

LEGISLATIVE DIGEST

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

Ordinance amending the Administrative Code to require a citywide project labor agreement applicable to certain types of public work or improvement projects with projected costs over the threshold amounts (ranging from \$1,000,000 to \$5,000,000 depending on the year in which the advertisement for bid is released; or \$10,000,000 if the project is funded by a source other than a general obligation bond) or where delay in completing the project may interrupt or delay services or use of facilities that are important to the City's essential operations or infrastructure.

Existing Law

There is no existing legal requirement for the City to use a Project Labor Agreement ("PLA") on its public work and improvement projects. Currently, City departments negotiate PLAs for certain large public work projects on a case-by-case basis, when the department determines that a PLA will protect the City's proprietary and fiscal interests.

Amendments to Current Law

The proposed Ordinance would amend the Administrative Code to add Section 6.27 to require the City to negotiate with organize labor a master PLA to apply to all City public work and improvement projects with estimated project costs over certain threshold amounts. These threshold amounts will begin at \$5,000,000 in the first year after the City and Unions sign the PLA, \$3,000,000 in the second year and \$1,000,000 thereafter for General Obligation Bond-funded projects and \$10,000,000 for projects funded through sources other than a General Obligation Bond. The proposed Ordinance would exempt projects under the jurisdiction of the San Francisco Airport, the San Francisco Public Utilities Commission, the Port of San Francisco, and the San Francisco Municipal Transportation Agency from the PLA. In addition, the PLA would not apply to a particular project if its application would violate the conditions of a local, state, or federal funding source for that project.

The proposed Ordinance would require that no later than January 1, 2019, the City Administrator negotiate with the relevant trade councils, craft and labor unions, and sign on behalf of the City, a PLA that shall: (1) apply to all contractors and subcontractors on a project and be a bidding prerequisite; (2) incorporate San Francisco Administrative Code Chapters 6, 12B, 14B, 82 and 83; (3) require the use of hiring halls, joint apprenticeship programs, and the Helmets to Hardhats program; (4) prohibit work stoppages; (5) establish a method to resolve jurisdictional disputes between trade unions that are parties to the PLA; (6) permit the use of at least 2 core employees per Covered Project outside the hiring halls operated by the signatory Unions; and (7) specify that the City is not bound by the provisions

of the Ordinance unless and until the City and all signatory Unions execute a final PLA. Under the Ordinance, local business enterprises would not be covered by the PLA unless they perform more than \$5,000,000 worth of work on PLA projects. Finally, City Department heads could apply the PLA to projects under the threshold amounts in their discretion.

Background Information

The purpose of the citywide PLA under the proposed Ordinance is to avoid costly delays and additional expenses associated with public works and improvement projects that involve numerous contractors and employees in different trades, have critical timelines for completion, and require a skilled and properly-trained workforce to successfully complete the work in a timely manner. Similar PLAs have been used in both the public and private sector to achieve the economic benefit that results from long-term projects proceeding without labor disruptions.

n:\legana\as2018\1800516\01315411.docx