshold, demonstrating clear avoidance behavior. After controlling for project characteristics, the study finds that

4 Burke, William F., and David G. Tuerck. *Project Labor Agreements and Connecticut School Construction Costs*. Beacon Hill Institute, 2020. Burke, William F., and David G. Tuerck. *Project Labor Agreements and New Jersey School Construction Costs: 2002–2018*. Beacon Hill Institute, 2019. Burke, William F., and David G. Tuerck. *Project Labor Agreements and New Jersey School Construction Costs: 2000–2016*. Beacon Hill Institute, 2017. Paul Bachman, Jonathan Haughton and David G. Tuerck, *Project Labor Agreements and the Cost of School Construction in Connecticut*, The Beacon Hill Institute at Suffolk University, September 2004. Paul Bachman, and David G. Tuerck, *Project Labor Agreements and Public Construction Costs in New York State*, The Beacon Hill Institute at Suffolk University, May 2006. Tuerck, David G., Paul Bachman, and Jonathan Haughton. *Project Labor Agreements and Connecticut School Construction Costs*. Beacon Hill Institute, 2004.

5 Vince Vasquez, Dale Glaser, and W. Erik Bruvold, *Measuring the Cost of Project Labor Agreements on School Construction in California* (San Diego: National University System Institute for Policy Research, 2011).

FIGURE 1**Studies of PLA Construction Cost Increases**

Reported increase in construction costs under a PLA, by study · percent



Average across the ten studies: 16.2%.

PLA-covered projects cost about \$43,000 more per unit, a 14.5% increase in construction costs. A simulation combining cost effects and project-size shifts estimates that, without the PLA, Los Angeles would have produced approximately 800 additional housing units, equal to 11% of the entire 7,305-unit HHH pipeline.⁶

This report's findings complement a separate, earlier RAND analysis of HHH PLA projects, which examined 75 completed supportive-housing developments and found that PLA-covered projects cost \$92,700 more per unit and took eight months longer to complete. Together, the two studies show a consistent pattern: the PLA increased per-unit costs and reduced total housing output, both by raising construction expenses and by incentivizing developers to propose smaller projects to avoid PLA coverage.⁷

The New Jersey Department of Labor conducted a study of PLAs under the Project Labor Agreement Act of 2002, which authorized PLAs for projects over \$5 million. The law required

⁶ Jason M. Ward, *The Effects of Project Labor Agreements on the Production of Affordable Housing: Evidence from Proposition HHH* (Santa Monica, CA: RAND Corporation, 2024). *The Effects of Project Labor Agreements on the Production of Affordable Housing: Evidence from Proposition HHH* (Santa Monica, CA: RAND Corporation, 2021).

⁷ Jason M. Ward, *The Effects of Project Labor Agreements on the Production of Affordable Housing: Evidence from Proposition HHH* (Santa Monica, CA: RAND Corporation, 2021).

the state to evaluate annually whether PLAs are advancing public interests—including cost control, efficiency, quality, timely completion, and equitable workforce participation. To meet that mandate, the 2010 report analyzes all public building projects completed in FY2008 and compares outcomes for PLA and non-PLA projects. The study found that PLAs were used sparingly, appearing in only 12 of 108 eligible FY2008 projects (11%) and almost entirely in school construction. Since 2002, 409 projects met the PLA threshold, but only 70 used PLAs (17.1%), with 96% of PLA projects administered by the Schools Development Authority.⁸

Cost comparisons showed clear differences. Among 75 new schools built between 2002 and 2008, PLA schools averaged \$260 per sq. ft., compared with \$199.19 for non-PLA schools—a 30.5% premium. PLA schools also cost more per student (\$47,723 vs. \$39,978). Even after controlling for region, school type, and size, PLA projects remained more expensive, with only 37% of the cost gap explained by measurable factors.

Construction duration also differed. In FY2008, PLA school projects averaged 100.1 weeks, compared with 77.5 weeks for non-PLA projects. However, this was largely because PLA projects were more often new schools, which take longer to build. When comparing only new schools, durations were nearly identical—106.9 weeks for PLA vs. 105.5 weeks for non-PLA. Overall, the study concludes that PLA projects tended to cost more and take longer.

The Department of Veterans Affairs commissioned a 2009 study to evaluate how PLAs might affect construction cost, schedule, labor availability, and project delivery on major VA projects. The analysis focused on five cities where the VA had upcoming work: Denver, New Orleans, New York City, Orlando, and San Francisco. The authors reviewed existing research and interviewed contractors, unions, and industry groups to understand local labor markets and estimate PLA cost impacts. The study found that PLA effects vary significantly by region. In highly unionized cities such as New York and San Francisco, PLAs can be cost-neutral or even produce modest savings. In New York and San Francisco, estimated PLA impacts ranged from a 1.5% decrease to a 1.5% increase in a stable economy, and potential savings of 2% to 5% during poor economic conditions. In contrast, in cities with low union presence—Denver, New Orleans, and Orlando—the study found that PLAs would likely increase costs due to reduced bidder competition, required union benefit contributions, and reliance on out-of-state labor. Estimated cost increases in these cities ranged from 5% to 9%. Case studies reinforced these findings; for example, the use of a PLA at Harrah's Poydras Hotel in New Orleans increased total construction costs by an estimated 10% to 15%. Overall, the study concluded that PLAs may offer stability and labor-supply advantages in heavily unionized markets but are likely to raise costs in regions with lower union membership.⁹

The body of evidence is clear that PLAs increase construction costs. On average, these studies find that PLAs increase costs by 16.2%. While the analysis is clear, what happens in

8 New Jersey Department of Labor & Workforce Development. *Analysis of School Construction Projects and Project Labor Agreements*. State of New Jersey, 2010.

9 Rider Levett Bucknall. *Assessment of Project Labor Agreements for U.S. Department of Veterans Affairs Construction Projects*. U.S. Department of Veterans Affairs, 2009.

the real world where projects are bid with a PLA and then without one?

The Fall River, Massachusetts Case Study

Fall River, on Massachusetts' southern coast, launched a ten-year School Building Plan to build 11 new schools. Mayor Edward M. Lambert said the effort would show the city's commitment to improving school infrastructure and providing high-quality facilities to as many students as possible.¹⁰

The first projects proceeded without a PLA. The John J. Doran School opened in January 2001, the city's first new school in nearly 50 years. Spencer Borden and William S. Greene schools opened in January 2003 at a combined cost of \$36.4 million, followed by the Frank M. Silvia School in 2004. The projects appear to have been completed on budget and on schedule through full competitive bidding.¹¹

The next phase included two middle schools – the Matthew J. Kuss and Morton schools – and three elementary schools: Letourneau, Ralph M. Small, and Slade.

City officials considered using a PLA for these five schools. Mayor Lambert argued it would help avoid delays while students moved among buildings and would ensure use of a local workforce. Those claims, however, drew community skepticism.¹²

When Fall River solicited subcontractor bids for Kuss Middle School in late 2005, participation was sparse, and prices exceeded budget. The project received no electrical bids, only one bid for several trades, and two bids for others. Low bids totaled \$17.4 million—more than \$5 million above the \$11.8 million budget—even before electrical work was included. A later electrical bid came in at \$4.8 million, nearly double the budgeted amount.

The city rejected and rebid several Kuss contracts, including masonry, metals, windows, painting, and electrical work. The rebidding delayed the schedule by six weeks, undercutting one of the chief arguments for the PLA. Mayor Lambert attributed the high bids—16% over budget by his own estimate—to contractor prequalification rather than the PLA.

The second round produced mixed results and delayed the project by another two weeks. Electrical bids fell by \$1 million and metals by \$20,000, but painting increased by \$24,685, and all bids remained above budget.

The general contractor bidding also showed limited competition. Kuss received only two bids, both above budget: the low bid was \$45 million, \$9 million over budget, while the other exceeded the budget by nearly \$17 million.¹³

Small and Slade saw similar problems. Both received few or no bids for several contracts, and

10 Herald News, "City Has Aggressive School Building Plan," July 1, 2001.

11 Ibid.

12 Will Richmond, "Group Wants School Building Bids Open to All," Herald News, November 4, 2005

13 Ibid.

submitted bids pushed costs well above budget. Municipal Services Director James Smith said the bids appeared to be 30% over pre-bid estimates and acknowledged that the PLA “could be part of it.”¹⁴

Under pressure to reduce costs, Mayor Lambert canceled the PLA in early May, stating that the city needed to do everything possible to make the projects affordable and timely. The bidding process for Kuss, Small, and Slade was then reopened without the PLA.

Without the PLA, bids fell and participation increased. Beacon Hill Institute found that sub-bids for the three schools dropped from \$21.58 million under the PLA to \$19.62 million, a savings of nearly \$2 million. The Kuss general contractor bid also fell by \$1.8 million compared with the lowest PLA bid, and Slade sub-bids declined by \$900,000. The city also received bids for work that had previously attracted none.

Letourneau, which was never bid under a PLA, further illustrated the effect of competition. Although comparable to Small in size and scope, Letourneau received 62 sub-bids, nearly triple Small’s 24 under the PLA. Its bids were only \$1.5 million over budget, compared with Small’s \$4.7 million. As Mayor Lambert observed, “with more bidders you tend to get a better price.”¹⁵

FALL RIVER

Fewer bidders under the PLA, lower bids without it

Kuss, Small and Slade sub-bids under the PLA vs. rebid without it · Letourneau (never bid under a PLA) vs. Small (PLA)



Sub-bids for the three schools fell from \$21.58 million under the PLA to \$19.62 million without it — a savings of nearly \$2 million. Letourneau drew 62 sub-bids, nearly triple Small’s 24 under the PLA, and came in \$1.5 million over budget against Small’s \$4.7 million.

¹⁴ Ibid.

¹⁵ Will Richmond, “Bids better sans PLAs,” Herald News, July 21, 2006.

“with more bidders you tend to get a better price.”

FORMER FALL RIVER MAYOR EDWARD M. LAMBERT

The only clear change was removing the PLA requirement. Once it was eliminated, bidder competition increased, and project costs fell, producing meaningful savings for the city.

The New Hampshire Job Corps Center Case Study

The New Hampshire Job Corps Center project in Manchester became one of the most contentious federal construction disputes, centered on whether the Department of Labor (DOL) should require a Project Labor Agreement (PLA) for the \$31.6 million facility. The PLA was first proposed in 2009 under the Obama Administration’s Executive Order 13502, which encouraged federal agencies to consider PLAs for large-scale projects. When the DOL issued its first PLA-mandated solicitation in September 2009, it immediately drew protests from contractors, who argued that the mandate would reduce competition and drive-up costs.¹⁶

The first PLA mandate was issued in September 2009, but it triggered bid protests. The protests were successful. In November 2009, the DOL canceled the solicitation, citing the Competition in Contracting Act, after determining that the PLA requirement had improperly restricted the bidding process. The agency tried again in 2012, reissuing the solicitation with a PLA requirement, but contractors once more filed protests with the Government Accountability Office (GAO). The GAO ruled the PLA mandate unlawful, forcing the Department of Labor to withdraw it in May 2012. The DOL reissued the solicitation in 2012 with a PLA requirement, but GAO protests again forced the DOL to withdraw it. After two failed attempts and repeated legal challenges, the DOL finally removed the PLA requirement altogether and reissued the solicitation without it.

The removal of the PLA dramatically changed the bidding landscape. Eckman Construction of Bedford, New Hampshire, won the contract in April 2013 with a bid of \$31.6 million—more than \$6 million lower than the lowest PLA-restricted bid. Associated Builders and Contractors celebrated the decision, declaring it “a win for fair competition and local contractors,” emphasizing that open bidding had saved taxpayers millions of dollars. ABC further stated that “taxpayers saved over \$6 million by removing the PLA requirement,” underscoring its long-standing argument that PLAs inflate costs and limit bidder participation.¹⁷

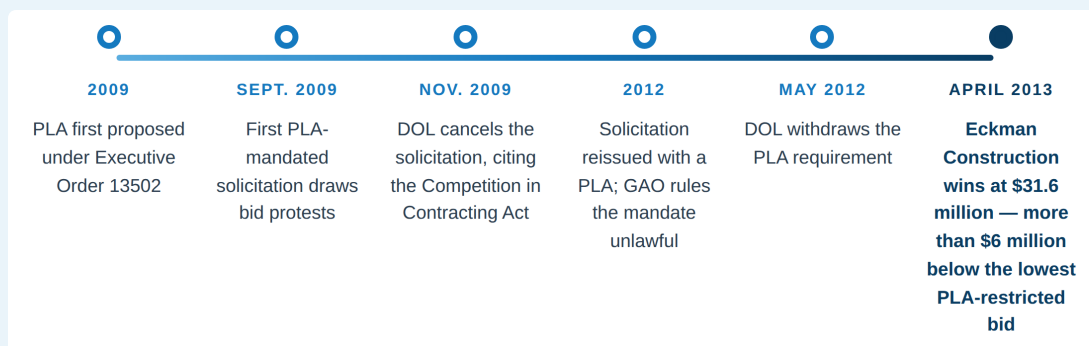
¹⁶ Associated Builders and Contractors, Taxpayers Win Big Without Federal PLA on N.H. Job Corps Center, April 24, 2013, [Newsline | Taxpayers Win Big Without Federal PLA on N.H. Job Corp.](#)

¹⁷ Ibid.

NEW HAMPSHIRE JOB CORPS CENTER

Two PLA mandates withdrawn, then a \$31.6 million bid

The Manchester, N.H. solicitation, 2009–2013



Eckman Construction won the contract in April 2013 with a bid of \$31.6 million — more than \$6 million lower than the lowest PLA-restricted bid.

The Courts Agree that PLA Mandates Restrict Competition

Recent court decisions addressing Project Labor Agreement mandates have focused on whether public owners and federal agencies may restrict bidding competition without a strong, project-specific justification. In both cases summarized below, courts found that the challenged PLA requirements created substantial barriers for open-shop contractors and were not adequately supported by the procurement record. The decisions, therefore, underscore a common theme: PLA mandates must be justified by evidence tied to the specific project, not by generalized claims about labor harmony, workforce quality, or schedule reliability.

In *MVL USA, Inc. et al. v. United States*, the United States Court of Federal Claims held that the federal PLA mandate for large-scale construction projects violated the Competition in Contracting Act because it imposed a broad restriction on full and open competition and excluded otherwise responsible contractors that would not agree to enter into a PLA. The court found that the challenged solicitations did not demonstrate that a PLA was necessary to satisfy agency-specific procurement needs or project-specific conditions, making the mandate inconsistent with federal competitive bidding requirements.¹⁸

In a case in Massachusetts, *Wayne J. Griffin Electrical, Inc. et al. v. Springfield Water and Sewer Commission*, the Hampden Superior Court granted a preliminary injunction against the PLA requirement for the West Parish Water Treatment Plant project after concluding that the mandate substantially disadvantaged open-shop contractors and undermined competitive bidding. The court determined that the record before the Commission did not adequately justify

¹⁸ The United States Court of Federal Claims, *MVL USA, Inc. et al. v. United States*, January 21, 2025.

the PLA requirement and that the restriction conflicted with the competitive purposes of Massachusetts public bidding law.¹⁹

Taken together, these decisions reflect judicial skepticism toward mandatory PLAs when public owners or federal agencies cannot demonstrate that the requirement is necessary to achieve legitimate procurement objectives. In *MVL USA*, the Court of Federal Claims rejected a broad federal PLA mandate on the grounds that it restricted competition without a project-specific statutory justification. In *Wayne J. Griffin Electrical*, the Massachusetts Superior Court similarly found that the West Parish PLA impaired open competition by placing open-shop contractors at a severe bidding disadvantage. Both courts emphasized that public bidding laws are designed to protect competition and taxpayer value, and that PLA mandates must be supported by a careful, project-specific record rather than generalized assumptions about labor harmony, quality, or schedule certainty.

Cost Implications for Massachusetts Projects

Massachusetts has several large infrastructure projects in the works, including several new bridges, the largest of which is the Sagamore Bridge Replacement Project. If the state required a PLA as part of the bid documents on these projects, it could raise construction costs by an average of 16.2%.

The Sagamore Bridge replacement project is a multi-billion-dollar infrastructure project to rebuild one of the two aging Cape Cod Canal crossings, with MassDOT estimating about \$2.13 billion for the Sagamore span alone, covering design, permitting, land acquisition, and full bridge construction.²⁰ The project is part of a larger \$4.5 billion Cape Cod Bridges Program that will replace both the Sagamore and Bourne bridges, add wider lanes and shared-use paths, and use off-site construction of main spans floated into place to reduce disruption to canal navigation.²¹

The Healey Administration is considering a project labor agreement for the Sagamore Bridge replacement project.²² That could prove costly as the pool of contractors that can complete such a large project is already small.

Other bridge replacement projects in Massachusetts and other states have hard construction costs - not including insurance, project management, construction engineering, specialty, and other non-construction-related services - that account for about 85% of the total project

19 Commonwealth of Massachusetts Superior Court, Hampton, ss, Civil Action No. 24CV227, *Al Wayne J. Griffin Electrical, Inc. et al. v. Springfield Water and Sewer Commission*, May 16, 2024, [Griffin vs Springfield.pdf](#).

20 Mass DOT, Advisory Group Meeting #3, Cape Cod Bridge Program, April 9, 2024, [MassDOT Cape Cod Bridges Program 4.9.24 Presentation](#).

21 The Cape Cod Bridges Replacement, Project Tracker, [Cape Cod Bridge Replacement Tracker · Where the Project Actually Stands](#).

22 MassDOT, Cape Cod Bridge Program, Sagamore Bridge Replacement, April 17, 2026, [Cape Cod Bridges Program - Sagamore Bridge Replacement Project: Industry Day presentation](#). New England Construction, Healey-Driscoll Administration Wins \$1 Billion for Cape Cod Bridges Replacement, August 2024, [Healey-Driscoll Administration Wins \\$1 Billion for Cape Cod Bridges Replacement - New England Construction](#).

costs.²³ Applying this figure to the Sagamore Bridge project estimate, hard construction costs total \$1.81 billion. Applying the 16.2% increase in costs due to the PLA from the previous section, the PLA would increase costs by \$293 million. That is a lot of money.

MassDOT Highway Division has a list of projects that exceed the Governor's Executive Order figure of \$35 million for consideration of a PLA.²⁴ The list contains 29 projects with bid prices or cost estimates totaling over \$8.325 billion, including bridge replacement, bridge rehab, and bridge and/or highway reconstruction projects. The project list contains projects with either a "Contract Bid Price" if the project status is construction or a "Project Estimate" if the project status is Procurement or Preliminary Design. If these projects were bid with a PLA, the total construction costs of \$2.429 billion would have increased by \$394 million. Projects with a Procurement or Preliminary Design status have a total cost estimate of \$5.896 billion, 85% of which would be hard construction costs (\$5.012 billion), and a PLA would increase the projects' costs by \$812 million. The total PLA cost premium across all 29 projects would be \$1.206 billion. Expanding the analysis to the total Capital Investment Plan for MassDOT Highway Division projects over \$35 million, totaling \$18.724 billion, PLAs on all 118 of the projects would increase costs by \$2.578 billion.²⁵ The MBTA's Capital Investment Plan lists 48 projects that are in the planning, design or construction phases that have a "Total Authorized Budget" over the \$35 million threshold for considering a PLA, totaling \$8.112 billion. Applying the process above, the PLA premium would be \$1.117 billion across all 48 projects.²⁶ Across all 166 projects in the MassDOT and MBTA capital plans, the PLA premium would be \$3.695 billion.

Replacing aging bridges is a theme in Massachusetts, as the MBTA is replacing the North Station Draw One Bridge and upgrading the associated track and signals. Skanska announced that the MBTA awarded it a \$1.06 billion contract.²⁷ In March, the MBTA signed a PLA with local building trades for the project. As a result, the Massachusetts and U.S. taxpayers can expect to pay an extra \$163 million for the project.²⁸

Massachusetts is also building new bridges, including the Mystic River Bicycle and Pedestrian Bridge, which will create "a safe, direct, and fully accessible connection between Somerville and Everett, linking regional paths, neighborhoods, and key destinations on both sides of the river."²⁹ MassDOT bid the project with a PLA in place, and the apparent winning bid was \$78.7

23 Lowell - Rourke Bridge Replacement Design Build 86%, Marion - Wareham Bridge Replacement 86.2%, New Bedford - I-195 Bridge Replacement - CPC 84%, Haverhill-Methuen - 1-495 over Merrimack River Design Build Project 84.9%, Beverly - Temporary Bridge Construction, Bridge Street over Bass River - CPC 84.6%

24 MASSDOT, Highway Division Design Build Project List, August 11, 2026. [Highway Division Design Build Project List](#)

25 Massachusetts Department of Transportation FY2027-2031 [Capital Investment Plan](#) Appendix A: Investment Details

26 Delivering Results Today: Building For The Future, Massachusetts Bay Transportation Authority FY27 - 31 [Capital Investment Plan \(CIP\)](#), Final - July 2026

27 ZWEIG, Skanska Awarded \$1.06 Billion Contract for North Station Draw One Bridge Replacement and Track & Signal Upgrades in Massachusetts, May 17, 2026, [Skanska Wins \\$1.06B MBTA Rail Infrastructure Contract](#).

28 Mass.gov, Healey-Driscoll Administration Advances North Station Draw One Bridge Replacement Project, Job Creation, March 5, 2026, [Healey-Driscoll Administration Advances North Station Draw One Bridge Replacement Project, Job Creation | Mass.gov](#).

29 MASSDOT, Highway Division, About the Everett-Somerville - Mystic River bicycle pedestrian bridge, [About the Everett-Somerville - Mystic River bicycle pedestrian bridge | Mass.gov](#).

COST IMPLICATIONS

The 16.2% PLA premium applied to Massachusetts projects

Estimated PLA cost premium · \$ millions · named projects and the MassDOT / MBTA capital plans (projects over the \$35 million threshold)



Sagamore: 16.2% of \$1.81 billion in hard construction costs. North Station Draw One Bridge: \$163 million on the \$1.06 billion contract. MassDOT design-build list: 29 projects, \$1.206 billion. MassDOT Highway Division Capital Investment Plan: 118 projects, \$2.578 billion. MBTA Capital Investment Plan: 48 projects, \$1.117 billion. All 166 MassDOT and MBTA projects: \$3.695 billion.

million, \$25.7 million, or 48.5% above the engineer's estimate of \$53 million. Clearly, the PLA has a role in the higher-than-expected cost and should be rebid without the PLA to save the taxpayers money.³⁰

In the press release announcing Executive Order No. 641, Governor Healey states, “[t]his means ensuring that contractors have a trained and ready workforce to turn to and a plan for meeting deadlines, staying within budget and keeping everyone safe. In many cases, PLAs can help make that happen.” However, MassDOT and the MBTA maintain rigorous contractor prequalification standards designed to ensure bidders demonstrate experience, financial capacity, a strong safety record, and the ability to perform complex public infrastructure work successfully.³¹ Contractors that clear these requirements have already demonstrated their qualifications to perform the work, many with decades of proven experience successfully delivering complex highway, bridge, rail and other critical infrastructure projects throughout Massachusetts. Accordingly, the relevant question is not whether a PLA could theoretically advance these objectives, but whether

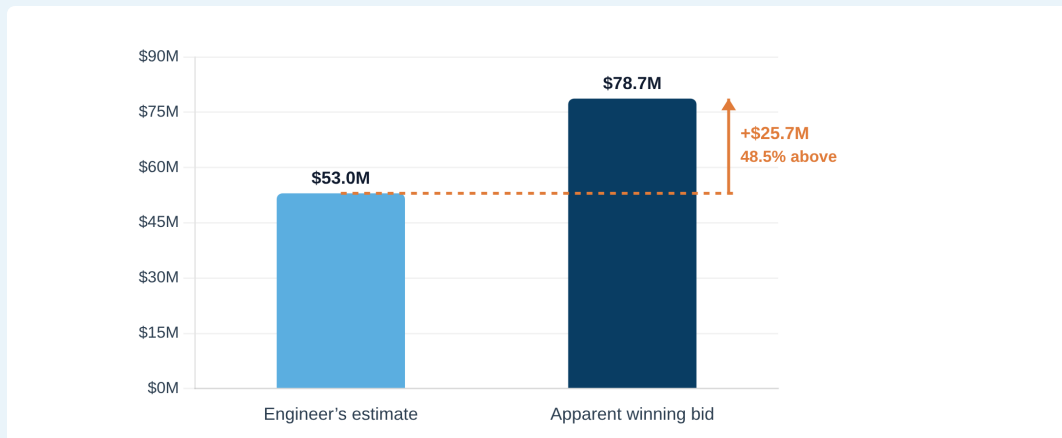
30 MASSDOT, MASSDOT, Highway Division, About the Everett-Somerville – Mystic River bicycle pedestrian bridge, [Capital Programs Committee](#), September 9, 2026

31 MASSDOT, Highway Division, Prequalification Program, [Prequalification Program | Mass.gov](#). MBTA, Business Center, MBTA Contract Administration, Construction Contractor Prequalification, [MBTA > Business Center > Bidding and Solicitations > Design & Construction > MBTA Contract Guidelines](#).

MYSTIC RIVER BICYCLE AND PEDESTRIAN BRIDGE

Bid with a PLA in place: 48.5% above the engineer's estimate

Engineer's estimate vs. apparent winning bid · \$ millions



The apparent winning bid was \$78.7 million — \$25.7 million, or 48.5%, above the engineer's estimate of \$53 million.

a PLA provides a demonstrable, project-specific benefit beyond the protections and controls already embedded in the Commonwealth's rigorous prequalification and procurement framework. Without such a determination, a PLA risks duplicating existing safeguards while unnecessarily restricting competition among contractors that the state has determined are qualified, capable, and eligible to perform the work. Thus, adding a PLA can then restrict participation among that already-vetted contractor pool.

The PLA cost increases are made more painful by the already soaring construction prices since 2020. According to the Bureau of Labor Statistics, the Producer Price Index for nonresidential general contractor construction in the Northeast region increased by 38% from July 2020 to July 2026.³² This increase has already strained public infrastructure budgets and forced governments to borrow more and seek additional revenue sources. These cost increases are also forcing municipal governments to narrow infrastructure spending to address "assets with the lowest perceived condition ratings."³³ Moreover, this 38% price increase has pushed more projects over the \$35 million threshold for considering implementing a PLA in Governor Healey's Executive Order. As a result, public project owners will be required to consider a PLA on smaller projects where competition might already be constrained, as the larger construction firms likely will not bid on these smaller projects.

32 Bureau of Labor Statistics, Producer Price Index, New nonresidential building construction by contractor type/region, General contractors, Northeast, [PPI Databases: U.S. Bureau of Labor Statistics](#).

33 National League of Cities, Municipal Infrastructure Conditions Report 2026, May 15, 2026, [Municipal Infrastructure Conditions Report 2026 - National League of Cities](#).

Conclusion

The evidence presented here does not support treating PLAs as a default procurement tool for large public works projects. The studies and case examples reviewed here show a recurring relationship among PLA requirements, fewer bidders, and higher construction costs. The variation identified across labor markets also cautions against applying a single statewide presumption to projects that differ substantially in location, complexity, workforce availability, and contractor participation. Moreover, Massachusetts public owners have rigorous systems in place to determine which contractors have the experience, financial capacity, safety performance, and resources needed to deliver major infrastructure projects. Once those contractors have been deemed qualified, procurement policy should encourage as many as possible to compete.

For Massachusetts, the fiscal stakes are substantial. Applying the estimated cost premium to the current infrastructure pipeline implies hundreds of millions—and potentially more than \$3.7 billion—in additional public expense. At a time of elevated construction prices, aging infrastructure, and limited capital resources, even modest reductions in competition can delay projects, reduce their scope, or require additional borrowing and taxpayer support.

Massachusetts should be looking for ways to maximize competition among qualified contractors—not further narrow an already specialized bidder pool. As such, the Governor should rescind Executive Order No. 641 to increase competition and lower construction costs, which would protect taxpayers, expand opportunities for qualified contractors, and help Massachusetts deliver more infrastructure within available budgets.



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