

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

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

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

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

18 Section 1. Article II of Chapter 6 of the Administrative Code is hereby amended by  
19 adding Section 6.27, to read as follows:

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

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

23 *(b) Findings and Purpose.*

24 *(1) Certain public work and improvement projects can involve numerous contractors  
25 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 proper and timely manner. To avoid*

1 costly delays and additional expense to the City, it is essential that construction on such projects  
2 proceed without the labor disruptions that can occur on long-term projects, both from external labor  
3 relations problems and from the frictions that often arise when a large number of contractors and their  
4 employees and subcontractors work in proximity to one another on a job site.

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

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

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

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

1 construction projects. The same is true of the San Francisco International Airport, a City entity  
2 located in the County of San Mateo.

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

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

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

24 (9) In addition, large numbers of returning veterans will be seeking employment on  
25 City-funded construction projects and training opportunities for entrance into the construction

1 industry. Such training opportunities are available through a program known as “Helmets to  
2 Hardhats,” a program that current City project labor agreements require contractors and  
3 subcontractors to use.

4 \_\_\_\_\_ (10) In addition, economic exclusion and the City’s housing crisis have led and  
5 will continue to lead to significant displacement and out-migration of San Francisco residents,  
6 particularly from historically African-American neighborhoods, which have suffered steady and  
7 disproportionate population decline since 1970. There is a need to provide economic  
8 opportunities to enable such displaced residents to return to San Francisco.

9 \_\_\_\_\_ (4011) The use of project labor agreements has proven to be a valuable vehicle for  
10 accomplishing all of the goals set out above.

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

12 “Core Employee” means an employee of a Contractor who has not previously had a  
13 relationship with the Unions who demonstrates the following qualifications: (1) possesses any license  
14 required by state or federal law for the Project work to be performed; (2) has worked a total of at least  
15 1,000 hours in the construction craft during the prior three years; (3) has been on the Contractor’s  
16 active payroll for at least 500 hours during a time period to be determined in the Project Labor  
17 Agreement in the calendar year immediately prior to the contract award; and (4) has the ability to  
18 perform safely the basic functions of the applicable trade

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

1 "Covered Project" means a project performed under a Contract involving Public Work or  
2 Improvement as those terms are defined in Administrative Code Section 6.1, if either: (1) the project  
3 Contract is funded in whole or in part by a General Obligation Bond or Revenue Bond and the  
4 Department Head estimates the Cost of the project Contract to exceed the following threshold  
5 amounts: \$5,000,000 for Covered Projects where the Advertisement for Bid is released in the first year  
6 after the City and Unions sign a Project Labor Agreement, \$3,000,000 for Covered Projects where the  
7 Advertisement for Bid is released in the second year after the City and Unions sign a Project Labor  
8 Agreement, and \$1,000,000 thereafter, or (2) the project is funded by a source other than a General  
9 Obligation Bond or Revenue Bond and the Department Head estimates the Cost of the project  
10 Covered Project to exceed \$10,000,000, or (3) the Department Head has determined that delay in  
11 completing the project Covered Project may lead to interruption or delay of services or use of  
12 facilities that are important to the essential operations or infrastructure of the City. Notwithstanding  
13 the foregoing sentence, "Covered Project" does not include any Public Work or Improvement projects  
14 undertaken by the San Francisco International Airport, the San Francisco Public Utilities Commission,  
15 the Port of San Francisco, or the San Francisco Municipal Transportation Agency. "Covered Project"  
16 also does not include any Public Work or Improvement project where application of the citywide PLA  
17 would violate the conditions of a state, federal, or other public funding source.

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

22 "Subcontractor" means any person, firm, partnership, owner-operator, limited liability  
23 company, corporation, joint venture, proprietorship, trust, association, or other entity providing  
24 services to a Contractor or other Subcontractor in fulfillment of the Contractor's or other  
25

1 Subcontractor's obligations arising from a contract with the City for construction work on a Covered  
2 Project.

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

10 (d) Project Labor Agreement Requirement. Not later than ~~January 1, 2020~~September 1,  
11 2019, the City Administrator shall negotiate with the Unions and sign on behalf of the City, a citywide  
12 Project Labor Agreement that shall apply to all Covered Projects. In the City Administrator's  
13 discretion, the City Administrator may extend this deadline once for up to three months, to no  
14 later than December 1, 2019, by providing written notice to the Unions, the Mayor, and the  
15 Board of Supervisors. For all Covered Projects advertised after the City Administrator signs the  
16 PLA on behalf of the City~~January 1, 2020~~, each Department Head shall set as a precondition to the  
17 award of the contract that the Contractor and its Subcontractors sign an agreement to be bound by the  
18 citywide Project Labor Agreement. The Contractor shall execute the Project Labor Agreement on file  
19 with the City Administrator. Nothing in this provision shall impact or otherwise impair the terms of  
20 any existing Project Labor Agreement. The City is not bound by the requirements of subsection (e)  
21 unless and until the City and all Unions have executed a final Project Labor Agreement.

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

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

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

4           (3) Contractors will condition the engagement of each Subcontractor on the  
5 Subcontractor agreeing to be bound by and comply with all the terms of the Project Labor Agreement,  
6 unless the Subcontractor is a Local Business Enterprise that has not received over  
7 \$5,000,000 for work on Covered Projects cumulatively over the entire duration of the PLA;

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) supervisory employees above the level of general foreman; (C) at least two Core  
12 Employees per Covered Project, as further determined in Project Labor Agreement negotiations, or (D)  
13 LBEs that meet the requirements set forth in subsection (e)10;

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) Within three years of the effective date of the ordinance in Board of  
21 Supervisors File No. \_\_\_\_\_ creating this Section 6.27 the City Administrator executing the  
22 PLA on behalf of the City, all of the Unions shall enter into agreements, or modify existing  
23 agreements, with CityBuild Academy to ensure graduates of CityBuild Academy have a pathway for  
24 direct entry into the Union's apprenticeship program membership;

1                   (8) a single jurisdictional dispute resolution process for resolving all disputes  
2 between Unions, as adopted by the North America’s Building Trades Unions, or any  
3 subsequent plan or dispute resolution procedure that the North America’s Building Trades  
4 Unions may adopt thereafter;~~a mechanism for the expedited resolution of jurisdictional~~  
5 ~~disputes between Unions;~~

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

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

13                   (11) the PLA’s coverage does not extend to the Contractors’ or Subcontractors’  
14 parent companies, subsidiaries, or affiliates ~~except to the extent those entities are performing~~  
15 work on a Covered Project;

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

20                   (13) a prohibition against discrimination on any and all bases that City, state or  
21 federal law prohibits.

22                   (f) Annual Reporting. Beginning ~~two years from~~ on the effective date of the ordinance  
23 in Board File No. 181043 enacting this Section 6.27, the Office of the Controller shall, in  
24 collaboration with the Contract Monitoring Division, collect utilization rates for LBEs on current  
25 Contracts covered by this Section 6.27. Within one year after the City Administrator executes

1 the PLA on behalf of the City, and annually thereafter, the Controller shall conduct annual  
2 reviews of the PLA to evaluate whether the PLA has promoted the efficient, economical, and timely  
3 completion of Covered Projects, the costs of Covered Projects, and the PLA's impact on LBEs and the  
4 local workforce.

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

8 (gh) The Project Labor Agreement shall automatically expire 20 years from the date it is  
9 initially signed by the City and the Unions, at which point the City and Unions shall no longer be  
10 bound by the citywide Project Labor Agreement, except on Covered Projects for which contracts are  
11 awarded before expiration of the Project Labor Agreement.

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

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

21  
22 Section 2. Effective Date. This ordinance shall become effective 30 days after  
23 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
24 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
25 of Supervisors overrides the Mayor's veto of the ordinance.

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

By: \_\_\_\_\_  
JON GIVNER  
Deputy City Attorney

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