

ARCHDIOCESE OF CHICAGO

Office of the Archbishop



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GENERAL DECREE (c. 29) ESTABLISHING POLICY ON CONSTRUCTION CONTRACTS AS A NORM (PARTICULAR LAW) IN THE ARCHDIOCESE OF CHICAGO

As recommended by the Archdiocesan Task Force on Constructions Contracts, and after listening to the affirmative advice of the College of Consultors, the Presbyteral Senate, the Archdiocesan Pastoral Council and the Archdiocesan Finance Council, I hereby establish the attached policy as a norm (particular law) governing the use of union or non-union labor in construction contracts entered into by the parishes and institutions subject to the Archdiocese of Chicago.

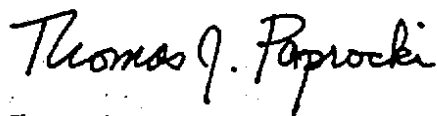
This "Archdiocesan Policy on Construction Contracts" is to be promulgated by mailing a copy of same to the pastor or administrator of each parish or institution of the Archdiocese of Chicago, and shall become binding as of this year's national observance of Labor Day, September 7, 1992.

In this way, as "Christians engaged actively in modern economic and social progress and in the struggle for justice and charity," may this local church, "as individuals and as group members, give a shining example to others" (Vatican Council II, *Gaudium et Spes*, n. 72).

Dated this 1st day of September, 1992.


Archbishop of Chicago

Given at the Chancery



Chancellor



ARCHDIOCESE OF CHICAGO

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Archdiocesan Task Force on Construction Contracts

Policy Statement

Introduction

In July 1991, Joseph Cardinal Bernardin established a task force to propose a policy to govern the use of union or non-union labor in construction contracts entered into by the parishes and institutions subject to the Archdiocese of Chicago. Rev. John Richardson, CM, the task force chairperson, convened the first meeting in August, 1991. The group met eight times between August 23 and December 4, 1991.

The task force's recommendations were submitted to Cardinal Bernardin following the final meeting. Consultation subsequently took place with the College of Consultors, the Presbyteral Senate, the Archdiocesan Pastoral Council and the Archdiocesan Finance Council.

What follows is the revised document. It includes three sections. The first contains a set of premises upon which the policy is based. These are drawn from the tradition of Catholic social teaching since 1891. The second part identifies particular situations, past and present, which create a bridge between basic Catholic teaching and the policy adopted by the Archdiocese. This section conveys the deliberations of the task force, but has become an integral part of the policy statement on the recommendation of those involved in the later consultation process. The final part is the policy statement as approved by Joseph Cardinal Bernardin that hereafter governs the Archdiocese of Chicago's construction and renovation contracts.

September 1, 1992

I. Premises

A Brief Summary of Catholic Social Teaching and Employment Relations

The two principal sources used for this summary are Pope John Paul II's 1981 encyclical, "On Human Work," representing comprehensive and current papal teaching and the Canon Law Society of America's "Canonical Standards in Labor-Management Relations" (1987), which applies Catholic Social Teaching to the U.S. context. Both these sources draw from the 100 year tradition which Pope Leo XIII began in 1891 with the encyclical "Rerum Novarum."

In reviewing pertinent principles of Catholic social teaching, the following premises are fundamental to a policy on construction contracts:

A. "Within the Roman Catholic context, the relationship between employers and employees is a moral question" (Canon Law Society Report, p. 3).

Certain moral principles that address the rights and duties of workers have an evangelical basis. Accordingly, the Church has a responsibility to articulate these principles in its social teaching, implement them in its relations with its own direct employees and exercise its influence in applying these principles to its indirect employees.

B. The Church teaches that workers have a right:

- to a just wage, that is, remuneration adequate for maintaining and securing the future for a family (On Human Work, p. 46);
- to social benefits including health care, pension, and security in the events of accident or old age (HW, p. 45);
- to a work place that is "not harmful to the workers's physical health or to their moral integrity"(HW, p. 45);
- to form associations or unions that defend and promote their interests. These organizations are regarded as an "indispensable element of social life" (HW, p. 46).

C. The Church teaches that workers and unions have responsibilities. Individual workers have duties to their employers. Unions have obligations to the larger community. Workers and their organizations have the obligation to act in accordance with the common good, and to seek effective and efficient quality in production and service.

D. The Church recognizes the need for affirmative action. This includes a policy of non-discrimination on the basis of race, color, sex, national origin, handicap or age; a policy of equal employment opportunity; and a policy to solicit minority applicants. (Canon Law Society Report, p. 22).

In sum, the Church's teaching on the rights and responsibilities of workers articulates

the need for an employment ethic that recognizes and affirms the dignity of the worker and establishes what Pope John Paul II calls the "priority of labor over capital." This ethic likewise includes the responsibilities of workers and unions to employers and to society.

II. From Premises to Policy

Applying principles of Catholic social teaching to concrete situations requires consideration of the specific context. In relating the premises cited above to a policy of Archdiocesan construction contracts, factors that would affect policy development include the perspective on unions that emanates from the principles, past practices of the Archdiocese, the situation of workers - union and non-union - in the local construction field, the local labor union history and present conditions, and the general status of the rights of workers in the local area. These elements combine to create the context for this policy's formulation.

Perspective on Unions

Beginning with Pope Leo XIII and continuing through 100 years of Catholic social teaching, the Roman Catholic Church has supported the rights of workers to organize. In the United States, James Cardinal Gibbons of Baltimore was an outspoken advocate for labor unions. He set a pastoral course for the Church which continues to offer guidance today. Thus, since the late 19th century, the Roman Catholic Church through its official social teaching and through its pastoral practice in the United States has defended the rights of workers and has encouraged the formation and functioning of labor unions.

These perspectives have been maintained in times when organized labor was weak and when it was strong. The Church values unions both as a means for promoting and defending the rights of workers, and, in the words of Pope John Paul II, as "an indispensable element of social life." Unions, in the view of the Church's teaching, play a central role in a society's quest for social justice. This teaching and tradition, consequently, impel the Archdiocese of Chicago to hold a supportive posture with respect to labor unions.

Past Practice of the Archdiocese

Since the early years of the 20th century, the Archdiocese has been deeply involved and supportive of labor unions in the Chicago area. Renowned Church leaders such as Bishop Bernard Sheil embodied this commitment. Msgr. George Higgins, a priest of the archdiocese, has served as a liaison between the labor movement and the U.S. church for much of his 52 years as a priest. In addition, while no formal linkages existed, many informal structures have connected the Church and organized labor.

With specific regard to construction contracts, the Archdiocese of Chicago entered

into construction or renovation contracts totalling \$25 million between 1989 and 1991. Ninety-three percent of the total dollar amount of these contracts, and all contracts over \$300,000 went to firms employing union workers.

Parishes and the Archdiocesan pastoral center have a variable relationship in the contracting process. Projects under \$25,000 can be handled by the parish alone. Projects above that threshold involve the parish and pastoral center in partnership.

There are policies governing various aspects of the contracting process. However, there has been no policy to regulate the employment of union or non-union labor in fulfillment of these contracts. Similarly, there has been no policy related to the wages, benefits and working conditions of the employees of firms with whom the Archdiocese has contracted.

Workers and Unions

In the Chicago area, an estimated 25% of the workforce are union members, a figure that is considerably higher than the national average of 16%. About 100,000 union members work in the construction trades. Firm, reliable numbers of non-union workers could not be obtained.

It is impossible to generalize about the differences in wages, and benefits between union and non-union workers in the construction field. Union members, however, receive the wages and benefits mandated by collective bargaining agreements. These set the standard against which other packages are measured. Non-union firms offer widely varying wage and benefit packages.

Working conditions are another very important concern with respect to construction workers. Given the nature of construction work, worker safety must be a paramount value. Adequate safety requires satisfactory job training and workplace safeguards that comply with the highest standards. Evidence indicates that trade unions have highly effective training programs, and that contracts stipulate maximum concern for worker safety. Such generalizations cannot be made about non-union firms which vary considerably in these respects. At a time in U.S. history when the role of government agencies in enforcing worker safety has receded, this issue requires particular attention.

Historically, trade unions as a rule have not been noted for insisting on representative numbers of women and minority groups among both their rank and file and leadership. This legacy continues to have harmful consequences. Past racial exclusiveness, or even the perception of it in some unions has embittered many African-Americans, and has complicated efforts by the unions to diversify their membership. Steps have been taken in recent years to ameliorate the effects of past discrimination, but African-Americans, Hispanics and women continue to be underrepresented in the trade unions.

Key Issues in Formulating this Policy

The policy statement establishes a position on four issues pertinent to connecting Catholic teaching to the matter of construction contracts.

In the first place, the central pastoral question that emerges from this teaching is how does the local Church best promote the rights of workers while indirectly employing people through construction contracts. Some specific positions are implied in the following points:

*The Archdiocesan pastoral center must be concerned in all construction contracts under its supervision that wages, benefits, and working conditions are aligned with Catholic teaching.

*The Church's insistence on racial and ethnic inclusiveness must strongly influence construction contracts, especially where there is a legacy of exclusiveness.

*In order to meet distinctive needs of a particular community, the policy must provide authority to make variations within defined limits, from normal practices.

Since available evidence indicates that union contractors offer the most consistent pattern of assuring that the rights of workers will be upheld, the policy is tilted toward union contracts. At the same time, the policy is not an absolute endorsement of such contracts. For instance, given the history of exclusion of minorities from many trade unions, many small, neighborhood-based contractors in the inner city are not affiliated with unions. Parish communities may support these neighborhood enterprises. As a longer term solution to the exclusion of inner city workers from mainstream construction contracts, a supplementary recommendation urges that links be established between inner city communities, contractors and unions to provide a path of entry into the trade unions for young inner city residents.

Next, the policy does not exclude from Archdiocesan contracts any contractor or worker simply on the basis of non-affiliation with a union. In recognition that non-union employers are capable of meeting comparable union standards of compensation, it concluded that non-union firms could qualify for contracts upon verifying that their employees' wages and working conditions corresponded to those found on union jobs.

Finally, on the basis of the solid evidence of Archdiocesan contracts, \$300,000 is set as the level above which only union contracts would be authorized. This is the limit to the above mentioned pastoral exceptions to union contracts.

III. Policy Statement

This policy proposal covers contracts for new construction, major repairs, and major maintenance of archdiocesan buildings. It applies to parishes and institutions directly under the jurisdiction of the Archbishop. Construction, repairs and maintenance that are undertaken by the parish's or the institution's own employees, or by volunteers are not subject to the policy.

A. Promotion of Rights of Workers

The rights of workers delineated in Roman Catholic Social Teaching (and summarized in the premises for this statement) provide the basis for this policy. To the extent that unions in the Chicago area seek to guarantee these principles by providing for such things as a just wage, medical insurance, disability insurance, workers' compensation, unemployment insurance and safe working conditions, the Archdiocese supports them. Accordingly, in normal circumstances, union contractors are to be used. To the extent that other contractors provide similar wages and benefits as those mentioned above, such contractors should not be excluded from consideration (except as noted on contracts over \$300,000).

B. Affirmative Action

The Archdiocese of Chicago supports the principle of affirmative action for racial and ethnic minorities and for women. Without setting numerical goals for construction contracts, the policy supports the employment of minority and women workers, and minority and women contractors. It is guided by norms established by such local area public bodies as Cook County.*

C. Pastoral Discretion

When the interest and needs of the people in the area clearly points to the need of making exceptions to the policy of selecting union contractors or engaging minority and women workers, pastoral discretion should be used. Such discretion should be exercised, however, in light of the Church's teaching on labor, the premises upon which the policy is based. Situations that warrant exceptions should be documented in writing.

For projects over \$300,000, all contracts are to be union contracts.

*Cook County currently sets a goal of allocating at least 25% of its total dollar amount for minority owned businesses, and at least 5% for businesses owned by women.

D. Responsibility for Policy Oversight

Existing archdiocesan policy stipulates that contract decisions may be made by the parish when projects are under \$25,000, and jointly by the parish and the pastoral center on all amounts exceeding \$25,000. Oversight for this policy on projects under \$25,000 consequently resides with the parish, and over \$25,000 with the parish and the pastoral center.

Supplementary Recommendations

These additional recommendations of the task force will also be put into effect:

I. Periodic Policy Review

The policy should be reviewed, perhaps annually, to determine its effectiveness and to consider issues that may arise in its implementation.

II. Standing Committee

A standing committee on labor-management relations will be established. This committee could serve to review this policy, and to consider other labor issues that would be brought to its attention by the archdiocesan administration.

III. Links between the Archdiocese, Contractors and Unions

The Archdiocesan pastoral center will seek to assist in building relationships between inner city parishes, educational institutions, contractors and labor unions. The creation of informal networks can serve the needs of both unemployed parishioners and unions.

In addition, the Archdiocese can interact with unions and other agencies in assisting non-union workers and employers meet standards envisioned by Church principles and this policy.

These steps could be facilitated by either the standing committee or by a designated Archdiocesan agency.

Archdiocesan Task Force on Construction Contracts

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