News

Tollway ends deal that guaranteed union labor on projects



Tribune illustration

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The Illinois Tollway board has voted to scrap a 20-year-old agreement that requires contractors to use union workers on construction projects in exchange for assurances against strikes, slowdowns or walkouts.

By a 6-3 vote Thursday — a rare show of disagreement — Illinois State Toll Highway Authority directors ended the so-called Multi-Project Labor Agreement. The agreement required contractors to have collective bargaining pacts with workers as a prerequisite for winning Tollway contracts.

The agreement was signed in 1994 by the Tollway and building trades councils representing unions in seven counties.

Thursday's action followed recent comments by Gov. Bruce Rauner that such union agreements blocked "true competitive bidding" on public projects.

The action sparked strong objections from board member James Sweeney, who is president and business manager of Countryside-based International Union of Operating Engineers Local 150, one of the most powerful unions in the Midwest.

"This is the governor's obsession with hatred of unions. It's exactly what it is," Sweeney said after the meeting. "He's trying to destroy the labor movement in the state. He's made no bones about it."

Sweeney said he was speaking as a Tollway director — looking out for Tollway users and bondholders — and not necessarily as a union leader.

He said throwing out the agreement would bring uncertainty to the Tollway's plans to complete its massive 15-year, \$12 billion rebuilding and widening program because strikes or other job actions could bring work to a halt.

"The tollway has now exposed (itself), in the midst of its largest capital project ever, to labor actions, strikes (and) shutdowns," Sweeney said.

Other directors disagreed, including David Gonzalez, a Democrat and mayor of Chicago Heights. Gonzalez said he believed lifting the labor agreement would open more Tollway work to nonunion small businesses.

Tollway Chairman Paula Wolff, a Chicago Republican, said the action does not preclude the Tollway from entering into individual project pacts instead of the blanket agreement.

James Banks, a Chicago Democrat, also said he thought the Tollway should use such agreements on a contract-by-contract basis.

The Illinois Department of Transportation, a separate agency, has long followed a policy of using such agreements on a project-by-project basis, a spokesman said.

Rauner controls both IDOT and the Tollway, whose board members are appointed by the governor.

After the meeting, a Rauner spokesman told the Tribune that the governor "believes the Tollway made the correct decision which will save tollway users money."

Since taking office, Rauner has followed a theme of limiting the influence of unions in Illinois. He has advocated "empowerment zones" — areas where voters could decide whether workers in their communities should be forced to join a union or pay associated dues.

In his Feb. 4 State of the State address, Rauner said governments should have the ability to lower costs by "reforming" project labor agreements.

He contended that "uncompetitive bidding" at the Tollway had cost toll payers more than \$1 billion since 2005. These requirements "can increase the cost of taxpayer-funded construction projects by 20 percent or more," Rauner said.

State law allows project labor agreements between governmental agencies and unions to "provide for peaceful, orderly, and mutually binding procedures for resolving labor issues without labor disruption, preventing significant lost-time on construction projects."

That was the case in 2010 when a strike idled major construction projects across the area, including the Eisenhower Expressway resurfacing. Tollway projects were not halted because of the 1994 agreement.

The old agreement will remain in place for all contracts awarded up until May 1, however.

The Tollway has approved more than \$436.5 million in construction and engineering contracts so far this year as part of the fourth year of the capital program, Move Illinois.

The Tollway said it expects to set a record for spending, \$1.63 billion, on highway projects in 2015. The rebuilding and widening the Jane Addams Memorial Tollway between Elgin and the Tri-State Tollway will cost nearly \$840 million.

In addition to the Addams work, the Tollway expects to spend \$320 million in 2015 on the first phase of the Elgin-O'Hare Western Access project.

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