



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
CIVIL WORKS
108 ARMY PENTAGON
WASHINGTON DC 20310-0108

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FEB 23 2026

MEMORANDUM FOR COMMANDING GENERAL, U.S. ARMY CORPS OF ENGINEERS

SUBJECT: Policy on Use of Project Labor Agreements on Army Civil Works Projects

1. References:

a. Title 33, United States Code Section 2280 (Water Resource Development Act of 1986, Pub. L. No. 99-662, § 902, 100 Stat. 4183 (1986)).

b. Executive Order 14063, Use of Project Labor Agreements for Federal Construction Projects (February 4, 2022).

c. Office of Management and Budget, Memorandum, M-24-06, Use of Project Labor Agreements on Federal Construction Projects (Dec. 18, 2023).

d. Office of Management and Budget, Memorandum, M-25-29, Use of Project Labor Agreements on Federal Construction Projects – Amendments to OMB Memorandum M-24-06 (June 12, 2025).

e. Title 48, Code of Federal Regulations Subpart 22.5 (Federal Acquisition Regulations).

2. Background: The Army Civil Works program must be optimized for quality, speed, and cost to deliver for the American people. Cost discipline is key. Congress has reinforced cost control for Civil Works projects by enacting total authorized maximum project costs that may not be exceeded without new authorization. See Reference a. This requires us to carefully review any policy or practice that could result in increased cost for Civil Works projects. Federal policy requires agencies use Project Labor Agreements (PLA) for large-scale construction contracts for which the total cost of the construction contract is \$35 Million or more. See Reference e. at Sections 22.502 and 22.503(a). Federal agencies may use PLAs on construction contracts costing less than a large-scale project. See Reference e. at Section 22.503(c). Before contract solicitation, an agency's senior procurement executive can grant exceptions to the use of a PLA. Reference e. at Section 22.504(d)(1); see also Army General Order No. 2025-01, para. 13 (Sept. 18, 2025)(identifying the Army's senior procurement executive). One exception is based on project-specific characteristics, such as the project's duration or simplicity, how many trades or specialized trades are involved, or the urgency of the project. See Reference e. at Section 22.504(d)(1)(i). Another basis for an exception would be if using the PLA is inconsistent with federal

SACW

SUBJECT: Policy on Use of Project Labor Agreements on Army Civil Works Projects

law, regulation or policy. See Reference e. at Section 22.504(d)(1)(iii). The most relevant exception to using a PLA in Civil Works projects is when it reduces competition to the point where competitive pricing cannot be achieved. See Reference e. at Section 22.504(d)(1)(ii). The Office of Management and Budget recently clarified the use of this exception. When considering a PLA's impact on competition, the agency should determine if enough bidders are available to ensure fair pricing. Two offers are enough for negotiated contracts, and three for sealed bids. If fair pricing is possible, the exception is not needed, even if more contractors would bid without the PLA requirement. However, if costs exceed the budget by over 10% because of the PLA requirement, an exception *may* be justified. See Reference d. Costs exceeding 10% of the project's budget is also a significant indicator that a Civil Works project may be nearing the total authorized maximum project cost and in danger of no longer being a viable project without further Congressional action. See Reference a. at Section 2280(a).

3. Policy: The Administration supports the use of Project Labor Agreements when the agreements are practicable and cost effective. See Ref. d. at p. 1. (providing clarity on the Administration's position on PLAs).

a. To ensure cost discipline on Army Civil Works projects, I must approve the U.S. Army Corps of Engineer's (Corps) discretionary use of PLAs on any Civil Works construction project that does not meet the threshold for large-scale projects (i.e., construction projects costing more than \$35 million).

b. Likewise, in qualifying circumstances where large-scale construction project costs exceed the government's budget by 10% due to the PLA requirement, and in recognition of the statutory project caps for Civil Works projects, I encourage the use of an exception to the PLA requirement. See Reference d. (outlining qualifying circumstances for exceptions to the PLA requirement when the government's budget is exceeded by 10%). In these qualifying circumstances for Civil Works projects, I direct that the Corps brief me and obtain my approval on whether to seek an exception to the PLA requirement from the Army's senior procurement executive.

c. This policy direction applies to any procurement action for Army Civil Works construction projects where the Corps has not yet issued a solicitation. The requirements of the Federal Acquisition Regulations on the application of labor laws to Corps acquisitions would still apply, including those on employment eligibility verifications. See Title 48, Code of Federal Regulations Subpart 22.18.

SACW

SUBJECT: Policy on Use of Project Labor Agreements on Army Civil Works Projects

4. Direct any questions about the policy outlined in Paragraph 3 to my office for response. The point-of-contact for this memorandum is Mr. Milton Boyd who may be contacted at (703) 693-3655 or milton.w.boyd.civ@army.mil.



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