

1 [Administrative Code - Citywide Project Labor Agreement for Public Work or Improvement
2 Projects]

3 **Ordinance amending the Administrative Code to require a citywide project labor**
4 **agreement applicable to certain public work or improvement projects with projected**
5 **costs over \$1,000,000 or where delay in completing the project may interrupt or delay**
6 **services or use of facilities that are important to the City’s essential operations or**
7 **infrastructure.**

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

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

17 Section 1. The Administrative Code is hereby amended by adding Section 6.27, to
18 read as follows:

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

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

22 (b) Findings and Purpose.

23 (1) Certain public work and improvement projects can involve numerous contractors
24 and employees in different trades, have critical timelines for completion, and require a skilled and
25 properly-trained workforce to successfully complete the work in a proper and timely manner. To avoid
costly delays and additional expense to the City, it is essential that construction on such projects
proceed without the labor disruptions that can occur on long-term projects, both from external labor

1 relations problems and from the frictions that often arise when a large number of contractors and their
2 employees and subcontractors work in proximity to one another on a job site.

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

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

11 (4) In San Francisco, project labor agreements have been and are being used
12 successfully by public entities including the San Francisco Public Utilities Commission, the San
13 Francisco Community College District, the San Francisco Unified School District, the Transbay Joint
14 Powers Authority, and the United States General Services Administration, as well as by many private
15 entities, for construction in both large and small scale projects, including hospitals, reservoirs, water
16 treatment and transmission facilities, schools, offices, and residences, and for the retrofit and remodel
17 of existing buildings and facilities. Such agreements have been a major factor in producing quality
18 construction work and projects completed on time, within budget, without labor strife or disruptions.

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

1 (6) The cyclical nature of our economy has led and will lead to high levels of
2 unemployment and underemployment of San Francisco residents, particularly in certain neighborhoods
3 and communities. Statistics also indicate that high levels of unemployment or underemployment
4 correlate to a higher number of families living at or near the poverty line and to a higher crime rate. As
5 a result, it is the policy of the City to increase and improve the employment of persons living in San
6 Francisco in an attempt to counteract the grave economic and social ills associated with the
7 unemployment and underemployment levels that have existed and will exist within San Francisco.

8 (7) There is a need to provide San Francisco residents with more opportunities to
9 participate in workforce development and pre-apprenticeship programs that include life skills training
10 and job readiness training, and to this end the City has funded the CityBuild Academy established by
11 the Office of Economic and Workforce Development. Such pre-apprenticeship programs increase the
12 capacity of San Francisco residents to succeed later in formal apprenticeship programs and hence
13 reduce unemployment and underemployment and accompanying poverty and crime conditions.

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

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

1 (10) The use of project labor agreements has proven to be a valuable vehicle for
2 accomplishing all of the goals set out above.

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

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

10 “Cost” means the amount of money the Department Head estimates the City will spend
11 on construction work. “Cost” does not include money the Department Head projects the City
12 will spend on City employees, project managers, program managers, construction managers,
13 and design teams (including, but not limited to, architects and engineers, or any other
14 consultant employed by a City Department and their respective sub-consultants, and other
15 employees of professional service organizations, unless performing craft work.

16 “Covered Project” means a project involving Public Work or Improvement as defined in
17 Administrative Code Section 6.1, if either: (1) the Department Head projects the ~~C~~cost of the project
18 to exceed \$1,000,000, or (2) the Department Head has determined that delay in completing the project
19 may lead to interruption or delay of services or use of facilities that are important to the essential
20 operations or infrastructure of the City. Notwithstanding the foregoing sentence, “Covered Project”
21 does not include any Public Work or Improvement projects undertaken by the San Francisco
22 International Airport, the San Francisco Public Utilities Commission, the Port of San Francisco, or the
23 San Francisco Municipal Transportation Agency. “Covered Project” also does not include any Public
24 Work or Improvement project where application of the citywide PLA would violate the conditions of a
25 state, federal, or other public funding source.

1 "Project Labor Agreement" or "PLA" means a multi-craft collective bargaining agreement
2 between the City and the relevant trade councils and craft and labor unions that will refer workers to
3 Covered Projects, and which governs the construction services on the Covered Project. "Subcontractor"
4 means any person, firm, partnership, owner-operator, limited liability company, corporation, joint
5 venture, proprietorship, trust, association, or other entity providing services to a Contractor or other
6 Subcontractor in fulfillment of the Contractor's or other Subcontractor's obligations arising from a
7 contract with the City for construction work on a Covered Project.

8 "Unions" means the San Francisco Building and Construction Trades Council and its
9 verified affiliated local unions eligible for work on the Project Labor Agreement. These
10 affiliated local unions are listed in a document on file in File No. _____, and the City Administrator
11 and San Francisco Building and Construction Trades Council may update the list by mutual
12 agreement at any time. ~~relevant trade councils, craft and labor unions that become signatories~~
13 ~~to the citywide Project Labor Agreement.~~

14 (d) Project Labor Agreement Requirement. Not later than September 1, 2017, the City
15 Administrator shall negotiate with the Unions and sign on behalf of the City, a citywide Project Labor
16 Agreement that shall apply to all Covered Projects. For all Covered Projects advertised after
17 September 1, 2017, each Department Head shall set as a precondition to the award of the contract that
18 the Contractor and its Subcontractors sign an agreement to be bound by the Project Labor Agreement.
19 The Contractor shall execute the Project Labor Agreement on file with the City Administrator. Nothing
20 in this provision shall impact or otherwise impair the terms of any existing Project Labor Agreement.
21 The City is not bound by the requirements of subsection (e) below unless and until the City
22 and all Unions have executed a final Project Labor Agreement.

23 (e) Required Terms for citywide Project Labor Agreement. The citywide Project Labor
24 Agreement shall include the following terms:

1 (1) The Project Labor Agreement is binding on all Contractors and Subcontractors
2 at all tiers of a Covered Project;

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

6 (3) Contractors will condition the engagement of each Subcontractor on the
7 Subcontractor agreeing to be bound by and comply with all the terms of the Project Labor Agreement;

8 (4) Contractors and Subcontractors to whom construction services are awarded for
9 a Covered Project will use the hiring halls operated by signatory Unions for all labor on the Covered
10 Project except for (A) the services provided by non-craft managerial, executive, and clerical
11 employees, (B) and supervisory employees above the level of general foreman; or (C) at least two
12 Core Employees per Covered Project, and (D) any other criteria set forth in the Project Labor
13 Agreement.

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

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

20 (7) a mechanism for the expedited resolution of jurisdictional disputes between
21 Unions;

22 (8) an agreement by all Unions to refrain from strikes, picketing, and other labor
23 disruptions related to the Covered Project, and that Union members will continue work on a Covered
24 Project despite the expiration of any applicable collective bargaining agreement;

1 (9) the PLA's coverage does not extend to the Contractors' or Subcontractors'
2 parent companies, subsidiaries, or affiliates;

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

7 (11) a prohibition against discrimination on any and all bases that City, state or
8 federal law prohibits.

9 (f) Severability. If any subsection, sentence, clause, phrase, or word of this Section 6.27, or
10 any application thereof to any person or circumstance, is held to be invalid or unconstitutional by a
11 decision of a court of competent jurisdiction, such decision shall not affect the validity of the remaining
12 portions or applications of the Section. The Board of Supervisors hereby declares that it would have
13 passed this Section and each and every subsection, sentence, clause, phrase, and word not declared
14 invalid or unconstitutional without regard to whether any other portion of this Section or application
15 thereof would be subsequently declared invalid or unconstitutional.

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

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19 Section 3. Effective Date. This ordinance shall become effective 30 days after
20 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

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1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2 of Supervisors overrides the Mayor's veto of the ordinance.

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4 APPROVED AS TO FORM:
5 DENNIS J. HERRERA, City Attorney

6 By: _____
7 JENNIFER STOUGHTON
8 Deputy City Attorney

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