

1 [Administrative Code - Amending the Citywide Project Labor Agreement]

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3 **Ordinance amending the Administrative Code to direct the City Administrator to**  
4 **negotiate amendments to the citywide Project Labor Agreement (PLA) that would**  
5 **incorporate into the PLA multi-family affordable housing projects constructed under an**  
6 **agreement with the Mayor’s Office of Housing and Community Development, make**  
7 **subject to the PLA subcontractors for PLA-covered projects that qualify as Local**  
8 **Business Enterprises once they have been awarded over \$5,000,000 for work on**  
9 **covered projects, and extend the term of the PLA from 20 to 30 years, until July 14,**  
10 **2050.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
14 **Board amendment additions** are in double-underlined Arial font.  
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
16 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
17 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

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20 Section 1. Chapter 6, Article II of the Administrative Code is hereby amended by  
21 revising Section 6.27, to read as follows:

22 **SEC. 6.27. CITYWIDE PROJECT LABOR AGREEMENT ORDINANCE.**

23 (a) **Short Title.** This Section 6.27 shall be known and may be cited as the Citywide  
24 Project Labor Agreement Ordinance.

25 (b) **Findings and Purpose.**

(1) Certain public work and improvement projects can involve numerous  
contractors and employees in different trades, have critical timelines for completion, and

1 require a skilled and properly-trained workforce to successfully complete the work in a proper  
2 and timely manner. To avoid costly delays and additional expense to the City, it is essential  
3 that construction on such projects proceed without the labor disruptions that can occur on  
4 long-term projects, both from external labor relations problems and from the frictions that often  
5 arise when a large number of contractors and their employees and subcontractors work in  
6 proximity to one another on a job site.

7 (2) Additionally, in a complex and highly developed urban environment such as  
8 San Francisco, many smaller projects can be of substantial importance to City residents,  
9 whether through provision of basic services or through the establishment or maintenance of  
10 conditions for economic, physical, or emotional well-being, such that it is highly desirable and  
11 even essential to avoid the delay in their completion that might result from labor disruptions.

12 (3) Affordable housing projects funded through contracts between developers and the  
13 Mayor's Office of Housing and Community Development (MOHCD) can involve numerous contractors  
14 and employees from different trades, can have critical timelines for completion that come with penalties  
15 if not met, and can require a skilled and properly trained workforce to successfully complete quality  
16 work on time and on budget.

17 (34) In the private sector, project labor agreements have been used for many  
18 years on numerous construction projects to achieve satisfactory performance and the  
19 economic benefits that result from having a guaranteed source of skilled workers and from  
20 avoiding work disruptions.

21 (45) In San Francisco, project labor agreements have been and are being  
22 used successfully by public entities including the San Francisco Public Utilities Commission,  
23 the San Francisco Community College District, the San Francisco Unified School District, the  
24 Transbay Joint Powers Authority, and the United States General Services Administration, as  
25 well as by many private entities, for construction in both large and small scale projects,

1 including hospitals, reservoirs, water treatment and transmission facilities, schools, offices,  
2 and residences, and for the retrofit and remodel of existing buildings and facilities. Such  
3 agreements have been a major factor in producing quality construction work and projects  
4 completed on time, within budget, without labor strife or disruptions.

5 (56) Beyond San Francisco, throughout the Bay Area and Northern California,  
6 project labor agreements have been used successfully on numerous public and private  
7 construction projects, and public entities such as the County of Contra Costa, the Bay Area  
8 Rapid Transit District, the Oakland Unified School District, the City of Berkeley, and others,  
9 maintain Project Labor Agreement Ordinances and Policies requiring the use of project labor  
10 agreements on their publicly funded construction projects. The same is true of the San  
11 Francisco International Airport, a City entity located in the County of San Mateo.

12 (67) The cyclical nature of our economy has led and will lead to high levels of  
13 unemployment and underemployment of San Francisco residents, particularly in certain  
14 neighborhoods and communities. Statistics also indicate that high levels of unemployment or  
15 underemployment correlate to a higher number of families living at or near the poverty line. As  
16 a result, it is the policy of the City to increase and improve the employment of persons living in  
17 San Francisco in an attempt to counteract the grave economic ills associated with the  
18 unemployment and underemployment levels that have existed and will exist within San  
19 Francisco.

20 (78) There is a need to provide San Francisco residents with more  
21 opportunities to participate in workforce development and pre-apprenticeship programs that  
22 include life skills training and job readiness training. To this end, the City has funded the  
23 CityBuild Academy established by the Office of Economic and Workforce Development and  
24 has funded and may in the future fund additional programs such as the Mario DeLaTorre  
25 Academy. Such pre-apprenticeship programs increase the capacity of San Francisco

1 residents to succeed later in formal apprenticeship programs and hence reduce  
2 unemployment and underemployment and accompanying poverty and economic conditions.

3 (~~89~~) The construction crafts that work on City-funded projects require a supply  
4 of new apprentices to perpetuate the crafts into the future. Through their apprenticeships,  
5 these crafts provide genuine opportunities for long-term, well-paid careers in the construction  
6 industry. Entry into and employment through these apprenticeships can be facilitated by  
7 formal understandings between the City and the labor organizations affiliated with the San  
8 Francisco Building and Construction Trades Council.

9 (~~910~~) In addition, large numbers of returning veterans will be seeking  
10 employment on City-funded construction projects and training opportunities for entrance into  
11 the construction industry. Such training opportunities are available through a program known  
12 as “Helmets to Hardhats,” a program that current City project labor agreements require  
13 contractors and subcontractors to use.

14 (~~1011~~) In addition, economic exclusion and the City’s housing crisis have led  
15 and will continue to lead to significant displacement and out-migration of San Francisco  
16 residents, particularly from historically African-American neighborhoods, which have suffered  
17 steady and disproportionate population decline since 1970. There is a need to provide  
18 economic opportunities to enable such displaced residents to return to San Francisco.

19 (~~1112~~) The use of project labor agreements has proven to be a valuable  
20 vehicle for accomplishing all of the goals set out above.

21 (c) **Definitions.** For purposes of this Section 6.27, the following definitions shall  
22 apply:

23 “Contract” means both (1) “Contract” as defined in Section 6.1 of the Administrative Code,  
24 and/or (2) an agreement executed by the City, acting through MOHCD, to fund, in whole or in part, the  
25 construction of Multi-Family Affordable Housing.

1           “Contractor” means both (1) “Contractor” as defined in Section 6.1 of the Administrative  
2 Code; and (2) any non-City party entering into a Contract as defined in this Section.

3           “Core Employee” means an employee of a Contractor who has not previously had a  
4 relationship with the Unions who demonstrates the following qualifications: (1) possesses any  
5 license required by state or federal law for the Project work to be performed; (2) has worked a  
6 total of at least 1,000 hours in the construction craft during the prior three years; (3) has been  
7 on the Contractor’s active payroll for at least 500 hours during a time period to be determined  
8 in the Project Labor Agreement; and (4) has the ability to perform safely the basic functions of  
9 the applicable trade.

10           “Cost” means both (1) for a Public Work or Improvement, as that term is defined in Section  
11 6.1 of the Administrative Code, the amount of money the Department Head estimates the City  
12 will spend on construction work, and (2) for construction of Multi-Family Affordable Housing under  
13 a Contract with MOHCD, the amount of funding MOHCD estimates the City will contribute toward  
14 construction work. “Cost” does not include money the Department Head projects the City will  
15 spend on City employees, project managers, program managers, construction managers, and  
16 design teams (including, but not limited to, architects and engineers, or any other consultant  
17 employed by a City Department and their respective sub-consultants, and other employees of  
18 professional service organizations, unless performing craft work).

19           “Covered Project” means both a project performed under a Contract involving Public  
20 Work or Improvement as those terms are defined in Section 6.1 of the Administrative Code  
21 Section 6.1, and a project for construction of Multi-Family Affordable Housing funded, in whole or in  
22 part, through a Contract with MOHCD, if, in either case, one of the following three criteria is  
23 met~~either~~: (1) the Contract is funded in whole or in part by a General Obligation Bond or  
24 Revenue Bond and the Department Head estimates the Cost of the Contract to exceed the  
25 following threshold amounts: \$5,000,000 for Covered Projects where the Advertisement for

1 Bid is released in the first year after the City and Unions sign a Project Labor Agreement,  
2 \$3,000,000 for Covered Projects where the Advertisement for Bid is released in the second  
3 year after the City and Unions sign a Project Labor Agreement, and \$1,000,000 thereafter, or  
4 (2) the project is funded by a source other than a General Obligation Bond or Revenue Bond  
5 and the Department Head estimates the Cost of the Covered Project to exceed \$10,000,000,  
6 or (3) the Department Head has determined that delay in completing the Covered Project may  
7 lead to interruption or delay of services or use of facilities that are important to the essential  
8 operations or infrastructure of the City. Notwithstanding the foregoing sentence, "Covered  
9 Project" does not include any Public Work or Improvement projects undertaken by the San  
10 Francisco International Airport, the San Francisco Public Utilities Commission, the Port of San  
11 Francisco, or the San Francisco Municipal Transportation Agency. "Covered Project" also  
12 does not include any Public Work or Improvement project where application of the citywide  
13 PLA would violate the conditions of a state, federal, or other public funding source.

14 "MOHCD" means the Mayor's Office of Housing and Community Development, or any  
15 successor agency.

16 "Multi-Family Affordable Housing" means a multi-family residential building, including any  
17 ancillary commercial space, where 100% of the City-subsidized residential units (not including a  
18 manager's unit) are or will be subject to a recorded regulatory restriction to ensure affordability based  
19 on income or provide permanent housing for homeless or formerly homeless persons.

20 "Project Labor Agreement" or "PLA" means a multi-craft collective bargaining  
21 agreement between the City and the San Francisco Building and Construction Trades Council  
22 and affiliated labor unions that will refer workers to Covered Projects, and which governs the  
23 construction services on the Covered Project.

24 "Subcontractor" means any person, firm, partnership, owner-operator, limited liability  
25 company, corporation, joint venture, proprietorship, trust, association, or other entity providing

1 services to a Contractor or other Subcontractor in fulfillment of the Contractor's or other  
2 Subcontractor's obligations arising from a Covered Project.

3 "Unions" means the San Francisco Building and Construction Trades Council and its  
4 affiliated local unions. These affiliated local unions are listed in a document that is on file in  
5 Board of Supervisors File No. 181043 and incorporated by reference as if set forth herein, and  
6 the City Administrator and San Francisco Building and Construction Trades Council may  
7 update the list by mutual agreement at any time. Nothing in this Section 6.27 is intended to  
8 imply that the City has the authority to approve which local unions may affiliate with the San  
9 Francisco Building and Construction Trades Council.

10 (d) **Project Labor Agreement Requirement.** The City and Unions entered into a  
11 citywide Project Labor Agreement on July 14, 2020, with a term of 20 years, to terminate on July 14,  
12 2040, a copy of which is included in Board File No.241071. That Project Labor Agreement  
13 incorporates the definition of "Covered Projects" and of other terms defined in subsection (c) of this  
14 Section 6.27 that were in effect at the time the PLA was executed. Not later than July 1,  
15 2025~~September 1, 2019~~, the City Administrator shall negotiate with the Unions and sign on  
16 behalf of the City, an amended citywide Project Labor Agreement that shall apply to all Covered  
17 Projects as that term is defined under subsection (c) as a result of enactment of the ordinance in Board  
18 File No. 241071 amending the definition of that term, incorporate other new and amended definitions  
19 in subsection (c), incorporate the requirements in subsection (e)(3), as updated by said ordinance, and  
20 extend the term of the PLA by ten years, to July 14, 2050. In the City Administrator's discretion, the  
21 City Administrator may extend this deadline once for up to three months, to no later than  
22 October 1, 2025~~December 1, 2019~~, by providing written notice to the Unions, the Mayor, and the  
23 Board of Supervisors. For all Covered Projects defined as such under the terms of a PLA in effect  
24 at the time the project is advertised ~~after the City Administrator signs the PLA on behalf of the City,~~  
25 each Department Head shall set as a precondition to the award of the contract that the

1 Contractor and its Subcontractors sign an agreement to be bound by the citywide Project  
2 Labor Agreement. The Contractor shall execute the Project Labor Agreement on file with the  
3 City Administrator. Nothing in this ~~provisions~~subsection (d) shall impact or otherwise impair the  
4 terms of any existing Project Labor Agreement. The City is not bound by ~~the any~~ requirements  
5 listed in ~~of~~ subsection (e) unless and until the City and all Unions have executed a ~~final~~ Project  
6 Labor Agreement that incorporates that particular requirement listed in subsection (e).

7 (e) **Required Terms for citywide Project Labor Agreement.** The citywide Project  
8 Labor Agreement shall include the following terms:

9 (1) The Project Labor Agreement is binding on all Contractors and Subcontractors  
10 at all tiers of a Covered Project, except as provided in subsection (e)(10);

11 (2) Unions, Contractors, and Subcontractors are bound by the requirements of  
12 Administrative Code Chapters 6, 14B, 82, and 83 and Labor and Employment Code Article  
13 131, as they may be amended from time to time, including but not limited to the provisions  
14 addressing Local Hire and Local Business Enterprise;

15 (3) Contractors will condition the engagement of each Subcontractor on the  
16 Subcontractor agreeing to be bound by and comply with all the terms of the Project Labor  
17 Agreement, unless the Subcontractor is a Local Business Enterprise that has not ~~received~~ been  
18 awarded over \$5,000,000 for work on Covered Projects cumulatively over the entire duration of  
19 the PLA;

20 (4) Contractors and Subcontractors to whom construction services are awarded  
21 for a Covered Project will use the hiring halls operated by signatory Unions for all labor on the  
22 Covered Project except for (A) the services provided by non-craft managerial, executive, and  
23 clerical employees, (B) supervisory employees above the level of general foreman; (C) at  
24 least two Core Employees per Covered Project, as further determined in Project Labor  
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1 Agreement negotiations, or (D) LBEs that meet the requirements set forth in subsection  
2 (e)(10);

3 (5) Contractors and Subcontractors will hire apprentices indentured in the State-  
4 approved joint apprenticeship program for the applicable craft or trade for work on the  
5 Covered Project in accordance with the apprentice ratios contained in California Labor Code  
6 Section 1777.5, as it may be amended from time to time;

7 (6) Unions will use the “Helmets to Hardhats” Program to assist returning veterans  
8 in obtaining employment and training opportunities on the project;

9 (7) Within three years of the City Administrator executing the PLA on behalf of the  
10 City, all of the Unions shall enter into agreements, or modify existing agreements, with  
11 CityBuild Academy to ensure graduates of CityBuild Academy have a pathway for direct entry  
12 into the Union’s apprenticeship program;

13 (8) ~~A~~ single jurisdictional dispute resolution process for resolving all disputes  
14 between Unions, as adopted by the North America’s Building Trades Unions, or any  
15 subsequent plan or dispute resolution procedure that the North America’s Building Trades  
16 Unions may adopt thereafter;

17 (9) ~~An~~ agreement by all Unions to refrain from strikes, picketing, and other labor  
18 disruptions related to the Covered Project, and that Union members will continue work on a  
19 Covered Project despite the expiration of any applicable collective bargaining agreement;

20 (10) ~~The~~ PLA does not apply to Contractors performing work on Covered Projects  
21 that are certified as Local Business Enterprises (LBEs) under Administrative Code Chapter  
22 14B.3, until the LBE has received the value of contracts awarded for work on Covered  
23 Projects in an amount exceeding \$5,000,000 cumulatively over the entire duration of the PLA;

1 (11) ~~T~~he PLA's coverage does not extend to the Contractors' or Subcontractors'  
2 parent companies, subsidiaries, or affiliates except to the extent those entities are performing  
3 work on a Covered Project;

4 (12) ~~T~~he PLA does not apply to any work performed on or near or leading to or  
5 into the Covered Project site by federal, state, local, or other governmental entities or their  
6 contractors or subcontractors, or by utilities or their contractors or subcontractors, or by the  
7 City or its contractors or subcontractors if that work ~~that~~ is not part of the Covered Project; and

8 (13) ~~A~~ prohibition against discrimination on any and all bases that City, state, or  
9 federal law prohibits.

10 (f) **Annual Reporting.** Beginning on the effective date of the ordinance in Board File  
11 No. 181043 enacting this Section 6.27, the Office of the Controller shall, in collaboration with  
12 the Contract Monitoring Division, collect utilization rates for LBEs on current Contracts  
13 covered by this Section 6.27. Within one year after the City Administrator executes the PLA  
14 on behalf of the City, and annually thereafter, the Controller shall conduct annual reviews of  
15 the PLA to evaluate whether the PLA has promoted the efficient, economical, and timely  
16 completion of Covered Projects, the costs of Covered Projects, and the PLA's impact on LBEs  
17 and the local workforce.

18 (g) No later than July 31, 2023, the Controller shall submit to the Clerk of the Board  
19 and all members of the Board of Supervisors a request for a public hearing regarding the  
20 annual reports described in subsection (f).

21 (h) The Project Labor Agreement shall automatically expire ~~20 years from the date it is~~  
22 ~~initially signed by the City and the Unions on July 14, 2050~~, at which point the City and Unions shall  
23 no longer be bound by the citywide Project Labor Agreement, except on Covered Projects for  
24 which contracts are awarded before expiration of the Project Labor Agreement.

1           (i) **Severability.** If any subsection, sentence, clause, phrase, or word of this Section  
2 6.27, or any application thereof to any person or circumstance, is held to be invalid or  
3 unconstitutional by a decision of a court of competent jurisdiction, such decision shall not  
4 affect the validity of the remaining portions or applications of the Section. The Board of  
5 Supervisors hereby declares that it would have passed this Section and each and every  
6 subsection, sentence, clause, phrase, and word not declared invalid or unconstitutional  
7 without regard to whether any other portion of this Section or application thereof would be  
8 subsequently declared invalid or unconstitutional.

9           (j) **No Conflict with Federal or State Law.** Nothing in this Section 6.27 shall be  
10 interpreted or applied so as to create any requirement, power, or duty in conflict with any  
11 federal or state law.

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13           Section 2. Effective Date. This ordinance shall become effective 30 days after  
14 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
15 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
16 of Supervisors overrides the Mayor's veto of the ordinance.

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