GSA Project Labor Agreement Paired Proposal Overview Session/Webinar
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Webinar Via Google Meet

Transcript

Jesse Cohen, GSA Moderator:

Good morning, everyone, and welcome. Throughout the session, you may type questions into the chat box, which we will address during the Q and A session. During the Q and A session, you may also use the raise your hand feature. We will attempt to get through as many questions as possible within the allotted time for this session. If you have joined only by telephone, please type your name and organization into the chat box.

Today's agenda will include opening remarks from Darren Frost, Deputy Assistant Commissioner, for program and project management. After that, GSA's senior procurement executive, Jeff Koses, will provide an overview of GSA's new PLA procedures. Following that will be an opportunity for all of you to ask questions. To conclude, I will provide a recap on available resources. So, without further ado, let me turn the floor over for opening remarks to Darren Frost, Deputy Assistant Commissioner, for program and project management.

Darin Frost, Deputy Assistant Commissioner, GSA:

Hey, thanks, Jesse, and good morning, everyone, and thanks for joining today. We appreciate your time, engagement, and partnership. GSA depends on strong, capable, and engaged construction industry partners to deliver our mission. And the work that we're discussing today directly affects federal agency's ability to serve the American people. I just have a few opening comments and then we'll get to the main event. I know y'all want to hear from Jeff and the updates on project labor agreements.

I want to start by grounding my comments in the GSA administrator's key priorities: Optimize the federal real estate footprint, standardized delivery to better serve the public, and deliver by procuring locally, engaging meaningfully, and measuring real impacts. Those priorities are directly connected to our design and construction portfolio. We are focused on delivering modern safe, efficient, and reliable workplaces that help federal agencies carry out their missions. And our construction program is one of the primary ways we turn those priorities into real outcomes for agencies, communities, and the American people.

[Inaudible] our construction portfolio, we manage a large and diverse national construction portfolio. Our work includes new construction, full building modernizations, major and minor repairs and alterations, building system replacements, security upgrades, fire alarms, elevators, chillers, infrastructure improvements, workplace alterations, land port of entry modernizations. Anywhere from a $2,000 carpet and paint project to a half billion dollar new courthouse or new land port of entry. We do a lot of things. And projects occur across the country and vary significantly in size, complexity, and visibility.

In terms of the scale of investment, or the scale of our construction repair program is significant. In fiscal year 26, we're looking right at $1.1 billion in appropriations, $166 million for new construction, $718 million alterations.

In fiscal year 27, we are looking at $1.3 billion. And as many you probably know, we're in the middle of delivering a $4 billion plus land port of entry program with over $2 billion currently in procurement this year. These investments are intended to solve real facility needs, support agency operations, provide value to taxpayers by giving GSA the ability to make quick business decisions for investment, restacking, and disposal. And because of the size of this portfolio, discipline and timely execution is essential.

So, in terms of keys to mission delivery: Project delivery and mission delivery are directly connected. Project and procurement delays can affect agency operations, employee safety and productivity, customer service, security, public access, and reliability of building systems. In many cases, delays mean aging systems remain in service longer, creating additional risk and future cost. PBS's goal is to deliver the right projects at the right time, so agencies have the facilities they need to carry out their mission.

Timely execution is critical to protecting the taxpayer interests. Construction costs remain volatile, escalation can erode the purchasing power of appropriated funds. Delays between funding, award, and completion place additional pressure on project budgets. Moving projects efficiently from planning to award to completion helps preserve our purchasing power, reduce operational risk, improve mission readiness for our federal customers, and get critical facility improvements online sooner. Timely delivery is not just about moving faster, but it's about moving smarter.

That's a bit why we're here today. PBS cannot deliver a portfolio to size and complexity without a strong industry partnership. And the PLA issue has been particularly challenging. One for both industry and GSA to consistently implement. So thanks for joining us today to learn more about GSA’s and flexible procedures for managing PLA requirements on large scale federal construction projects.

Industry brings essential expertise that we need. Complex project execution, knowledge of labor markets, supply chains, site logistics, sequencing, risk management, local market conditions, and most importantly, innovation and construction best practices. And meetings like this are important because they allow us to have practical direct conversations before issues become barriers to delivery. So your input helps us better understand the market realities and improve how we plan, procure, and deliver projects. So industry partnership is essential to our success, and thanks for joining us today. Jesse?

Jesse: Thank you, Darren, for your remarks. Next, I'm excited to turn the floor over to GSA's senior procurement executive, Jeff Koses for an overview of GSA's new PLA procedures.

Jeff Koses, GSA Senior Procurement Executive:

Good morning, everyone. Jesse, thank you for monitoring. Thank you for helping us get organized.

Darren, good opening comments. You really hit all the essential points, and everything that we want to cover over this next half hour or so.

Everyone, thank you for attending. Thank you for joining the conversation.

As a signatory on the FAR council, I helped to draft the FAR rule, which implemented Executive Order 14063, Use of Project Labor Agreements for Federal Construction Contracts.

I also implemented that FAR rule within GSA. So from that perspective, I'll tell you, the implementation is creating challenges for GSA. Challenges for the construction industry, for the unions, and for the federal agencies that we support.

When we're not satisfied with the results that a policy is producing, we need to step back and to try a different approach. Following many conversations with the Executive Office of the President, I issued an acquisition letter outlining a new approach. Today, I want to tell all of you, contractors, and unions the story. And I want to hear your thoughts, your take, your questions. The most important objectives for today's meeting is to bring clarity for you to walk out of your understanding, why GSA updated the approach and have everyone understand the mechanics of how is this new approach going to operate.

To achieve that, I'm going to explain it in a couple of different ways over this half hour. And then, yes, we're going take questions. We want to hear your thoughts. I'll start with the background with the problem statement.

On February 4th of 2022, President Biden signed the executive order that I mentioned, 14063, Use of Project Labor Agreements for Federal Construction Contracts. In late December of 2023, the Office of Management and Budget issued an implementation memo, what we call an M-Memo, M 24-06, for anyone wants to look it up. It provided implementation guidance on exceptions and on reporting. After that, the FAR council implemented the executive order through the formal rule, and again, I was part of that implementation. Within GSA, anytime we implement a far rule, we also have to consider, is there something more that we need to explain to the workforce? Is there more guidance, clarification? Is there customization? Do we need to elaborate on roles? Sometimes, we find we have to amplify or define a few key points. In this case, I did provide further implementing details, mainly about the reporting process. And a bit later, I issued a class exception for our land port of entry program. Beyond that, I didn't really customize the FAR rule to fit GSA operations.

When he returned to office, President Trump rescinded or cancelled some of President Biden's executive orders. However, he did not rescind, cancel, or modify the PLA executive order. It remains in full force and in effect. And that's an essential point for everyone to understand. The executive order remains in effect. [Inaudible] An executive order is formal direction to the entire executive branch of the federal government. They're not optional.

Last year, OMB provided some further guidance through another M memo. This one was 25-29. It was the second implementation memo dealing with project labor agreements. That new OMB memo, it required me to pull back the class exception I mentioned, the one for the land port of entry program. We also had court direction at that point. The 2025 memo continues to support PLAs. It remains [inaudible] direction. The OMB memo added a further test of reasonableness. And in response, you saw the GSA team revise the way it approached PLAs. Notably, we expanded our approach to confidence of market research, adding more questions, doing more to hypothesize the impact of any price increases that result from PLAs.

Earlier last year, in April, President Trump directed the FAR council to rewrite the FAR with goals such as increase and speed, reducing complexity, increasing competition, producing regulations, and reducing prices. Over a six-month period, we rewrote the entire FAR through deviations. And, by the way, we've just begun the formal rulemaking process, with the first set of proposed rules out for comment.

Now, I'll emphasize, across all the deviations, there are no substantive changes to the requirements around PLAs.

Under that same rewriting of the FAR executive order, we were charged with rewriting our supplement, the GSAR. Now, since the FAR has not been changed, and the requirement remains. Yet, the FAR overhaul gave us direction to reconsider some of our implementation. And how the GSAR is giving us this space to rethink how do we best implement what the executive order told us to do.

So that's where I want to turn the GSA. You just heard from Darin. Darin gave you a sense of our overall portfolio, the criticality of it, how it ties to agency mission, whether we're talking land ports of entry and courthouses, major renovations of agency headquarters, including our own.

Over the last two and a half years, we've struggled with PLAs. Our approach, I guess a good word is, sub-optimal. We found our acquisitions are being slowed down, and that slowness means we're not really meeting mission requirements for federal agencies in the ways that we should. It also means we're not creating good jobs as quickly as we would like. It means costs for industry are increasing. It means we've seen some contractors declining to compete. And driving down competition is not good for us.

Let me line up at those points for a moment side by side. Requirement for the PLA, it remains. Executive Order, it remains. The way GSA's been doing that, it's been challenging for everyone. And those facts, that leaves us with just one path forward. It requires us to rethink GSA's basic approach and come up with a new one. A new approach, consistent with the executive order, consistent with the OMB memos.

For the balance of this hour, my job is to walk you through that approach. To explain the theory, to show you the numbers.

To do that, let me start with the point that our current approach is slowing down acquisitions. For the last two and a half years, we treated PLAs as a pre-solicitation decision. We focused on doing extensive and expansive pre-solicitation market research to answer a question. We were looking to know, is there a compelling reason not to include the PLA requirement in the solicitation? Is it going to have a significant negative effect? To answer, to reach that answer, we've been doing a lot of work. And we've been asking a lot of you.

Time 15:03:

GSA has been issuing requests for information or RFIs. We made PLAs a major topic of industry day meetings. We've talked to construction contractors and to unions. We've developed templates. We tried to build an educated hypothesis, specific hypothesis to each major construction project. What will happen on this job if we include the requirement? Are we still going to get competition? Is there gonna be a big effect on price?

We found doing all that work, pre-solicitation, it was taking us a long time. It may be adding 13 weeks to the acquisition life cycle. I'm gonna come back to that. And it's expensive. I'll also come back to that. You know, for all that work, for all that time, I'd suggest no one is really satisfied with the results. Not GSA. Not our customers. Not the unions. Not the contractors.

Let me suggest some of this is because we're arguing about theory, about hypothesis, about what we think will happen. The GSA team is working hard. They're making their best predictions based on the information we have. But we're doing that in the absence of real and concrete data. So that's what we're looking to change. Our new approach—it changes the decision point. We're still emphasizing PLAs. We have to. But we're changing when and how we consider them.

Making this decision as a pre-solicitation issue—it was causing problems. Going forward—instead of pre-solicitation—we're gonna consider this as part of the price evaluation process. That's a major change. It's what you need to understand. And we're calling this new approach Paired Pricing Procedures.

Under it, with each solicitation for a major construction project, we're really going to be testing the market. We're not gonna hypothesize. We're not gonna project. We're not gonna forecast. We're not gonna guess, we're going to get and use real data. We'll do that, because our solicitations will require contractors to propose a price, including a PLA, and will permit—not require—permit contractors to offer a price without a PLA.

Now please, everyone, take a breath there. Let's recognize what I just said adds some burden on the construction contractors. But I also believe it's the least burdensome means that we have to comply with the executive order—with the OMB memos—and I believe it's less burdensome than what we've been doing until now.

That's because I'm not talking about a separate technical proposal. We're not asking you for an alternate proposal. We're not telling you, give us two different approaches to the job. Again, under the approach, you must offer a price, including a PLA. And if you wish to, you may offer a price without a PLA.

What that is going to do is give us data—data to reach a decision. It's gonna tell us—is there a premium for us to have a project labor agreement? If so—how much is that premium?

All right, let's take a step back at that point. I just mentioned paying a premium to get a PLA. You see, from the beginning of our country, we trace our acquisition history back when the federal government enters contracts, it's not just that we want the good or the service. We also want to achieve a public policy objective.

In federal acquisition, there's public policy objectives around small businesses. There's objectives, as here, around promoting labor. There's objectives around domestic manufacturing, around sustainability, and many more. Lots of the public policy objectives include the federal government paying a premium. A premium within limits—to obtain that preferred public policy outcome.

The first one that some of you will think of is Buy America [inaudible] preferences. There are circumstances where civilian agencies will pay 20 or 30 percent more for an American made item. The Department of War will pay up to 50 percent more. It's a premium specific for a public policy purpose—helping domestic manufacturing.

Other examples, there's a 5 percent Indian incentive program, a premium to support Native American firms. Out of strong support for small business, we will not consolidate a contract unless we can achieve a 5 to 10 percent savings. There's a 10 percent preference for HUB zones. It's a premium to help parts of the country with historically low employment rates. In sustainable procurement, we pay more for items that the Environmental Protection Administration designates with highest recovered materials. As well as for items for the U.S. Department of Agriculture notes have the highest percentage of [inaudible] materials. These two, their premiums, to get the environmentally preferable item.

So, if we pay more for a preferred public policy outcome, that's long been a feature of federal acquisition. In our case, the president said the executive branch will pay more to obtain the benefits of PLAs. But each of the public policies that I ran through, they give a ceiling, a cap. We don't endlessly pay more. We pay a little bit more.

Well, the new GSA procedures, they're going to then tell us, is there premium for a PLA? If so, how much? And they're gonna help us cap the premium. Project by project.

Time 21:05:

So, how does it work? For purposes of price evaluation, for purposes of making a best value decision, we are going to reduce the PLA price by the lesser amount of either 10% or $15 million.

If your PLA premium is less than that, then we're going to presume it's a reasonable premium, and we're going to use your evaluated PLA price in the best value trade off—not you're offered price, but the price that we just reduced by that lesser of 10% or $15 million.

What if your premium is more than that? They were saying, hold on. Our contracting officer needs to take a look. That premium may be too big. It may not be reasonable. And if we find your premium is too much, well then your offer is still in the running. That's a big change from where you've been. That lets you compete with a non-PLA price. We're going to use that non-PLA price in that circumstance as part of the best value decision.

Let me say it another way. If you submit two prices, we're only going to use one of them in the cost [inaudible] trade off. If your PLA premium is modest, you'll get an advantage. For best value decision, we're going to reduce your price by the lesser of 10% or $15 million, and that is the only time we're going to evaluate PLAs.

If your PLA premium is too high, then we're going to use your non-PLA price as part of the cost tech trade-off.

10%, $15 million—How did we pick those numbers? Let's start with 10%.

In their June 2025 memo, OMB said, I'm gonna paraphrase, if prices are expected to be more than 10% higher due to the PLA requirement, the agency may find the PLA price is not fair and reasonable. In other words, more than 10%, that premium may be too big.

The OMB memo didn't cap it, so why are we capping it at $15 million? Well, if we don't cap it, the amount of the premium keeps growing with bigger projects. On a $40 million project, a $4 million premium may be okay. After all, the President did say that PLA's promote economy and efficiency. But take a $500 million project, uncapped we'd be paying a $50 million premium. On a $1 billion project, such as the FBI headquarters, we would be paying $800 million premium. You know, there's a point where we're not going to get fair pricing. Premiums get excessive. And we have to cap it.

Darin told you about some of our major projects. When we look at the GSA portfolio, the mid point in our major construction projects is $140 million. So a $15 million ceiling, that's just above the midpoint for our major projects. And we found that was the right point. High level, that's our approach.

Before I show you the math, before I actually walk you through the numbers, let me explain more about why I said our current approach isn't producing the results that we need.

Time 24:30

Let's start with the value of time. As part of the rewrite of the FAR, we emphasized the importance of time. We put it directly in the guiding principles in part one. The second guiding principle says, ensure the most effective use of taxpayer dollars in ways that recognize the value of time.

So, a few minutes ago, I talked about the market research we had to do, to address PLAs as a pre-solicitation activity for a specific project. We found it was taking us roughly six weeks to go through, to gather to assess, to summarize that research. Sometimes, our research supported including a PLA. Sometimes it supported an exception. When we found that we needed an exception, our next step is to prepare a detailed justification. That justification—we have to route it to an eight level review process, beginning with a contract specialist author, including GSA's Office of General Counsel, various executives, and ending with me as the final decision maker. That document prep and review, it was adding another seven weeks to our cycle. Together, to complete these steps, it was taking us around 13 weeks, a full quarter before a solicitation could hit the street.

You all know we're seeing a relatively high inflation level for construction. Let's call it 4%. On that $125 million project, that delay equates to the loss of purchasing power of almost $1.25 million dollars. In conducting the market research, in moving to award, again, our projects for federal customers were thus taking longer. Solicitation issuance was taking longer. We're adding burden to industry, responding to numerous project-specific sources sought notices to gain that pre-solicitation information.

We were adding inflationary risk. We were making it more challenging for you to hold proposed fixed prices. That threatens the viability of projects. We were delaying construction contract awards. And good jobs were trying to create were taking longer to become available.

Time 27:00

So back to the process. So let's say we did all that research, we reached a decision, and we needed an exception to a PLA, or that we needed to include a PLA. Either way, we issue the solicitation and no matter which decision we make, there'd be potential or actual litigation.

Let's look at that litigation landscape. PLA litigation is active. It frequently changes, as new matters are filed, or as cases are closed. Since the policy went into effect two and a half years ago, we've got five protests involving GSA procurements at the Court of Federal Claims. There have been four lawsuits in the Federal District Court, and one appeal to the 11th Circuit involving the executive order and the FAR rule. Additionally, when I approve exceptions to a PLA, we get litigation warnings from unions. We've had extensive interest from Congress asking us to explain and justify why did we include—or why did we exclude—the PLA requirement. We spend a lot of time answering those questions.

All that litigation, all those documents, again, it's slowing down the procurement process. It's delaying mission. It's affecting the efficiency of federal agencies.

For the land port of entry projects, and they have big impacts in commerce and security. You know, and all the while, as these cases wind through our courts, inflation continues to eat away at our purchasing power. An eight-month delay due to litigation on policy, taking that same $125 million project I talked about, it reduces our purchasing power by an additional $4.5 million. We add it up, we've now lost almost a year. We've lost purchasing power of almost $6 million, trying to reach a pre-solicitation decision about including the PLAs.

And, you know, no one is benefitting. Well, uh, feel free to insert your favorite lawyer joke here. Because, as they say, the lawyers always benefit. That's why I say, we're left with only one path forward. And that takes us to our new approach, our test the market approach, our paired pricing procedures.

So I've taken you through the rationale. I'll do a quick recap, and then it's gonna be time to show you the math. Again, we're not going to make a PLA decision pre-solicitation. If the construction project is over $35 million, we're going to include the clause. And you'll decide, contractor, if you want to offer a non PLA price. If you want to offer a non-PLA price, we've added some burden, and you're preparing two packages. But still, we only want you to submit one technical package.

We believe that we've removed market research burden. We think the benefits of faster contract awards–– you are not having to hold prices this long—are going to outweigh that additional pricing program.

And again, we're going to be making a decision that I will show you based on real data. We will know—is there a premium to get PLA? Yes or no? If there is a premium, how much?

I'm about to show you some examples. Our solicitation is going to include these examples so that the world will understand, so that we can operate consistently.

Time 30:43

Now, it's always dangerous, but we're gonna try doing math in public. As we run through four potential scenarios. And we show the homework.

So, let's go to example number one. Let's say that this is a major construction project. Let's call it a courthouse. And let's say it's in a big metropolitan area. It's downtown Philadelphia, or DC, or Hartford, or Cleveland. In this market— offer A—they propose a price of $140 million with a PLA, a price of $127 million without a PLA. Let's apply our 10% reduction. 10% of $140 million is $14 million. Now, $14 million is less than our cap—it's less than $15 million. So we're going to use that $14 million in our evaluated price. We take $140 million. Uh, we subtract $14 million. That gives us $126 million. Offer A, your evaluated price is $126 million. So, if offer A makes it to the cost tech trade-off, we're gonna base that on a trade-off price of $126 million. Offer A—they just got a competitive advantage for offering a PLA. If they win, of course, we award the contract for $140 million, the offer price.

Let's go to example number two. Here, let's call this a major renovation of a federal building in another big urban center. The major difference from example one, this is a higher dollar project. Now, remember, I said a couple of times that for evaluation purposes, we will use the lesser of 10%, or $15 million. So here, our PLA price is $160 million. Well, 10% of that is $16 million. That's above our cap. $16 million is more than $15 million. So, for purposes of price evaluation, we're going to reduce the price by the capped amount. The lesser amount. The $15 million figure. $160 million reduced by $15 million, that's $145 million. A 10% reduction would have taken us to a lower price. Again, in this scenario, the offeror benefits by offering a PLA, but they could still lose the contract to a non-PLA offeror. That non-PLA offeror, they're able to compete. They are not shut out of the competition.

Let's take a look at a third example. Let's call this one a land port of entry. Let's assume it's in a remote location along the southern border. In putting together its proposal, Offer A doesn't have a modest premium for PLAs. It has a great big premium. It offered a PLA price of $200 million. A non-PLA price of $150 million. Well, let's say that $200 million, clearly, our 10% reduction is going to be way over our cap. So, we'll apply a $15 million reduction. The evaluated price becomes $185 million. You know, that non-PA price, it's way lower. [Inaduible] is $150 million. All right, the decision goes to the contracting an officer, and I expect he or she's gonna say, you know, paying $50 million more, that the premium is way too much. So if this offer gets to the cost tech trade off, we're going to use their non-PLA price.

Now, I said a couple times, I want to emphasize, we'll pay a modest premium for PLAs but we will not pay an unlimited premium.

So, let's take you through one more example. Fortunately, no more math in public at this point. In our final example, the offeror did not follow directions. It only submitted a non-PLA price. The paired pricing procedures allowed a non-PLA price if a PLA price was included. It wasn't, the offeror did not offer a PLA price. They didn't follow the directions. They're out.

Time 35:25:

So before turning to discussions, before I open this up for your comments, your questions, your feedback, let me summarize the benefits. With our new approach to PLAs, one, we're fully supporting the administration position. We're honoring the executive order. I'm confident of that because I've had multiple conversations with the White House. Two, there's a solid competitive advantage to offering PLAs. Three, we're no longer going to exclude non-PLA offers. They'll be able to compete. Four, we're gonna make true data driven decisions, not based on projections, not based on hypotheses, but based on having tested a market. We'll be able to weigh the public policy benefits and the costs of PLAs in a simple, objective, consistent manner. Five, we will be able to move faster. That's important for mission delivery. As you heard from Darin at the top, we have big responsibilities with buildings, courthouses, agency headquarters, land ports, and so forth. Today's acquisition environment, it emphasizes speed. Speed is a central concept. Moving faster is going to help GSA maximize the value of every dollar. It will reduce your costs in the process. We'll lose less purchasing power to inflation, and in moving faster, we ensure availability of good jobs quickly. Not months down the line. Finally, number six, capping the premium, that helps us ensure we don't overpay. We support economy and efficiency in federal procurement.

With that said, I think we are very much on schedule. We've left time for questions or comments. So let me return the floor to our moderator, Jesse Cohen, to lead that session. Uh, Jesse?

Time 37:20

Q&A

Jesse Cohen, GSA Moderator:

…To alternate between addressing questions that you may have entered into the chat earlier in the meeting. And you may also use the raise your hand feature if you would like to ask a question aloud. However, please wait until I call on you to ask your question. After I call on you, please let us know your name and organization prior to asking your question.

As a reminder, today's session is scheduled to end at 12 PM Eastern. We will attempt to get through as many questions as possible within the allotted time for this session. We will also plan to leave a few minutes at the end of the session to highlight a few upcoming and existing GSA solicitations that are anticipated to use GSA's new PLA procedures.

For today's session, questions will be addressed by Jeff Koses, GSA senior procurement executive; Chris Mullins, acting deputy director, office of GSA acquisition, policy, integrity, and workforce; and Ashley Sefernik, PBS director of acquisition programs. Let's get started with our first question.

I see we have some questions coming in that are with some raised hands. So, I see Ben Brubeck is up first. Ben, would you like to come on and introduce yourself?

Q: Ben Brubeck, Government Affairs Solutions:

Hey Jeffrey and Jesse, nice to see you. Ben Brubeck with Government Affairs Solutions. We're a multi-client firm with a number of construction trade associations and federal contractors who are very interested in the PLA issue. Interesting approach here. Question for you. What happens to providers or offers who cannot negotiate and execute a PLA prior to submission? As we know, these PLA negotiations take a lot of time, and oftentimes unions won't negotiate PLAs with certain contractors.

And how does one submit a bid or a solicitation response if the PLA is not finalized? The PLA determines the price of the bid. If they submit something prior to that if it isn't finalized, they're going to be bidding blindly. That doesn't help GSA or the contractors or their subcontractors.

And I guess the follow-up question is what terms must be included in the PLA and is the GSA evaluating the PLA for compliance and so on and so forth? Thank you.

Jesse Cohen: Okay, well, thank you for that question. I know you packed a lot in there. Um, I think for that question, I'll, I'll pass it over to uh, either Chris or Ashley to take maybe a 1st stab at that.

Chris Mullins: Sure. Thanks for the question, Ben. I'll take a stab at addressing it initially and Jeff or others if you want to add to the answer. So first of all, I would clarify that, the PLA does not have to be finalized when you do submit your offer. More likely than not with each project, uh, where a PLA is included in the uh, award that is selected, the contract that is selected, um, it would have to be finalized before we would issue the notice to proceed with construction. Um, and so I think that maybe addresses a little bit, uh, your first part of your question. The second part, um, in terms of being able to offer, um, pricing, I think you would just have to do your best to understand what could be involved, um, without finalizing something. I don't know if Jeff or Ashley would want to add anything to that response.

Jeff Koses: Ben, GSA and others have been operating the last 2.5 years with the basic PLA mandate. So, the challenges that you've outlined are not new ones, they're not ones that are changed by anything within the new policy that we have issued. We've heard those concerns from a number of contractors. We have others who have been able to navigate those concerns. We, what we're trying to do is increase the playing field to allow you to offer a price with and without a PLA to consider the relative risks as you formulate your bid. But, well, the problems you identified, I think you explained clearly, they're not new problems, and they are not in any way changed by GSA's policy here.

Jesse Cohen: Okay, well, thank you Jeff and Chris for providing your thoughts on that question. I'm looking ahead here at the list here and it looks like Michael Altman is next with his hand up. Michael, please introduce yourself.

Q: Michael Altman, Associated Builders and Contractors:

All right, thank you, I'm Michael Altman, director of Federal Contracting and Regulatory Affairs for Associated Builders and Contractors. We are a construction trade association, representing a lot of federal contractors that do a lot of work for GSA and other agencies. Really appreciate you taking the time to give this briefing on this subject. Definitely, a lot of information that's useful for us to know and to share with our members.

I guess my concern or question is on this replacement of market research, because it sounds like from my understanding—clarify if I'm wrong—that the market research process that existed before of surveys and questions and opportunities for contractors to provide feedback that way is being replaced. As being replaced with this paired proposal process, but to participate in it, you have to be willing to submit a PLA price. And my concern there is that there are—I've heard from a lot of our contractors that they cannot, in good faith, submit a bit, saying I will work under a PLA because that just does not work for their workforce, et cetera. And in the past, they've been able to participate in the market research process. They've been able to say, you know, we will be excluded from bidding because of this PLA mandate. This will impact your competition. This will drive up prices for GSA. And they've been able to submit those responses as part of the research process. But is it accurate to say that there's not really any way to accommodate those contractors that are unable to submit a PLA price in the process going forward?

Jesse Cohen: Thanks, Michael. I think for this question, Jeff, I'll pass it over to you to start and others may want to add to that.

Jeff Koses: Thank you, Michael. As I've outlined, we have been spending months in market research trying to address the issues—trying to come up with a working hypothesis on the PLA impact for a specific project. And where that seems to lead us is into the long litigation threats, prolonged exchanges with Congress and very delayed projects. We are emphasizing we need our projects to move significantly faster, more efficiently. We think that this approach allows you to think through how do you best accommodate the PLA requirement and structure your proposal accordingly. So, Michael, I'd suggest this gives your members significantly more freedom and flexibility than the current policy.

Jesse Cohen: Thank you, Jeff.

Chris Mullins: Can I, can we just add to what Jeff shared there too? I just want to emphasize, you know, our contracting activities will still be doing market research and preparing acquisition plans and doing all the things that they would normally be doing in a procurement. Um, and so to the extent that, you know, that there is a pre-proposal conference, uh, for a given, I'm sorry, yeah, pre-proposal conference for a given solicitation or, you know, folks can be still monitoring our forecast to see what procurements are coming up. You can still look for that type of information and reach out and communicate with contracting activities.

Jesse Cohen: Thank you, Chris, for adding that. I think Tom Whitmore is next in the queue for a question. Hello, Tom.

Q: Tom Whitmore, Pressman Company:

Hey, it's Tom Whitmore. I'm with the Pressman Company. We're a general contractor. And Jeff, I think you said that this market research had been losing the GSA, like somewhere in the neighborhood of a year, while working through litigation. And that was costing you time and money on your solicitations. So my question is, has this new paired process been tested yet to know that it's going to have a lower level of protest and just, you know, litigation or red tape to get through before you can move forward on a project? Or do you have reason to believe that the way this program is put together is going to allow you to award projects more quickly, regardless of which direction you go with PLA or not.

Jeff Koses: I'll take that and Jesse, we have, as I said, we have seen a lot of litigation on this topic. We have read every decision, we understand the court's reasoning. We looked at what the courts have asked us to do. We had many rounds of conversation with the White House about what they are looking for. And we think that this policy aligns the two expectations. The White House continues to emphasize that PLAs are a priority of the administration, that we need and should promote them, that they provide for the better labor relationships. You all have heard all of the benefits articulated by others better than I ever could. We have also seen the court rulings emphasizing concerns on competition that needs to allow for companies to compete without a PLA and the need to treat each project individually. So this is a new approach. No, we have not yet tried this approach. But we'll tell you some of the upcoming projects where we will be trying it.

We're confident that there's a result that it's going to produce better results than we have on the previous projects. That's what we're attempting with this policy. And throughout this, I want to continue to encourage you, share your thoughts, let us know, does, did this work? Is there something else that we need to think about as we continue trying to work with you to achieve our mission?

Jesse Cohen: Thanks, Jeff. And I'm just looking ahead here at the questions. Um, I see, Tom has his hand up again, but I see a couple others have raised their hands, so let me jump ahead to them. Um, Krista, sweet.

Q: Krista Sweet, Professional Services Council:

Yes, thank you. Um, Krista Sweet from the Professional Services Council. There's one part I'm a little bit confused, and I'm just not sure, you said you're not going to exclude non-PLA offers. They still have the opportunity to compete. But in your example 4, where a PLA price was not submitted, it said the offer could not proceed.

So, does that mean they couldn't compete? I'm sort of confused about when you can proceed and when you can't. You clarify that?

Jeff Koses: Christa, in putting out the policy, we had to ensure that we are consistent with the executive order with the White House direction, with the OMB Memos. So, it probably would have been a simpler policy to say, just apply the 10% premium. But that is not consistent with what the executive order told us to do. So, when I say that they can compete, they can compete from a price sense. The construction company still must offer a PLA price, and they may offer a non-PLA price. They can think of what is the risk premium. How much more will it cost them to offer a PLA and they can submit a proposal knowing those facts.

Krista Sweet: So they still have to submit both

Jeff Koses: Right.

Krista Sweet: Got it. Okay. That, that's helpful. Thank you.

Ashley Sefernik: Well, to clarify, they don't have to submit both, they have to submit the PLA. They may, if they so choose, submit a non-PLA.

Krista Sweet: Got it. That helps. Thank you.

Jesse Cohen: Thank you, Ashley, for adding that. Jeff, was there something you were gonna add before I moved to the next question?

Jeff Koses: No, Ashley hit it.

Jesse Cohen: Okay. Lucas Reynolds.

Q: Lucas Reynolds, Christman Company:

Hi, good afternoon, good morning. Um, I'm with the Christman Company, a general contractor. So we talked about having a single technical proposal along with the two price options, but in this, in the instance where the technical proposal requires uh, certain trades to be named or approaches to be defined in the technical proposal that would be different, with a non-PLA option, what is the correct approach there? Because it seems like there have to be two technical proposals with each price option.

Jesse Cohen: Thank you, Lucas, for that question. Chris or Ashley, maybe I'll turn to you first and see if Jeff wants to add anything.

Chris Mullins: Uh, so I, I can start this off and Ashley please add, add to anything and share. I think I would highlight with a technical proposal, you know, it's one scope of work, one construction project. Um, and so we would again expect that there would be one technical proposal to the extent that, um, your personnel, key management plan, or schedule may be impacted. Um, I think we could recognize, um, that that could, um, affect things. But we want to have one technical proposal and apply the PLA considerations only through the pricing proposals.

Jesse Cohen: Okay, Chris. Ashley, please go ahead.

Ashley Sefernik: No, and to add to what Chris stated, and, you know, again, we kind of mentioned earlier, I think the question came up about when PLAs have to be finalized and to be submitted, we recognize, um, that they do not need to be finalized with your, um, offer. And so, in terms of, like, schedule impacts, you know, we would just need to make sure that that's accounted for before they're not, um, notice to proceed. Um, and so, any sort of, going back to what Chris was saying, um, impacts to your personnel, labor, [inaudible], et cetera, would just need to be, um, noted in your pricing, um, proposal. And we would just make sure that it's realistic, what you're proposing. Um, that the majority of your technical should still be the same. Um, the scope is the scope, um, in any sort of, um, potential PLA, um, impacts would just need to be detailed with your pricing, um, to help, um, with the reasonableness of your pricing.

Jesse Cohen: Thank you, Ashley, for adding that, and just taking a look at the time, I think, to keep us on schedule here. This would be a good time to transition to, um, closing out the session and as mentioned earlier, one of the things that we want to do, um, before we do that is to also, um, take this opportunity to highlight a few upcoming and existing solicitations that are anticipated to use GSA's new PLA procedures.

This includes the GSA headquarters project. CMc Construction Services for GSA headquarters at 1800 F Street, in Washington, DC, with an estimated issue date of July 17, 2026.

Also, the Rowley Training Center, construction of a specialized mission training facility. At the James J. Rowley Training Center for the U.S. Secret Service, in Laurel, Maryland. With an estimated issue date of July 8th, 2026.

Also, the Thurgood Marshall, U.S. Courthouse. This is an elevator modernization project at the Thurgood Marshall U.S. Courthouse in New York with an estimated issue date of August 3rd, 2026.

And we also want to highlight the Armed Forces Retirement Home, Sheridan Building. This one, the solicitation has been issued. And it's been amended to include the new PLA procedures. The RFP number is 47 PB 5226R 0001. And this is construction services at the Armed Forces Retirement Home, Sheridan Building in Washington, DC.

And now, let's continue on with closing out today's session. To close out today's session, I want to thank all of today's speakers, presenters, and Q&A panelists. I also want to thank all of you for attending today's session. GSA's new PLA procedures including acquisition letter, MV 2026-03, and the PLA Playbook, are available at GSA.gov.

We also anticipate posting the slides shortly from today's session to GSA.gov.

As indicated in the acquisition letter, feel free to send any questions to GSARPolicy@GSA.gov.

Thank you again, and this concludes today's session. Thank you.