

Citywide Project Labor Agreement

Fiscal Years 2020-21 Through 2022-23



CITY & COUNTY OF SAN FRANCISCO

Office of the Controller
City Services Auditor

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December 13, 2023

Background

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- **February 18, 2019:** The San Francisco Board of Supervisors adopted the Citywide Project Labor Agreement Ordinance (San Francisco Administrative Code, Section 6.27), which directed the City to negotiate a **Project Labor Agreement** with the San Francisco Building and Construction Trades Council.
 - A **Project Labor Agreement** enables agencies to negotiate a single collective bargaining settlement that applies to multiple projects instead of having the contract awardee for each project negotiate its own terms.
- **July 14, 2020:** The citywide PLA was fully executed and only applies to the **Department of Public Works** and **Recreation and Park Department**.
- **Fiscal years 2020-21 through 2022-23:** The **Controller's Office** issued three annual reports on the evaluation and impact of PLA-covered projects, as required by the ordinance.
- By **July 31, 2023:** The **Controller's Office** is required to request a hearing before the Board of Supervisors to review our reports.

Obligations of contractors and unions under the citywide PLA

Contractors must:

- Use union halls for all work except clerical or Supervisory Roles.
- Pay fringe benefits to respective union trust funds unless they are a qualified LBE.
- Follow existing local hire and prevailing wage requirements.

Unions must:

- Refrain from strikes, picketing, work stoppages, lockouts, interference or other disruptive activity for any reason.
- Enter into agreement with city funded CityBuild Academy to provide pathways for San Francisco residents into trade unions' apprenticeship programs.

Criteria and value thresholds for covered projects under the citywide PLA

Projects must meet 1 of the 3 criteria below to be covered under the PLA.

Criterion 1

Contract is funded in whole or in part by general obligation bond or revenue bond and estimated cost of the contract exceeds the value thresholds in the advertisement bid period below.

- \$5,000,000 – July 14, 2020, through July 13, 2021
- \$3,000,000 – July 14, 2021, through July 13, 2022
- \$1,000,000 – July 14, 2022, and thereafter

Criterion 2

Estimated project value exceeding \$10 million that is funded by a source other than the general obligation or revenue bond

Criterion 3

The department head has determined that a delay in completing the covered project may lead to interruption or delay of services or use of facilities that are important to the essential operations or infrastructure of the City.

Registered LBEs, acting as either prime contractors or subcontractors, may declare an exemption from PLA requirements until they have received the value of contract award work on covered projects in an amount exceeding \$5 million cumulatively over the duration of the PLA.

Roles and responsibilities of departments under the citywide PLA

Office of Labor Standards Enforcement: Handles general administration of the Project Labor Agreement and coordinates with Public Works, Rec and Park, and San Francisco Building and Construction Trades Council including scheduling and facilitating pre-bid, pre-construction, and pre-job meetings, as well as managing the LBE exemption process including tracking payments issued to LBEs and Letters of Assent and Statements of Exemptions submitted by LBEs.

Public Works and Rec and Park: Manages, advertises, and executes PLA-covered projects and collects, updates, and reports prime contractor and subcontractor information.

- **Public Works** provides contract administration procurement services for all covered projects and construction management services on most covered projects.

Contract Monitoring Division: Coordinates with city stakeholders on matters related to the LBE community.

Office of Economic Workforce Development (CityBuild): Develops Direct Entry Agreements and administers local hiring requirements.

Controller's Systems Division: Develops dashboards and tests functionality for the Project Team Construction Manager-General Contractor (CMGC) and design-build contracts.

Status Update of the Project Labor Agreement

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- The **PLA working group** meets periodically, focusing on goals and tasks to ensure the program and project set-ups, tracking, and reporting by departments are implemented, along with the necessary procedures and processes to monitor and enforce PLA requirements.
- Departments track, monitor, and report on their PLA compliance.
- Departments continue to advertise and award PLA-covered projects. Construction work is underway on several projects, the first of which is anticipated to be completed in fiscal year 2023-24.
 - As of June 30, 2023, Public Works advertised 20 PLA-covered projects, with an estimated value of over **\$336 million**.

- OEWD continues to provide pre-apprenticeship and construction administration training through its CityBuild Academy for San Francisco residents and place graduates into joint apprenticeship programs.
- The Controller's Office supports the PLA Working Group by creating dashboards to track payments.
- The PLA Working Group continues to resolve the following issues:
 - Identify subcontractors added to PLA projects after the award and pre-job meeting.
 - Clarify LBE exemption process and payment tracking for LBEs on Construction Manager/General Contractor PLA projects.
 - Transition exempt LBEs to covered by the PLA mid contract.
 - Coordinate PLA applicability between departments.

Analyzing Impact of the Project Labor Agreement

- No PLA-covered projects were completed by June 30, 2023.
- In anticipation of completed PLA-covered projects, the Controller's Audits Division developed a preliminary, high-level methodology to evaluate whether the PLA promotes the efficient, economical, and timely completion of such projects. The evaluation will analyze:
 - The impact of the PLA on projects with cost and performance data.
 - The PLA's impact on LBEs and the local workforce, in collaboration with CMD.

Awarded PLA-Covered Projects

PLA-covered projects, by award date

Project	Awarding Department	Contract Amount	Award Date
6th Street Pedestrian Safety Project	Public Works	\$10,088,005	May 10, 2021
Safer Taylor Street	Public Works	9,099,655	May 25, 2021
Various Locations Pavement Renovation No. 48 and Sewer Replacement	Public Works	8,036,269	June 10, 2021
Various Locations Pavement Renovation No. 54 and Sewer Replacement	Public Works	9,512,131	November 18, 2021
Various Locations No. 50 Infrastructure Improvements	Public Works	2,897,512	December 2, 2021
Various Locations Pavement Renovation No. 55 and Sewer Replacement	Public Works	13,267,955	April 28, 2022
Mission Street And Geneva Avenue Improvement Project	Public Works	22,874,117	June 6, 2022
Contract No. 65 New Traffic Signals	Public Works	3,754,625	June 30, 2022
900 Innes Park Development	Rec and Park	54,300,000	July 21, 2022
Various Locations Pavement Renovation No. 53 and Sewer Replacement	Public Works	10,712,821	July 27, 2022
Gene Friend Recreation Center Rebid	Rec and Park	38,319,208	August 18, 2022
Laguna Honda Hospital and Rehabilitation Center Administration Building M and O Wings Renovation	Public Works	52,436,300	August 31, 2022
Various Locations Pavement Renovation No. 56 and Sewer Replacement	Public Works	10,438,000	August 31, 2022
Golden Gate Park Middle Lake Rehabilitation	Rec and Park	5,640,555	October 20, 2022
Western Addition Area Traffic Signal Upgrades Phase 1	Public Works	6,100,000	October 21, 2022
Earthquake Safety and Emergency Response (ESER) Bond 2020-911 Call Center Renovation	Public Works	3,402,463	November 4, 2022
Mission Branch Library Renovation	Public Works	23,020,000	December 2, 2022
Castro Station Elevator	Public Works	11,540,000	January 20, 2023
Herz Recreation Center	Rec and Park	17,548,200	June 15, 2023
PW Various Locations Pavement Renovation No. 60 and Sewer Replacement (Rebid)	Public Works	11,142,642	July 21, 2023
Ingleside Police Station Replacement	Public Works	67,443,820	July 21, 2023
Richmond Playground Renovation	Rec and Park	1,738,500	July 23, 2023
CMGC for San Francisco Municipal Transportation Agency Parking Enforcement Headquarters	Public Works	34,853,942	November 11, 2023
Total	23	\$428,166,720	

Advertised PLA-Covered Projects as of November 9, 2023

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Advertised PLA-covered projects but not yet awarded as of November 9, 2023

Project	Awarding Department	Contract Amount (<i>Estimate</i>)	Bid Date
Japantown Peace Plaza (2020 Bond Project)	Rec and Park	\$16,500,000	October 18, 2023
Lake Merced Bond Program 2012	Rec and Park	1,562,561	November 29, 2023
Total	2	\$18,062,561	

Planned PLA-Covered Projects

Planned PLA-covered projects*

Project	Awarding Department	Contract Amount (Estimate)	Estimated Bid Opportunity Timing
McLaren Trails – McLaren Park Priority Trail Improvements (2012 Bond)	Rec and Park	\$2,400,000	2023
Stern Grove Playground – LetsPlaySF!	Rec and Park	1,803,000	2023
Fire Training Facility	Public Works	150,000,000	2023
ZSFG Building 5 1X65 Radiology Project	Public Works	1,500,000	2023
ZSFG Building 5 Family Health Center Project – Phase 1	Public Works	6,000,000	2023
SFAC - African American Arts and Culture Complex - Seismic Improvement Project	Public Works	10,500,000	2024
SFAC - Mission Cultural Center for Latino Arts - Seismic Improvement Project	Public Works	18,000,000	2024
OCII Transbay Block 3 Park and Streetscape Project	Public Works	39,000,000	2024
Various Locations Pavement Renovation No. 62 and Sewer Replacement	Public Works	8,300,000	2024
Chinatown Branch Library Renovation	Public Works	37,400,000	2024
ZSFG Building 5 Adolescent Behavioral Health Services	Public Works	15,700,000	2024
Chinatown Public Health Clinic	Public Works	38,300,000	2024
Southeast Health Center Clinic	Public Works	8,750,000	2024
ZSFG Childcare Center	Public Works	12,500,000	2024
Buchanan Street Mall Renovation (LetsPlaySF! And 2020 Bond)	Rec and Park	<i>To Be Determined</i>	2024
Buena Vista Park Improvement Project	Rec and Park	<i>To Be Determined</i>	2024
Portsmouth Square Improvements (2020 Bond Project)	Rec and Park	<i>To Be Determined</i>	2024
South Sunset Clubhouse	Rec and Park	<i>To Be Determined</i>	2024
ZSFG Building 5 Family Resource Center	Public Works	31,400,000	2025
Crocker Amazon – Giants	Rec and Park	<i>To Be Determined</i>	<i>To Be Determined</i>
Golden Gate Park Kezar Pavilion	Rec and Park	<i>To Be Determined</i>	<i>To Be Determined</i>
Jackson Playground (2020 Bond Recovery Park Project)	Rec and Park	<i>To Be Determined</i>	<i>To Be Determined</i>
Silver Avenue Health Clinic	Public Works	<i>To Be Determined</i>	<i>To Be Determined</i>
Total	23	\$381,553,000	

* This list is subject to change. Changes in project scope and/or funding can cause a project to not be covered by the PLA.



City and County of San Francisco
Office of Labor Standards Enforcement

Citywide Project Labor Agreement (PLA)

Implementation Accomplishments

December 13, 2023



PLA Administrative Overview

- Educate contractors, awarding bodies, and members of the public about PLA requirements
- Evaluate projects for PLA applicability and track all bid advertisements and contract awards
- Manage PLA requirements on all awarded projects
 - 288 Letters of Assent - 89 by LBEs
 - 49 Statements of Exemption

PLA Administrative Overview - Continued

- Verify LBE exemption eligibility
- Monitor payments to LBEs relative to the \$5 million threshold
- Support LBEs transitioning out of exempt status

LBE's that have exceeded the exemption threshold

- D'Arcy & Harty Construction Inc – 2/15/2023
- Esquivel Grading & Paving Inc – 3/29/2023
- Bauman Landscape & Construction Inc –
4/27/2023
- Precision Engineering Inc – 7/19/2023

PLA Accomplishments

- Coordinated 50 pre-job meetings across all PLA projects
- Convened Joint Administrative Committee Meeting: 6/7/2023
 - Scheduled for: 12/7/2023; postponed at request of SFBTC
- No strikes, lock outs, or work stoppages