CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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December 8, 2023

TO: Budget and Finance Committee

FROM: Budget and Legislative Analyst

SUBJECT: December 13, 2023 Budget and Finance Committee Meeting

TABLE OF CONTENTS

Item	File		Page
2	23-1267	Accept and Expend Grant and Amend the Annual Salary Ordinance - Retroactive - Board of State and Community Corrections - Organized Retail Theft Prevention Grant Program - $15,326,301	1
3	23-1202	Emergency Declaration - Zuckerberg San Francisco General Hospital Building 2 - Chiller and Boiler and Cooling Tower Replacement - Estimated Cost of Repairs Exceeds $250,000	7
4	23-1239	Accept and Expend Grant - California State Library - Building Forward Library Facilities Improvement Grant Award - $6,336,363	10
5	23-1201	Grant Amendment - Eviction Defense Collaborative, Inc. - Not to Exceed $6,280,000 for an Aggregate Amount of $11,391,504	15
6	23-1113	Prevailing Wage Rates - Various Workers Pursuant to Administrative Code, Section 6.22(e) and Sections 21C.1 through 21C.11	23
7 - 16	23-1227	Contract Agreement - Xtech JV - Technology Marketplace - Not to Exceed $20,000,000	
	23-1228	Contract Agreement - Presidio Networked Solutions Group, LLC - Technology Marketplace - Not to Exceed $20,000,000	
	23-1229	Contract Agreement - InterVision Systems, LLC - Technology Marketplace - Not to Exceed $20,000,000	

TABLE OF CONTENTS

Item	File	Page
	23-1230 Contract Agreement - Insight Public Sector, Inc. - Technology Marketplace - Not to Exceed $20,000,000	
	23-1231 Contract Agreement - Cornerstone Technology Partners II JV - Technology Marketplace - Not to Exceed $20,000,000	
	23-1232 Contract Agreement - CCT Technologies, Inc. dba ComputerLand of Silicon Valley - Technology Marketplace - Not to Exceed $20,000,000	
	23-1233 Contract Agreement - Central Computers Inc. - Technology Marketplace - Not to Exceed $20,000,000	
	23-1234 Contract Agreement - California Creative Solutions, Inc. dba CCS Global Tech - Technology Marketplace - Not to Exceed $20,000,000	
	23-1235 Contract Agreement - CDW Government LLC - Technology Marketplace - Not to Exceed $20,000,000	
	23-1236 Contract Agreement - Accenture LLP - Technology Marketplace - Not to Exceed $20,000,000	32

Item 2 File 23-1267 *(Continued from 12/6/23 meeting)*	**Department:** Police (POL)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed ordinance (1) retroactively authorizes the Police Department to accept and expend a $15,326,301 grant from the Board of State and Community Corrections Organized Retail Theft Grant Program and (2) amends the FY 2023-24 – FY 2024-25 Annual Salary Ordinance to add two grant-funded 1823 Senior Administrative Analyst positions in the Police Department.

Key Points

- The purpose of the grant is to fund an expansion of the Police Department's sworn overtime related to organized retail theft activities at local neighborhood hotspots and in Union Square. It will also fund sworn overtime to reduce the sale of stolen goods (also known as "fencing") and citywide catalytic converter theft. The new grant-funded 1823 positions will perform crime analysis and grant reporting. The proposed also grant funds $6.1 million for equipment purchases, including 16 vehicles and 400 automatic license plate reader cameras.

Fiscal Impact

- The proposed grant does not have a matching fund requirement. Because the grant is retroactive to October 1, 2023, eligible activities that have taken place since that time may be reimbursed by the proposed grant once approved.
- After the grant funds expire in December 2026, the two 1823 positions, licensing costs for the surveillance cameras, and maintenance for grant purchased vehicles would have to be locally funded, most likely by the General Fund. We estimate the annual costs starting in 2027 for those items would be $1.7 million.

Policy Consideration

- The grant indicates specific equipment vendors and modifications to the grant agreement would require approval of the granting agency, the Board of State and Community Corrections. Therefore, to complete these equipment purchases, the Police Department will have to obtain a waiver from the City's competitive procurement requirements. As of this writing, it is not clear how the Police Department determined that these vendors provided the best value to the City.
- Board approval to update the Police Department's Surveillance Policy is required for the proposed grant program, but approval Is still pending.
- The proposed grant funds $7.2 million sworn overtime or 47% of the total $15.3 million grant award. The remaining 53% of the grant funds will be used for two civilian analysts, surveillance cameras, and 16 vehicles. The Board could consider requesting the Police Department work with the Board of State and Community Corrections to shift grant funds to increase patrol.

Recommendation

- Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of $100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

Administrative Code Section 2.1-1 states that the Board of Supervisors shall determine the maximum number of each class of employment in each of the various departments and offices of the City and County and shall fix rates and schedules of compensation.

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of $1 million or more, or (ii) have anticipated revenues of $1 million or more and require modifications, are subject to Board of Supervisors approval.

BACKGROUND

Organized Retail Theft Prevention Grant Program

The 2022 State Budget Act established the Organized Retail Theft Grant Program, a competitive grant open to all police, sheriff, and probation departments. The Board of State and Community Corrections (BSCC), a state entity, administers the grant and awarded $242.3 million to local law enforcement agencies in 2023, including $15.3 million for the San Francisco Police Department (the maximum possible award was $15.6 million).

According to the Police Department's grant application, the City experienced 3,458 retail theft incidents in 2019, rising to 3,718 in 2022 and totaling 13,540 during that period. Of the 13,540 retail theft incidents during 2019-2022, 43% were in Union Square. Catalytic converter[1] theft has also been increasing, from 1,365 in 2020 to 3,052 in 2022.

DETAILS OF PROPOSED LEGISLATION

The proposed ordinance (1) retroactively authorizes the Police Department to accept and expend a $15,326,301 grant from the Board of State and Community Corrections Organized Retail Theft Grant Program and (2) amends the FY 2023-24 – FY 2024-25 Annual Salary Ordinance to add two grant-funded 1823 Senior Administrative Analyst positions in the Police Department.

The purpose of the grant is to fund an expansion of the Police Department's Citywide response to organized retail theft activities at local neighborhood hotspots and in the Union Square commercial district. It will also fund efforts to reduce the sale of stolen goods (also known as "fencing") and citywide catalytic converter theft.

[1] Catalytic converters are filter devices laced with rare earth metals that are attached to vehicle exhaust systems to minimize carbon emissions.

These expanded efforts comprise overtime Police Officer staffing, two new Senior Administrative Analysts assigned to crime analysis functions, vehicles, personal equipment and computers, and a distributed stationary automatic license plate reader network.

Other funded activities include the hiring of an independent third-party evaluator, a financial audit, public relations, and training.

Grant Terms

The proposed grant has a total grant term of October 1, 2023 through June 1, 2027. However, all project expenses must be incurred prior to December 31, 2026. The proposed grant does not have a matching fund requirement but does require that the grant funds not supplant current appropriations.

Sworn Overtime

The proposed grant would fund sworn personnel cost of Police Officer overtime for increased patrols and investigation activities, providing approximately 20,800 hours of overtime per year.[2] The Police Department spent approximately 82,000 hours of overtime on its Safe Shopper Initiative in FY 2022-23, so the proposed grant would amount to a 25 percent increase in Police presence for that program and four percent increase in total annual overtime hours relative to FY 2022-23.

The Police Department's grant application, which is attached to the proposed grant agreement, indicates that the high visibility patrols would focus on Union Square. Police Department staff report that blitz operations and high visibility patrol will be variously distributed across retail theft hot spots, fencing hot spots, and catalytic converter theft hot spots throughout the City.

The day-to-day enforcement operations would be overseen by one Q82 Lieutenant and four Q50 Sergeants currently assigned to organized theft response.

Grant Funded 1823 Senior Analyst Positions

The proposed ordinance would add 2.0 FTE 1823 Positions to the Police Department's authorized positions, funded by the proposed grant. The 1823 analysts will support grant operations by performing crime analysis functions (e.g., determining most-impacted retailers and the dates and times with the most ORT to maximize effectiveness of deployments), tracking grant activities for grant reporting, and by performing forensic evidence analysis.

The 1823 positions would be added to the Police Department's Crime Strategies Division, which currently has eleven staff (plus a director), including one 1824 Principal Analyst, two 1823 Senior Analysts, and eight 1822 Administrative Analysts.

[2] This would include "blitz" operations at an average rate of 2 operations per week with an average of 10 officers per deployment and high visibility patrol at an average rate of 4 operations per week with an average of 5 officers per deployment.

Evaluation

The proposed grant requires the Police Department to establish performance measures for grant-funded activities and report on their success. The Police Department's proposed performance measures include: increased recovery of stolen merchandise, reduction in recidivism, reduction in theft incidents, reduction in sales of stolen goods, reduction in store closures, and reduction in gun violence. The proposed grant provides $500,000 for a third-party evaluator.

This independent third-party evaluator will be responsible for drafting a Local Evaluation Plan (LEP) in consultation with the Police Department, due in April 2024, and also delivering a Local Evaluation Report (LER) based on that evaluation plan, due in June 2027.

Equipment

The proposed grant funds $6.1 million in personal equipment (e.g., binoculars, body armor) as well as larger equipment purchases, such as 400 stationary automatic license plate reader (ALPR) cameras and associated licensing costs, and 16 vehicles.[3]

The ALPR cameras will be dispersed throughout the City. According to the Police Department, the primary purpose of the ALPR network will be to locate vehicles used in retail theft, fencing, and catalytic converter theft. The cameras also have a secondary benefit to the City by also functioning to assist in investigating other types of crimes, including auto burglary, and by locating missing persons such as during an Amber Alert.

Travel and Training

Finally, the grant funds $174,326 in travel and training expenses for Police Department staff to attend organized retail theft conferences and trainings, and host a San Francisco Organized Retail Theft symposium.

FISCAL IMPACT

Exhibit 1 below shows the purchases that the proposed grant would fund.

[3] The vehicles include: two command vehicles to host operational activities, one truck to transport stolen equipment, one surveillance van, one prisoner transport van, two police transport vans, three "cold" cars for surveillance, and six unmarked police vehicles dedicated to retail theft patrol grant activities.

Exhibit 1: Grand Funded Spending (October 2023 – December 2026)

Activity	Amount
Sworn Overtime	
High visibility patrol	3,619,200
Blitz operations	3,619,200
Subtotal, Sworn Overtime	7,238,400
Two 1823 Senior Analysts (Crime Analysts)	1,050,000
Equipment & Advertising	174,326
Third Party Evaluator	500,000
Automatic License Plate Reader Cameras	3,935,000
Vehicles	1,993,690
Financial Audit	25,000
Travel and Training	159,885
Indirect Costs	250,000
Total	**15,326,301**

Source: Proposed Grant Agreement

Because the grant is retroactive to October 1, 2023, eligible activities that have taken place since that time may be reimbursed by the proposed grant.

Ongoing Costs

After the grant funds expire in December 2026, the two 1823 positions, licensing costs for the ALPRs, and maintenance for grant purchased vehicles would have to be locally funded, most likely by the General Fund, unless new grant funding opportunities are identified. We estimate the annual costs starting in 2027 for those items would be $415,000 for the two 1823 Senior Analysts, $11,000 in maintenance costs for the 16 new vehicles, and $1.3 million to maintain the licenses for the surveillance cameras.

POLICY CONSIDERATION

Procurement

The Police Department's grant application, which is part of the proposed grant agreement, indicates a specific ALPR vendor, Flock, as well as specific vendors for 11 of the 16 vehicles. However, the Police Department staff report they have not begun to procure any equipment indicated in the proposed grant.

Modifications to the grant agreement, including using a different vendor for surveillance cameras and vehicles, would require approval of the granting agency, the Board of State and Community Corrections. Therefore, to complete these equipment purchases, the Police Department will have to obtain a waiver from the City's competitive procurement requirements. As of this writing, it is not clear how the Police Department determined that these vendors provided the best value to the City.

Board Action to Update Surveillance Policy is Required for Proposed Grant Program, But Approval Is Still Pending

File 23-1161 is an ordinance pending Board of Supervisors' approval that would amend the Police Department's ALPR Surveillance Policy to broaden the list of allowable file formats, allow data sharing with equipment vendors, and broaden the sources of funds that could be used to purchase automatic license plate readers (including grant funds, not just Vehicle Theft Abatement Funds). At its November 27, 2023 meeting, the Rules Committee recommend the full Board approve File 23-1161, which will be considered at the December 5, 2023 Board of Supervisors meeting. If the Board does not approve the pending ordinance modifying the Police Department's ALPR policy to allow grant funds for ALPR purchases and uses, the Police Chief should work with the Board of State and Community Corrections to modify the grant budget to shift the ALPR equipment funding to other allowable uses.

Grant Spending Allocations

The proposed grant funds $7.2 million sworn overtime or 47% of the total $15.3 million grant award. The remaining 53% of the grant funds will be used for two civilian analysts, surveillance cameras, and 16 vehicles. The Board could consider requesting the Police Department work with the Board of State and Community Corrections to shift grant funds to increase funding for certain grant-related, such as more or less equipment purchases, sworn overtime, or civilian positions.

RECOMMENDATION

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 3 File 23-1202	Department: Public Works (DPW), Public Health (DPH)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve an emergency declaration of the Department of Public Works (DPW) related to repairs to General Hospital's cooling towers and chillers, following an unexpected failure on September 6, 2023.

Key Points

- Prior to the cooling towers breaking on September 6, 2023, DPW and DPH had been collaborating on a cooling towers and chillers replacement project. The bidding process for a general contractor to complete the two projects is ongoing through December 15, 2023, according to DPH staff. DPW estimates that the total project will take 2-3 years, but the exact timeline will be determined by the awarded contractor. Given that procurement is already underway, it is not clear that the proposed emergency declaration is necessary.

Fiscal Impact

- DPH and DPW are still developing a funding plan and project timeline for the work associated with the proposed emergency declaration.

Recommendation

- Continue this item to a future Budget & Finance meeting.

MANDATE STATEMENT

Administrative Code Section 6.60(d) states that emergency work that costs more than $250,000 is subject to Board of Supervisors approval. Prior to the commencement of emergency work above the $250,000 threshold, the Department must also secure approval in writing from the Mayor, the President of the Board, or the Commission. If the emergency does not permit approval of the emergency determination by the Board of Supervisors before work begins, the Department head must submit a resolution approving the emergency determination to the Board of Supervisors within 60 days.

BACKGROUND

San Francisco General Hospital (SFGH) Building 3 contains a pathology lab and Building 5 contains a number of inpatient units and outpatient services and clinics. Building 3 and Building 5 are cooled by a series of cooling towers and chillers that according to DPH were installed in 1972. The cooling towers are constructed with wood, and with proper maintenance, should function for 20-25 years. DPW says that the cooling towers' wood components and motors have been replaced over the years, extending their useful life.

On September 6, 2023, the cooling towers unexpectedly broke, after 51 years of operation. The cooling tower fan blades were ejected into the air, damaging safety fencing, but nothing else.

Planned Replacement

Prior to the incident, DPW and DPH had been planning since 2021 to replace these SFGH cooling towers and two chillers. The cooling towers' foundation and timber structure were unstable. Unrelated to the incident, the two chillers were also broken. According to DPW, the chillers have a "useful life" expectancy of 15-20 years. One of the chillers is original, and the other was replaced in 2006.

In July 2022, M Lee Corporation[1] prepared a cooling towers replacement project estimate for DPW. In June 2023, M Lee Corporation prepared a chiller replacement project cost estimate. Neither project had commenced since, according to DPW, funding had not been secured.

Emergency Declaration Timelines

On September 13, 2023, Interim Director of Public Works Carla Short declared an emergency for the failure of the cooling towers at San Francisco General Hospital that occurred on September 6, 2023. The emergency declaration was approved by Public Works Commission Chair Lauren Post. Administrative Code Section 6.60(b) states that departmental emergency declarations must provide "immediate" notice to the Board of Supervisors, Mayor, and Controller., submitted a resolution approving this emergency declaration to the Board of Supervisors on November 14, 2023, within the sixty day timeframe required by Administrative Code Section 6.60(d).

[1] According to DPW, M Lee Corporation is on the DPW as-needed professional and construction contracts list and was involved in the design phases of these two projects.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an emergency declaration of the Department of Public Works (DPW) related to repairs to General Hospital's cooling towers and chillers, following an unexpected failure on September 6, 2023.

Any contracts entered into under the emergency authority are exempt from Administrative Code Chapters 6 (public works contracting policies and procedures), 12A (Human Rights Commission), 12B (non-discrimination in contracts), 12C (non-discrimination in property contracts), and 14B (Local Business Enterprise utilization).

Cooling Towers and Chillers Replacement Projects

Prior to the cooling towers breaking on September 6, 2023, DPW and DPH had been collaborating on a cooling towers and chillers replacement project. The bidding process for a general contractor to complete the two projects is ongoing through December 15, 2023, according to DPH staff. DPW estimates that the total project will take 2-3 years, but the exact timeline will be determined by the awarded contractor. Given that procurement is already underway, it is not clear that the proposed emergency declaration is necessary.

Interim Building Cooling Solution

The cooling towers and chillers are currently inoperable. In order to continue providing cooling services to SFGH Building 3 and 5, DPH has procured rental equipment, although the cooling is at reduced capacity.

FISCAL IMPACT

DPH and DPW are still developing a funding plan and project timeline for the work associated with the proposed emergency declaration.

RECOMMENDATION

Continue this item to a future Budget & Finance meeting.

Item 4 File 23-1239	Department: San Francisco Public Library

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would authorize the San Francisco Public Library to accept and expend a grant from the California State Library Building Forward, Library Infrastructure Program in the amount of $6,336,363.

Key Points

- The Main Library's roof and seismic moat are both original features of the building, constructed in 1996. Site studies conducted by the Department of Public Works confirm both the roof and moat are in state of disrepair.
- Grant and match funds will be used to replace the roof of the Main Library to stop leakage and water damage. Furthermore, the replacement of the seismic moat's joint cover will restore the structural integrity of the building in the event of an earthquake.

Fiscal Impact

- The seismic moat renovation is projected to cost $7,100,000 and the roof replacement project is estimated at $6,840,000. The total projected cost for both projects is $13,940,000.
- Per grant guidelines, the Library Preservation Fund would provide a dollar-for-dollar match with the Building Forward grant award, resulting in a combined total of $12,672,726 in grant funds and matching contributions. Any additional funds necessary to complete the renovation work to the Main Library will be paid for with the Library Preservation Fund.

Recommendation

- Approve the resolution.

MANDATE STATEMENT

City Administrative Code Section 10.170-1 states that accepting and expending Federal, State, or third-party grant funds in the amount of $100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

City Charter Section 9.118(a) states that contracts entered into by a department, board, or commission that (i) have anticipated revenues of $1 million or more, or (ii) have anticipated revenues of $1 million or more and require modifications, are subject to Board of Supervisors approval.

BACKGROUND

Building Forward Grant

The California State Library established the Building Forward: Library Infrastructure Grant Program in 2021 to support library maintenance, capital projects, broadband and technology upgrades, and device purchasing for local libraries across the state.[1] Building Forward grants prioritize life-safety and critical maintenance projects and give additional priority to proposals submitted by local libraries located in high-poverty areas. Guidelines mandate local library jurisdictions to match state funds on a dollar-for-dollar basis. The inaugural round of funding under the Building Forward program was issued in 2022, awarding more than $312 million in grant funds to 246 libraries across California.[2]

In December 2022, the California State Library opened applications for the second round of Building Forward grant funding. Individual library facilities were each eligible for up to $10 million in grant funding, inclusive of any funds awarded during Round One, and competed for a total of $175 million in available Round Two funding. Applications were evaluated by an independent external advisory panel according to the criteria of identifying need, meeting need, project feasibility, and projected costs. Based on established grant priorities and application evaluation scores, the panel awarded $172 million in grant funds to 34 local libraries across the state.

The San Francisco Public Library applied for $6,969,999 in Round Two funding for two renovation projects at the Main Library facility. After adjusting for allowable costs, the California State Library approved the proposal and awarded the City with a Building Forward grant in the amount of $6,336,363.

[1] The State of California Budget Act of 2021 (SB 129) allocated $439 million in one-time funding to the State Library to support the Building Forward Grant Program. The California State Legislature amended SB 129 in 2022 to appropriate an additional $50 million for the State Library's grant program for fiscal year 2022-23, increasing the total amount of funding to $489 million across two years.

[2] The San Francisco Public Library applied for and was awarded $13,210,129 in funds supporting renovations for the Mission Branch and Chinatown Branch libraries under Round One.

Main Library Renovation Projects

The current roof and seismic moat of the San Francisco Main Library are original features of the building, which finished construction in 1996.[3] Site studies conducted by the San Francisco Department of Public Works in early 2023 found that the roof and moat are both beyond their serviceable life. The roof sporadically fails, allowing water to enter the building and risking damage to the Library's collections. Moreover, the metal support components of the seismic moat are badly corroded and warping the pavement around the building. Public Works advises there is a strong possibility the moat would collapse during a moderate-to-large earthquake and block the exit paths of evacuating patrons.

Based on their findings, Public Works (and its contractors) made preliminary recommendations to remedy the critical maintenance and life-safety issues at the Main Library. The roof replacement renovation project will replace the Main Library's roof and adjacent features to stop damaging leaks and extend the lifespan of the roof by 20 years. Furthermore, the seismic moat renovation project will bolster the Library's structural integrity in the event of an earthquake by replacing the moat's corroding joint cover. Following the execution of the proposed grant agreement, Public Works will initiate a competitive bid for contracts to provide construction services for both projects.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize the San Francisco Public Library to accept and expend a grant from the California State Library Building Forward, Library Infrastructure Program in the amount of $6,336,363. The grant requires that the San Francisco Library match the state-issued funds at a dollar-for-dollar basis over the course of the grant period, which extends from the date of Agreement execution through June 2027.

Use of Grant Funds

If approved by the Board of Supervisors, Building Forward, Library Infrastructure Program grant funds would support two renovation projects for the Main Library facility of the San Francisco Public Library system. Grant guidelines do not permit project budgets to include indirect costs in order to maximize use of grant funds on projects.

Seismic Moat Project

Building Forward grant funds and match would replace the seismic moat joint cover and remedy the uneven pavement surrounding the building. Funding would also cover project controls including architecture and engineering fees, project management costs, planning fees, and permits. Public Works estimates construction would begin February 2025 and extend 18 months through August 2026. The San Francisco Public Library anticipates that for both renovation

[3] The Main Library's seismic moat decouples the superstructure of the library from its foundation, allowing the two components to move independently from one another during an earthquake and ultimately dampen seismic impact.

projects, project planning and design will be completed by the fifth Quarter following the grant execution and the contractors will be selected by the sixth Quarter.

Roof Project

Building forward grant funds and match would cover the costs to replace the Library's roof and accessory repairs. This work includes replacing the roof's drainage system, reinstalling the parapet cap, and making repairs to the atrium's windows and skylights. Public Works estimates construction would span 12 months, beginning January 2025 and finishing in January 2026.

Grant Disbursement Schedule

The draft agreement requires that the California State Library will provide grant funds in three installments. The first payment will total 50 percent of the overall grant amount and be paid upon the receipt and approval of all required documents submitted from the San Francisco Public Library to the State Library. A second installment in the amount of 40 percent of the total grant agreement will be paid after the submission and approval of the January 2025 financial report. The third and final payment of 10 percent of the grant amount will be disbursed following the submission and approval of the final interim grant report and financial claim form.

Grant Reporting Requirements

As per the terms outlined in the proposed grant agreement, the San Francisco Public Library is obligated to submit quarterly reports to the State Library, totaling 15 reports through November 2027. Each of these reports must include a fiscal report outlining expenditures incurred during the reporting period. Furthermore, the San Francisco Public Library must provide the State Library with a narrative report every other quarter that speaks to the project's progress in alignment with the implementation plan.

FISCAL IMPACT

The two Main Library renovation projects are funded by the proposed State Building Forward grants and matching funds from the San Francisco Library Preservation Fund.[4] According to the grant application submitted by the San Francisco Public Library and communication from Library Chief Financial Officer, Mike Fernandez, any project costs incurred beyond the sum of the grant funds and match will be covered by the Library Preservation Fund. The total cost of the renovation is projected to be $13,940,000 with $6,840,000 as the cost for the roof renovation project and the seismic moat renovation totaling $7,100,000. Sources and uses for the renovation projects are shown in Exhibit 1 below.

[4] The Library Preservation Fund encompasses 99% of the San Francisco Public Library budget as of FY 2023. In 2022, LPF was renewed by San Francisco voters for 25 years.

Exhibit 1: Sources and Uses of Library Renovation Project Funding

	Roof Renovation	Moat Renovation
Sources		
Building Forward Grant	$3,109,090	$3,227,272
City Match, Library Preservation Fund	3,109,090	3,227,272
Additional Library Preservation Fund	621,819	645,455
Total Sources	**$6,840,000**	**$7,100,000**
Uses		
Construction	$4,840,000	$5,090,000
Project Control	1,800,000	1,800,000
Allowances	200,000	200,000
Total Uses	**$6,840,000**	**$7,090,000**

Source: Project Budgets

RECOMMENDATION

Approve the proposed resolution.

Item 5 File 23-1201	Department: Mayor's Office of Housing and Community Development

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would approve an amendment to a grant agreement between MOHCD and Eviction Defense Collaborative, Inc. (EDC) to increase the grant amount by $4.4 million for a total not to exceed amount of $6,280,000 with no change to the grant term ending June 2024. The proposed grant (OCOH Grant) together with another grant (General Grant) to EDC fund the same services and would total $11,391,504.

Key Points

- In June 2018, San Francisco voters approved Proposition F, which established that all residential tenants facing eviction have the right to legal defense. Under the Mayor's Office of Housing and Community Development's (MOHCD's) Tenant Right to Counsel Program, tenants served with a notice of eviction or unlawful detainer complaint can receive legal assistance, including but not limited to providing legal advice, filing responsive pleadings, and appearing in court proceedings on behalf of the tenant.
- The Eviction Defense Collaborative (EDC) provides legal services and serves as the lead partner for the Program, managing the referral process and coordinating with seven other legal services organizations under two separate grant agreements with MOHCD. One grant agreement (OCOH Grant) totaling $1,880,000 is funded by the Our City, Our Home Fund, and the other grant agreement (General Grant) totaling $5,111,504 is funded by the Community Development Block Grant (CDBG) program and the Housing Trust Fund.
- The proposed amended grant would increase the number of tenants served across the two grants from 892 to 1,450, an increase of 63 percent.

Fiscal Impact

- The proposed total budget across the two grants includes $5.6 million for salaries and benefits (49 percent), $2.5 million for contractual services (22 percent), $1.2 million for indirect costs (11 percent), $1.2 million for other expenses such as the cost of utilities (10 percent), with remaining amounts for rent (four percent), and equipment (three percent).

Policy Consideration

- While MOHCD reports there is a regular process to review EDC's performance, MOHCD does not formally document EDC's performance, such as through an annual monitoring process. We recommend that the Board of Supervisors request that MOHCD formally document program performance (such as through an annual monitoring report) and update performance measures in future grant agreements for the program to include program aggregated outcomes, in addition to the existing detailed measures.

Recommendation

- Approve the proposed resolution.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

Tenant Right to Counsel Program

In June 2018, San Francisco voters approved Proposition F, which established that all residential tenants facing eviction have the right to legal defense. The policy requires that legal assistance be available to a tenant from the beginning (30 days after service of an eviction notice or upon service of an unlawful detainer complaint[1]) to the end of eviction proceedings when the complaint is withdrawn, the case is dismissed, or a judgment is entered. Under the Mayor's Office of Housing and Community Development's (MOHCD's) Tenant Right to Counsel Program, tenants served with a notice of eviction or unlawful detainer complaint can receive legal representation, including but not limited to providing legal advice, filing responsive pleadings, and appearing in court proceedings on behalf of the tenant. Eight legal services organizations provide legal services under the program via grant agreements with MOHCD.

Eviction Defense Collaborative Grant Agreements

The Eviction Defense Collaborative (EDC) provides legal services and serves as the lead partner for the program, managing the referral process and coordinating with the seven other organizations[2] under two separate grant agreements with MOHCD summarized in Exhibit 1 below. One grant agreement (OCOH Grant) totaling $1,880,000 is funded by the Our City, Our Home Fund, and the other grant agreement (General Grant) totaling $5,111,504 is funded by the Community Development Block Grant (CDBG) program and the Housing Trust Fund. The total grant amount across the two grants is $6,991,504.

[1] An eviction notice terminates tenancy and tells a tenant to vacate within a specified time frame. An unlawful detainer complaint may be filed in Superior Court after an eviction notice has expired.

[2] The other Tenant Right to Counsel providers are: AIDS Legal Referral Panel (EDC subcontractor), Open Door Legal (EDC subcontractor), Bay Area Legal Aid (BayLegal), Homeless Advocacy Project (Justice & Diversity Center of the Bar Association of San Francsico, BayLegal subcontractor), Legal Assistance to the Elderly (BayLegal subcontractor), Nihonmachi Legal Outreach dba Asian Pacific Islander Legal Outreach, Tenderloin Housing Clinic.

Exhibit 1: EDC OCOH Grant and General Grant

	OCOH Grant	General Grant
Term Start	1/1/2023	7/1/2023
Term End	6/30/2024	6/30/2024
Term Length	1.5 Years	1 Year
Amount	$1,880,000	$5,111,504
Funding Source	OCOH	CDBG, Housing Trust Fund

Source: Grant Agreements

Procurement

The two grants to EDC were awarded through the Community Development Services FY 2021-22 Request for Proposals (RFP) issued on March 26, 2021. According to MOHCD staff, MOHCD received four proposals for the Tenant Right to Counsel strategy under the Eviction Prevention & Housing Stabilization program area. As the top scoring proposal, EDC was awarded funding as the lead partner and the three other proposals were also awarded funding.[3] However, MOHCD did not provide detailed documentation of scoring. Following the RFP, MOHCD entered into grant agreements with EDC and other providers starting in July 2021. The agreements did not require Board approval because they were under ten years and less than $10 million. Rather than amending the original agreements to extend the terms and add funding, MOHCD entered into new agreements, which are the subject of the proposed resolution. According to MOHCD staff, the Department typically enters into one or two year grant agreements because federal and local funding is variable year-to-year and because shorter term agreements allow modifications to grant plans and easier tracking. Had the original agreements been extended beyond FY 2021-22, they would have required Board approval before this time.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve an amendment to a grant agreement between MOHCD and Eviction Defense Collaborative, Inc. (EDC) to increase the grant amount by $4.4 million for a total not to exceed amount of $6,280,000 with no change to the grant term ending June 2024. Because the proposed grant (OCOH Grant) together with another grant (General Grant) to EDC fund the same services and would total $11,391,504, the two agreements require Board of Supervisors' approval.

[3] Proposals were reviewed by two panelists, MOHCD Manager of Eviction Prevention and Housing Stabilization Programs and DonorsChoose.org Partnerships Director. According to MOHCD staff, EDC's Tenant Right to Counsel proposal received a score of 99.8 out of 100. The other three proposals were from Asian Pacific Islander Legal Outreach (score of 77.7), Tenderloin Housing Clinic (score of 98.0), and Bay Area Legal Aid (score of 98.8) according to MOHCD staff.

According to MOHCD staff, the $4.4 million increase reflects EDC's FY 2023-24 award from the OCOH Fund.

Services

Under the proposed amended OCOH Grant Agreement, EDC would provide the following services to a total of 750 unduplicated clients, up from 190 unduplicated clients under the existing agreement, or a nearly three-fold increase. Total unduplicated clients served under the two grants would be 1,450, up from 892, or an increase of 63 percent:

- Full Scope Legal Representation to 425 households facing eviction or 825 across both grants, up from 50 under the existing agreement or 450 across both grants.
- Limited Scope Legal Representation in other eviction-related matters at Mandatory Settlement Conference to 75 households, up from seven.
- Counsel, advice and limited services at unlawful detainer, pre-unlawful detainer, and eviction notice stages to 750 households, up from 130.
- Legal assistance to tenants who cannot be paired with an attorney, including assistance with an emergency answer to avoid a default judgment.

In addition, under the General Grant Agreement, EDC provides the same services as outlined above, as well as managing referrals of tenants to other legal services organizations, including two subgrantees under the EDC grant. This requires determining if there are attorneys available in the Tenant Right To Counsel System, providing information to other legal services organizations so that the organization can check for conflicts of interest, and connecting the tenant with their full-scope attorney once an organization has confirmed they have capacity and no conflicts of interest.

Performance and Fiscal Monitoring

The grant agreements include numerous measures capturing level of service (number of clients served) and detailed legal service outcomes (such as number of full-scope representation cases settled with the tenant staying or being evicted or number of full-scope representation cases litigated with the tenant staying or being evicted). The grant agreements do not include high-level program outcomes (such as the share of tenants that remain in their homes or the share of tenants that are evicted but move into other stable housing), but MOHCD staff are able to calculate these outcomes using a data dashboard that aggregates the detailed measures.

According to MOHCD staff, MOHCD monitors EDC's performance through review of monthly reports submitted via MOHCD's Grants Management System. In addition, MOHCD staff meets weekly with EDC staff to discuss program management. While MOHCD reports there is a regular process to review EDC's performance, MOHCD does not formally document EDC's performance, such as through an annual monitoring process. MOHCD staff also report that MOHCD is currently working on an evaluation of the Tenant Right to Counsel program (across all providers) based on a four-year dataset of program, court, and Sheriff's Office data. MOHCD staff expect to complete the evaluation in Spring 2024.

The Grants Management System reports reflect the detailed measures in the grant agreements and do not summarize program outcomes, but MOHCD staff report they are able to review

program outcomes in using the data dashboard. MOHCD staff report that they prepare annual datasets to use Power BI to summarize data from the Grants Management System reports to assess program outcomes.

We pulled data on service levels from the June 2023 monthly reports on the two grants. That data shows that EDC is exceeding required service levels. We were unable to synthesize the data on legal service outcomes in time for this report. However, based on screenshots provided by MOHCD from the data dashboard for FY 2022-23, 277 clients receiving full-scope representation stayed in their homes (78 percent of goal), 100 additional clients moved out but had sufficient time and/or money to secure alternate housing (57 percent of goal), and 51 clients moved out without sufficient time and/or money to secure alternate housing (85 percent of goal).[4] We did not receive program outcome information for tenants receiving limited service or pro per assistance.

Exhibit 2: EDC Tenant Right to Counsel Service Measures, FY 2022-23

	OCOH		General Grant		Both Grants		
Service Measure	Actual	Goal	Actual	Goal	Total Actual	Total Goal	% of Goal
Unduplicated Clients	371	172	1,258	335	1,629	507	321%
Full Scope Representation	47	82	408	325	455	407	112%
Limited Service			759	335	759	335	227%
Limited Service Referrals w/o Unlawful Detainer Complaint	37	9			37	9	411%
Limited Service Referrals w/ Unlawful Detainer Complaint	246	54			246	54	456%
Limited Scope Representation at Mandatory Settlement Conference	15	5	129	40	144	45	320%
Pro Per Assistance* Answer/Responsive Pleading	204	22	550	177	754	199	379%

Source: BLA review of June 2023 GMS reports for the two grants

*Includes legal assistance to tenants who cannot be paired with an attorney and are representing themselves

Fiscal Monitoring

There were three findings as a result of MOHCD's fiscal and compliance monitoring of EDC for FY 2022-23. According to a letter from MOHCD to EDC that incorporated responses from EDC, MOHCD determined that EDC was in conformance with two of the standards that had resulted in findings and was not yet in conformance with a third standard that had resulted in a finding reflecting EDC's funding from non-City sources. According to the letter, 6.48 percent of EDC's FY

[4] Note outcome totals vary slightly from service measures in Exhibit 2

2022-23 budget was from non-City sources compared to the standard of 15 percent. This standard will be reviewed again during the FY 2023-24 monitoring period according to the letter.

FISCAL IMPACT

The proposed amended grant would increase the OCOH Grant not-to-exceed amount by $4.4 million for a total not to exceed of $6,280,000. The proposed OCOH Grant together with the General Grant for the Tenant Right to Counsel program would total $11,391,504. Exhibit 3 below shows budgeted expenditures for the two grants.

Exhibit 3: OCOH Grant and General Grant Budgeted Expenditures

Expenditure	Current OCOH Grant	Proposed OCOH Grant	General Grant *(no change)*	Current Total *(2 Grants)*	Proposed Total *(2 Grants)*	Proposed Change
Salary	$404,229	$2,370,925	$2,171,863	$2,576,092	$4,542,788	$1,966,697
Fringe	97,015	569,022	521,247	618,262	1,090,269	472,007
Contractual Services	639,444	1,385,568	1,152,351	1,791,795	2,537,919	746,124
Equipment	281,829	319,130	75,000	356,829	394,130	37,301
Space Rental		220,889	202,344	202,344	423,233	220,889
Other*	240,227	721,121	436,764	676,991	1,157,885	480,894
Indirect (11%)	217,257	693,344	551,935	769,192	1,245,279	476,087
Total	**$1,880,000**	**$6,280,000**	**$5,111,504**	**$6,991,504**	**$11,391,504**	**$4,400,000**

Source: Grant Agreements

*Other costs include the cost of utilities, insurance, buildout and maintenance of the program database, digital marketing, program supplies, staff travel, litigation expense, Bar fees, and administrative costs, including temporary administrative consultants

The proposed total budget across the two grants includes $5.6 million for salaries and benefits (49 percent), $2.5 million for contractual services (22 percent), $1.2 million for indirect costs (11 percent), $1.2 million for other expenses such as the cost of utilities (10 percent), with remaining amounts for rent (four percent), and equipment (three percent). MOHCD was unable to provide the number of full-time equivalent staff funded by the two agreements.

Contractual Services

Contractual services totaling $2.5 million include funding for seven subcontractors. EDC sends referrals for Tenant Right to Counsel legal services to two of the subcontractors, AIDS Legal Referral Panel and Open Door Legal. Subcontractors are summarized in Exhibit 4 below.

Exhibit 4: OCOH Grant and General Grant Contractual Services

Contractor Name	Service Type	Proposed OCOH Grant	General Grant	Proposed Total *(2 Grants)*
AIDS Legal Referral Panel	Referrals for Legal Services	$495,386	$490,000	$985,386
Open Door Legal	Referrals for Legal Services	468,977	390,000	858,977
Techbridge & Reporting Gurus	IT: buildout and maintenance of Justice Server and SQL	86,087	65,173	151,260
Careers for Non-Profits	Capacity Building: HR Recruitment Fees	182,826	33,258	216,084
UIS	IT: IT and Tech Support Services	77,291	53,921	131,212
Mairi McKeever	Professional Services	25,000	50,000	75,000
To Be Determined	HR and Federal Compliance Attorneys	50,000	70,000	120,000
Total		**$1,385,568**	**$1,152,352**	**$2,537,920**

Source: Grant Agreements

Utilities and Space Rental

According to MOHCD staff, EDC allocates the costs of its 976 Mission Street lease and utilities to City grants based on square footage of office space that each program uses. However, budgeted utility costs (within other expenses) and space rental costs across the two grants are higher than the program's prorated share for FY 2023-24. According to MOHCD staff, $262,000 of total rental expense of $531,000 should be allocated to the two grants, and $150,000 of estimated total utility costs of $280,000 should be allocated to the two grants, for a total of $412,000 in rent and utilities for FY 2023-24. Across the two grants, the budgets include $423,233 for space rental and $421,475 for utilities, for a total of $844,708 in rent and utilities, which is $432,708 greater than the two grants' prorated share.[5] MOHCD staff report that they intend to revise the budget after the proposed grant is approved to right-size allocated rent and utilities costs.

Savings from correcting the grant funding for EDC's rent and utilities could be repurposed for other uses in FY 2023-24.

EDC Personnel Costs

As shown above, the proposed grant amendment increases salary and benefit costs by $2.4 million with only seven months remaining of the grant term. MOHCD staff report that the additional funding will allow the program to serve more households but did not provide additional detail on the number of new staff that would be funded by the increase.

[5] We assume increases in the OCOH grant budget for utilities and rent ($221,475 and $220,889 respectively) are for FY 2023-24. Therefore, the amounts above exclude $20,358 in utilities under the existing OCOH grant agreement, which we assume funded utilities expenses between January 2023 and June 2023.

Actual Spending

As of November 1, 2023, actual spending on the OCOH Grant of $1.8 million totaled $1,103,595 with $776,405 remaining (41 percent) through June 2024. As of November 1, 2023, actual spending on the General Grant of $5,111,504 totaled $1,117,371 with $3,994,133 remaining (78 percent) through June 2024. If the proposed grant is approved, approximately $9.17 million will be available for EDC services under the Tenant Right to Counsel program across the two grants.

Funding Sources

The proposed OCOH Grant is funded by the OCOH Fund. The General Grant is funded by the Housing Trust Fund (73 percent) and the Community Development Block Grant program (27 percent).

POLICY CONSIDERATION

Performance Management Could Be Formalized

The Tenant Right to Counsel Program provides critical legal services to tenants facing eviction. The proposed amended grant would increase the number of tenants served across the two grants from 892 to 1,450, an increase of 63 percent. As noted above, MOHCD tracks a variety of grant activities and outcomes throughout the year. However, MOHCD does not formally document EDC's performance. We recommend that the Board of Supervisors request that MOHCD formally document grant performance (such as through an annual monitoring report) and update performance measures in future grant agreements for the grant to include aggregated program outcomes (such as numbers of tenants evicted and that retained tenancy), in addition to the existing detailed measures.

RECOMMENDATION

Approve the proposed resolution.

Item 6 File 23-1113	**Department:** Civil Service Commission (CSC), Office of Labor Standards Enforcement (OLSE)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolution would fix prevailing wage rates for employees of businesses having City contracts that (1) perform public works and improvement projects, (2) perform janitorial or window cleaning services, (3) work in public off-street parking lots, garages, or storage facilities for vehicles on property owned or leased by the City, (4) engage in theatrical services or technical services related to the presentation of shows on property owned or leased by the City, (5) haul solid waste, (6) perform moving services at facilities owned or leased by the City, (7) perform exhibit, display, or trade show work at special events in the City, (8) work in broadcast services on City property, (9) drive, load, or unload commercial vehicles on City property in connection with shows or special events, (10) perform security guard services, and (11) perform motor bus services.

Key Points

- The proposed resolution would establish the following changes to prevailing wage basic hourly rates: (1) construction employees would receive wage rate increases that vary by classification, ranging from no increase to an increase of $5.62 per hour; (2) janitorial and window cleaning employees would receive no wage rate increase; (3) garage and parking lot employees would a wage rate increase depending on classification ranging from $0.79 to $1.10 per hour; (4) theatrical employees would receive a wage rate decrease depending on classification ranging from $2.31 to $5.03 per hour; (5) solid waste haulers would receive a wage rate increase depending on classification ranging from $1.57 to $2.05 per hour; (6) employees performing moving services would receive a wage rate increase of $0.75 per hour; (7) employees performing trade show work would receive a wage rate increase depending on classification ranging from $1.40 to $1.54 per hour; (8) broadcast employees would receive a wage rate increase depending on classification ranging from $0.55 to $3.28 per hour; (9) loaders and unloaders would receive a wage rate increase depending on classification ranging from $1.00 to $1.25 per hour; (10) security guards would receive a wage rate increase of $1.65 per hour; and (11) motor bus drivers would receive no increase.

Fiscal Impact

- Potential increased costs to the City depend on future City contractor bids and the extent to which City contractors increase the bids submitted to the City to pay for the costs of the increased prevailing wage rates. Such potential increased costs to the City cannot be estimated at this time.

Recommendation

- Approval of the proposed resolution is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

Charter Section A7.204 requires contractors that have public works or construction contracts with the City to pay employees the highest general prevailing rate of wages for similar work in private employment. The Charter allows the Board of Supervisors to exempt payment of the prevailing wage for wages paid under public works or construction contracts between the City and non-profit organizations that provide workforce development services.

Administrative Code Sections 6.22(E)(3) and 21C.7(c)(1) require the Board of Supervisors to annually set prevailing wage rates for employees of businesses having City contracts. Exhibit 1 below identifies the (a) specific Administrative Code Sections, (b) the dates each Administrative Code Section was last amended by the Board of Supervisors, and (c) the types of City contracts, leases, and/or operating agreements in which the businesses are required to pay prevailing wages.

Exhibit 1: List of City Contractors Required to Pay the Annual Prevailing Wage

Administrative Code	Date of Most Recent Amendment	Type of Contract
Section 6.22 (E)	December 22, 2015	Public works or construction
Section 21.C.1	November 6, 2020	Motor bus services
Section 21C.2	May 28, 2014	Janitorial and window cleaning services
Section 21C.3	May 28, 2014	Public off-street parking lots, garages and vehicle storage facilities
Section 21C.4	February 2, 2012	Theatrical performances
Section 21C.5	February 2, 2012	Solid waste hauling services
Section 21C.6	February 2, 2012	Moving services
Section 21C.8	June 19, 2014	Trade show and special event work
Section 21C.9	February 10, 2016	Broadcast service workers on City property
Section 21C.10	October 14, 2016	Loading, unloading and driving commercial vehicles on City property
Section 21C.11	October 28, 2016	Security guard services in City contracts and for events on City property

BACKGROUND

Businesses must pay prevailing wage rates to employees if they have contracts with the City, lease City property, or have permits for or other access to temporary use of City property. "Prevailing wages" are usually based on rates specified in collective bargaining agreements for comparable classifications in the geographic area. Businesses having contracts, leases, or permits with the City must pay the prevailing wage rate, even if the employees of the specific business are not covered by a collective bargaining agreement.

Each year, the Board of Supervisors is required to establish the prevailing wage rates for workers engaged in construction, janitorial, parking, theatrical, motor bus, solid waste hauling, moving,

trade show, security guard, and broadcast services, and for loading, unloading and driving commercial vehicles on City property.

Administrative Code Section 6.22, covering public works classifications, defines prevailing wage as the per diem wage rate, and rate for overtime and holidays. Section 21C defines the prevailing wage rate for other classifications as the base hourly wage rate and the hourly rate for fringe benefits.

To assist the Board of Supervisors in determining the prevailing wage rates, the Civil Service Commission is required to furnish the Board of Supervisors, on or before the first Monday of November of each year, relevant prevailing wage rate data. The City Attorney's Office, on behalf of the Civil Service Commission, submitted the report to the Board of Supervisors on October 23, 2023.

Administrative Code Sections 6.22(E) and 21C.7 state that the Board of Supervisors is not limited to the data submitted by the Civil Service Commission to determine the prevailing wage rates for public works construction, but may consider other information on the subject as the Board of Supervisors deems appropriate. According to Administrative Code Section 6.22(E), if the Board of Supervisors does not adopt the prevailing wage rates for public works classifications, the wage rates established by the California Department of Industrial Relations for the year will be adopted.

The Civil Service Commission's relevant prevailing wage rate data provided to the Board of Supervisors is based on a survey by the City's Office of Labor Standards Enforcement and includes collective bargaining agreements that have recently been negotiated.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would fix prevailing wage rates for employees of private businesses having the following contracts, leases, or operating agreements with the City or perform services on City property:

1. Public works and improvement project contracts,
2. Janitorial services contracts,
3. Public off-street parking lots, garages, or storage facilities for vehicles on property owned or leased by the City,
4. Theatrical or technical services related for shows on property owned or leased by the City,
5. Hauling of solid waste generated by the City in the course of City operations,
6. Moving services under City contracts at facilities owned or leased by the City,
7. Exhibit, display or trade work show services at a special event on City-owned property,
8. Broadcast services on City property,
9. Loading, unloading, and driving of commercial vehicles on City property in connection with shows or special events,
10. Security guard services, and
11. Motor bus services.

The Administrative Code requires that the Civil Service Commission provide prevailing wage data to the Board of Supervisors that includes both the basic hourly wage rate and the hourly rate of each fringe benefit, including medical and retirement benefits.

- Prevailing wage rates for various crafts and labor classifications under public works projects are established by the California Department of Industrial Relations, usually based on collective bargaining agreements that cover the employees performing the relevant craft or type of work in San Francisco.
- Prevailing wage rates for contracts for other services and classifications covered by the Administrative Code, as recommended by the Civil Service Commission, are based on the collective bargaining agreements that cover work performed in San Francisco between employers and the respective labor unions.

Attachment I to this report provides an alphabetical list of all crafts covered by the City's prevailing wage rate requirements.

FISCAL IMPACT

Attachment II to this report, prepared by the Budget and Legislative Analyst, summarizes (a) the types of contracts, leases, or operating agreements required to pay prevailing wages, (b) the respective collective bargaining agreements and labor unions, (c) the amount of the hourly wage rate increases in 2024 as compared to 2023, (d) the amount of the hourly fringe benefit rate increases in 2024 as compared to 2023, and (e) the proposed prevailing hourly wage rates.

Potential impact on the costs of future contractor bids

Under the proposed resolution, private businesses that have contracts with the City, and perform public works construction, janitorial services, parking, theatrical, moving, solid waste hauling services, trade show work, broadcasting services, loading and unloading, security guard services, and motor bus services in San Francisco, would be required to pay their employees at least the prevailing wage rates as shown in Attachment II of the report. Increases in the prevailing wage rates could result in increased costs of future City contracts. However, any increased contract costs to the City as a result of the proposed prevailing wage rates are dependent on future City contractors' bids and the extent to which such higher wage rates result in higher bids submitted by City contractors. Therefore, such potential increased costs to the City cannot be estimated at this time.

POLICY CONSIDERATION

As noted above, the Civil Service Commission's relevant prevailing wage rate data provided to the Board of Supervisors is based on a survey by the City's Office of Labor Standards Enforcement and includes collective bargaining agreements that have recently been negotiated. Because the Board of Supervisors is not limited to the data submitted by the Civil Service Commission to determine the prevailing wage rates for public works construction but may consider other information on the subject as the Board of Supervisors deems appropriate, we consider approval of the proposed resolution to be a policy matter for the Board of Supervisors.

RECOMMENDATION

Approval of the proposed resolution is a policy matter for the Board of Supervisors.

List of the Crafts Covered by Prevailing Wage Requirements

Asbestos Removal Worker (Laborer)
Asbestos Worker, Heat and Frost Insulator
Boilermaker-Blacksmith
Broadcast Services Workers
Brick Tender
Bricklayer, Blocklayer
Building/Construction Inspector
Carpenter and Related Trades
Carpet, Linoleum
Cement Mason
Dredger (Operating Engineer)
Drywall Installer (Carpenter)
Electrical Utility Lineman
Electrician
Elevator Constructor
Field Surveyor
Furniture Movers and Related Classifications
Glazier
Iron Worker
Janitorial Services Worker
Janitorial Window Cleaner Workers
Laborer
Landscape Maintenance Laborer
Light Fixture Maintenance
Loaders and Unloaders
Marble Finisher
Marble Mason
Metal Roofing Systems Installer
Modular Furniture Installer (Carpenter)
Motor Bus Driver
Moving Services
Operating Engineer
Operating Engineer (Building Construction)
Operating Engineer (Heavy and Highway Work)
Painter
Parking and Highway Improvement Painter (Painter)
Parking Lot and Garage Workers
Pile Driver (Carpenter)
Pile Driver (Operating Engineer - Building Construction)
Pile Driver (Operating Engineer - Heavy and Highway Work)
Plaster Tender
Plasterer
Plumber
Roofer
Security Guards
Sheet Metal Worker (HVAC)
Slurry Seal Worker
Solid Waste Hauling Workers
Stator Rewinder
Steel Erector and Fabricator (Operating Engineer - Heavy & Highway Work)
Steel Erector and Fabricator (Operating Engineer - Building Construction)
Teamster
Telecommunications Technician
Telephone Installation Worker
Terrazzo Finisher
Terrazzo Worker
Theatrical Workers
Tile Finisher
Tile Setter
Trade Show and Special Event Workers
Traffic Control/Lane Closure (Laborer)
Tree Maintenance (Laborer)
Tree Trimmer (High Voltage Line Clearance)
Tree Trimmer (Line Clearance)
Tunnel Worker (Laborer)
Tunnel/Underground (Operating Engineer)
Water Well Driller

Type of Contract, Lease, or Operating Agreement	Collective Bargaining Agreement and/or Labor Union	Hourly Wage Rate Increase/ Decrease in 2024 compared to 2023	Hourly Fringe Benefits Rate Increase/ Decrease in 2024 compared to 2023	Proposed Prevailing Wage Rates (Hourly Wage Rate + Hourly Fringe Benefit Rate)
Public Works and Construction	California Department of Industrial Relations	Varies by classification, ranging from no increase for certain plumbers to an increase of $5.62 per hour for certain cable splicers.	Varies by classification, ranging from no increase for certain plumbers and water well drillers to an increase of $2.25 for certain inside wiremen and cable splicers.	Varies by classification: -The low wage rate increases from $19.50 to $20.00 per hour for water well driller helpers. -The high wage increases from $133.73 to $141.60 per hour for cable splicers.
Janitorial Services Contract	Collective bargaining agreement between the San Francisco Maintenance Contractors Association and the Service Employees International Union, Building Services Employees Union, Local 1877, Division 87.	No changes.	Varies by classification, from an increase of $0.29 per hour to an increase of $0.39 per hour.	Varies by classification: -The low wage increases from $27.66 per hour to $27.95 per hour. -The high wage increases from $34.97 per hour to $35.36 per hour.
Window Services Contract	Collective bargaining agreement between the San Francisco Window Cleaning Contractors Association and Window Cleaners Union – Service Employees International Union Local 1877, AFL-CIO	No changes.	An increase of $0.40 per hour.	Varies by classification: -The low wage increases from $43.18 per hour to $43.58 per hour. -The high wage increases from $44.72 per hour to $45.12 per hour.
Public Off-Street Garage Employees	San Francisco Master Parking Agreement between the Signatory Parking Operators and Teamsters Automotive and Allied Workers, Local 665.	Varies by classification, from an increase of $0.79 per hour to an increase of $1.10 per hour.	Varies by classification, from an increase of $0.74 per hour to an increase of $0.80 per hour.	Varies by classification: -The low wage increases from $32.87 per hour to $34.40 per hour. -The high wage increases from $42.08 per hour to $43.98 per hour.

Type of Contract, Lease, or Operating Agreement	Collective Bargaining Agreement and/or Labor Union	Hourly Wage Rate Increase/ Decrease in 2024 compared to 2023	Hourly Fringe Benefits Rate Increase/ Decrease in 2024 compared to 2023	Proposed Prevailing Wage Rates (Hourly Wage Rate + Hourly Fringe Benefit Rate)
Theatrical Services	Collective Bargaining Agreement between Another Planet Entertainment and International Alliance of Theatrical Stage Employees, Local 16, Moving Picture Technicians, Artists and Allied Crafts, and Canada Local 16	Varies by classification, from an increase of $2.31 per hour to an increase of $5.03 per hour.	Varies by classification, from an increase of $0.84 per hour to an increase of $1.83 per hour.	Varies by classification: -The low wage increases from $52.59 per hour to $53.32 per hour. -The high wage increases from $114.33 per hour to $121.19 per hour.
Solid Waste Hauling	Collective Bargaining Agreement between Recology Sunset & Recology Golden Gate and Sanitary Truck Drivers and Helpers Union Local 350, IBT	Varies by classification, from an increase of $157 per hour to an increase of $2.05per hour.	An increase of $0.37 per hour. (Does not include vacation benefits which vary based on length of employment).	Varies by classification: ·The low wage increases from $75.20 per hour to $77.43 per hour. -The high wage increases from $92.52 per hour to $95.06 per hour.
Moving Services	Collective Bargaining Agreement between the Service Westand the Northern California Regional Council of Carpenters and the Carpenters 46 Northern California Counties Conference Board.	An increase of $0.75 per hour.	An Increase of $0.70 per hour.	Varies by classification: ·The low wage increases from $38.07 per hour to $39.52 per hour. ·The high wage increases from $38.92 per hour to $40.37 per hour.
Trade Shows	Collective Bargaining Agreement, between the Freeman Expositionsand Allied Trades District Council 36 on behalf of Sign Display and Allied Crafts Local Union 510	Varies by classification, from an increase of $1.40 per hour to an increase of $1.54 per hour.	Varies by classification, from an increase of $1.10 per hour to an increase of $1.11 per hour.	Varies by classification: ·The low wage increases from $74.98 per hour to $77.48 per hour. ·The high wage increases from $79.85 per hour to $82.50 per hour.
Broadcast service workers	Agreement between Purple Tally Productions, Inc., and the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists, and Allied Crafts, AFL-CIO, CLC, and Local 119/ Bay Area Freelance Ass.	Varies by classification, from an increase of $0.55 per hour to an increase of $3.28 per hour.	Varies by classification, from an increase of $0.28 per hour to an increase of $0.41 per hour.	Varies by classification: -The low wage increases from $30.31 per hour to $31.14 per hour. -The high wage increases from $111.13 per hour to $114.39 per hour.

Type of Contract, Lease, or Operating Agreement	Collective Bargaining Agreement and/or Labor Union	Hourly Wage Rate Increase/ Decrease in 2024 compared to 2023	Hourly Fringe Benefits Rate Increase/ Decrease in 2024 compared to 2023	Proposed Prevailing Wage Rates (Hourly Wage Rate + Hourly Fringe Benefit Rate)
Loaders and Unloaders	Collective Bargaining Agreement between Freeman Exposition Inc., GES/Global Experience Specialists, Curtin Convention & Exposition Services, Inc., and all other signatory employers within the greater San Francisco Bay Area and Teamsters Local 2785, Local 287 and Local 70	Varies by classification, from an increase of $1.00 per hour to an increase of $1.25 per hour.	Varies by classification, from an increase of $1.07 per hour to an increase of $1.10 per hour.	Varies by classification: -The low wage increases from $66.67 per hour to $68.74 per hour. -The high wage increases from $68.05 per hour to $70.40 per hour.
Security Guard Services	Collective Bargaining Agreement between Universal Protection Services LP, dba Allied Universal Security Services, Securitas Security Services USA, Inc., GardaWorld Security, ProGuard Security, ABC Security Services, Chenega Security California Corp., Prosegur Security, Genesis Security, PalAmerican Security and Services Employees International Union, United Services Workers West	An increase of $1.65 per hour.	An increase of $0.48 per hour.	Increases from $22.04 per hour to $24.17 per hour.
Motor Bus Services	Collective Bargaining Agreement between Bauer's Intelligent Transportation, Inc. and Teamsters Local Union No. 665	No increase.	No increase.	Varies by classification: -The low wage remains at $35.50 per hour. -The high wage remains at $43.05 per hour.

Items 7 - 16 Files 23-1227 – 23-1236	Department: Office of Contract Administration (OCA)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed resolutions would approve Technology Marketplace 3.0 contracts with the following vendors: (1) Xtech JV (File 23-1227); (2) Presidio Networked Solutions Group, LLC (File 23-1228); (3) InterVision Systems, LLC (File 23-1229); (4) Insight Public Sector, Inc. (File 23-1230); (5) Cornerstone Technology Partners II JV (File 23-1231); (6) CCT Technologies, Inc. dba ComputerLand of Silicon Valley (File 23-1232); (7) Central Computers Inc. (File 23-1233); (8) California Creative Solutions, Inc. dba CCS Global Tech (File 23-1234); (9) CDW Government LLC (File 23-1235); and (10) Accenture LLP (File 23-1236). Each contract would have a term of five years, from January 2024 through December 2028; and an amount not to exceed $20,000,000.

Key Points

- The Office of Contract Administration (OCA) manages the Technology Marketplace, a set of Citywide agreements that provide information technology goods and services. City departments may make purchases from these agreements on an as-needed basis.
- In August 2023, OCA issued a Request for Proposals (RFP) for Technology Marketplace 3.0 to award new contracts, replacing Technology Marketplace 2.0 contracts that expire on December 31, 2023. The RFP allowed proposers to apply for five-year contracts for amounts not to exceed $20,000,000 or $9,000,000. OCA received 21 proposals for contracts valued at $20,000,000, and as per the RFP, the top 10 scoring proposers were awarded contracts.
- Unlike Technology Marketplace 2.0, which differentiated "Tier 1," "Tier 2," and "Tier 3" contracts by product and service options, Technology Marketplace 3.0 allows all vendors to compete with each other, regardless of contract size. City departments looking to procure goods and services through the Technology Marketplace would seek quotes from vendors or conduct a competitive selection process, with a purchase order amount ranging from $10,000 to $2,500,000. Purchase orders over $25,000 would require a solicitation to be sent to all Technology Marketplace vendors.

Fiscal Impact

- The proposed contracts would each have an initial amount not to exceed $20,000,000 over the five-year term, or a total amount not to exceed $200,000,000 between the 10 contracts. The contracts will likely be increased, as occurred under Technology Marketplace 2.0. The Budget and Legislative Analyst estimates that total expenditures on all Technology Marketplace 3.0 contracts (not just the proposed contracts) over five years will be approximately $455.5 million.

Recommendation

- Approve the proposed resolutions.

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of $10 million or more, or (3) requires a modification of more than $500,000 is subject to Board of Supervisors approval.

BACKGROUND

The Office of Contract Administration (OCA) selects information technology firms through a competitive Request for Proposals (RFP) process to provide goods and services through the Technology Marketplace. City departments may purchase technology products and specialized services through the Technology Marketplace on an as-needed basis.

In August 2023, OCA issued an RFP for Technology Marketplace 3.0 to award new contracts, replacing Technology Marketplace 2.0 contracts that expire on December 31, 2023. The RFP allowed proposers to apply for five-year contracts for amounts not to exceed $20,000,000, which may be increased if needed, or $9,000,000, which may not be increased to an amount equal to or greater than $10,000,000.[1] Additionally, OCA issued a separate RFP for Micro LBE (local business enterprise) set-aside contracts, which are limited to $200,000.

OCA received 21 proposals for contracts valued at $20,000,000 and an evaluation panel reviewed and scored them, as shown in Exhibit 1 below.[2] As per the RFP, the ten highest scoring proposers were awarded $20 million contracts. In addition, 44 proposers were awarded $9,000,000 contracts, and 37 proposers were awarded $200,000 Micro LBE contracts, which do not require Board of Supervisors' approval.[3]

[1] Proposers that sought contracts for both amounts, if qualified to be awarded, were required to select one contract value.

[2] The evaluation panel included an IT Director from the City Administrator's Office, a Deputy Assessor of Finance and Administration from the Office of the Assessor-Recorder, a Strategic Sourcing Manager from the Department of Technology, and an IT Director from the Controller's Office.

[3] Proposers that sought $9,000,000 contracts were awarded contracts if they met the minimum qualifications and minimum score requirements. Proposers that sought $200,000 contracts were awarded contracts if they met the minimum qualifications.

Exhibit 1: Proposers and Scores from RFP

Rank	Proposer	Score (Out of 92 Possible Points)
1	ComputerLand of Silicon Valley	83.31
2	Xtech JV	81.00
3	CCS Global Tech	76.55
4	Insight Public Sector	76.06
5	CDW Government	75.08
6	Cornerstone Technology Partners	74.37
7	InterVision Systems	73.47
8	Central Computers	73.12
9	Accenture	70.73
10	Presidio Networked Solutions Group	68.23
11	Dotsolved	68.02
12	Zones	66.78
13	Kambrian	66.25
14	Convergeone	65.95
15	Horizon	63.75
16	Evotek	63.58
17	Computacenter	55.87
18	3di	51.87
19	Compunnel	47.14
20	Stellar	46.73
21	Protiviti	43.55

Source: OCA

DETAILS OF PROPOSED LEGISLATION

The proposed resolutions would approve Technology Marketplace 3.0 contracts with the following vendors: (1) Xtech JV (File 23-1227); (2) Presidio Networked Solutions Group, LLC (File 23-1228); (3) InterVision Systems, LLC (File 23-1229); (4) Insight Public Sector, Inc. (File 23-1230); (5) Cornerstone Technology Partners II JV (File 23-1231); (6) CCT Technologies, Inc. dba ComputerLand of Silicon Valley (File 23-1232); (7) Central Computers Inc. (File 23-1233); (8) California Creative Solutions, Inc. dba CCS Global Tech (File 23-1234); (9) CDW Government LLC (File 23-1235); and (10) Accenture LLP (File 23-1236). Each contract would have a term of five years, from January 2024 through December 2028; and an amount not to exceed $20,000,000.

Unlike Technology Marketplace 2.0, which differentiated "Tier 1," "Tier 2," and "Tier 3" contracts by product and service options, Technology Marketplace 3.0 allows all vendors to compete with each other, regardless of contract size.[4] According to a November 2023 memo from OCA on the proposed contracts, this change will expand opportunities for LBEs since LBEs will be able to compete as vendors on all transactions and can also benefit from their LBE rating bonuses and

[4] According to Procurement Manager Sanchez, OCA had anticipated that City departments would have a more targeted audience for specific purchases within the Technology Market Place 2.0 tiers. OCA determined that this did not provide benefit to the City and complicated administration of the pool, so OCA is proposing to remove the tier system.

bid discounts. In addition, the LBE subcontracting participation requirement for Technology Marketplace 3.0 contracts (18 percent) is greater than the previous requirement for Technology Marketplace 2.0 contracts (10 percent for training services and 15 percent for all other services).

Technology Marketplace Purchases

City departments looking to procure goods and services through the Technology Marketplace would seek quotes from vendors or conduct a competitive selection process, with a purchase order amount ranging from $10,000 to $2,500,000. According to Daniel Sanchez, OCA Procurement Manager, purchase orders over $25,000 would require a solicitation to be sent to all Technology Marketplace vendors. If price is the determining factor (such as for commodity purchases), OCA would conduct the solicitation. If other qualitative factors are relevant (such as for professional services), the requesting department would conduct the solicitation. Transactions may not exceed $2,500,000 unless authorized by the Purchaser.

FISCAL IMPACT

The proposed contracts would each have an initial amount not to exceed $20,000,000 over the five-year term, or a total amount not to exceed $200,000,000 between the 10 contracts. However, the contracts may be increased (with future Board of Supervisors approval), which is likely. OCA monitors expenditure data from Technology Marketplace vendors and seeks increases for contracts heavily utilized by City departments. Several Technology Marketplace 2.0 contracts have been increased multiple times since 2019. For example, the Xtech JV contract has been amended four times, with a total not-to-exceed amount increased from $20,000,000 to $115,700,000 (File 22-0179).

Purchases through the Technology Marketplace are funded by the various City departments that make the purchases. In the most recent one-year period (November 2022 through October 2023), total Technology Marketplace contracts (across all three tiers) totaled approximately $78.5 million.[5] Assuming five percent annual escalation, the City would spend approximately $455.5 million on Technology Marketplace 3.0 over five years, as shown in Exhibit 2 below.

Exhibit 2: Estimated Annual Technology Marketplace 3.0 Expenditures

Year	Amount
Year 1 (2024)	$82,400,000
Year 2 (2025)	86,600,000
Year 3 (2026)	90,900,000
Year 4 (2027)	95,400,000
Year 5 (2028)	100,200,000
Total	**$455,500,000**

Source: BLA estimates using OCA expenditure data, November 2022 –October 2023. Estimates are rounded to the nearest $100,000.

[5] The seven City departments with the most expenditures, totaling approximately $61.3 million (78 percent of total expenditures), are the Department of Technology ($14.8 million), Public Utilities Commission ($14.0 million), Airport ($10.4 million), Human Services Agency ($6.7 million), Public Works ($5.5 million), Library ($5.2 million), and Police Department ($4.8 million).

Of the $78.5 million in purchases in the past year, $72.3 million (91 percent) were purchases under Tier 1 contracts, with initial contract amounts of $20 million. Assuming that a similar share is spent on the proposed initial $20 million contracts in Technology Marketplace 3.0, the total expenditures on these contracts over five years would be approximately $413.7 million.

RECOMMENDATION

Approve the proposed resolutions.