

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292
FAX (415) 252-0461

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TO: Budget and Finance Sub-Committee

FROM: Budget and Legislative Analyst



SUBJECT: May 1, 2019 Budget and Finance Sub-Committee Meeting

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Item 1 File 19-0388	Department: Department of Public Health (DPH)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> The proposed resolution would approve the fourth amendment to the contract between HealthRIGHT360 and the Department of Public Health (DPH) for fiscal intermediary check-writing services, to (1) increase the contract amount by \$17,048,037 from \$83,899,354 to an amount not to exceed \$100,947,391, and (2) to extend the term by 18 months from the current end date of June 30, 2019 to a new end date of December 31, 2020. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> DPH entered into an agreement with Asian American Recovery Services, Inc. (AARS) in 2009 for AARS to provide fiscal intermediary check-writing services to pay non-contracted vendors for the provision of services required by DPH health service providers who cannot directly receive payments for services from third party payers, such as Medi-Cal, Medicare, and private insurance companies. AARS merged with Healthright360 in 2013. In November 2015, the Board of Supervisors approved a resolution authorizing the DPH to amend its contract with HealthRIGHT360 for fiscal intermediary check-writing services, increasing the total contract amount by \$54,985,970 from \$37,355,006 to \$92,340,976 (File 15-0869). The term of the existing contract is for five years and six months from December 31, 2013, through June 30, 2019. DPH entered into three interim contract amendments with HealthRIGHT360 to increase the contract amount to \$83,899,354, which is less than the authorized contract amount of \$92,340,976. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> Actual and estimated expenditures under the contract between DPH and HealthRIGHT360 from December 31, 2013 through June 30, 2019 are \$73,593,137. DPH would like to reduce the requested increased amount by \$8,441,623 from \$17,048,037 to \$8,606,414 for a total not-to-exceed amount of \$100,947,391 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> According to DPH, HealthRIGHT360 has met the requirements for the monitoring report objectives related to the contract's check-writing function. The items paid for by the checks issued by HealthRIGHT360 are not subject to performance monitoring through this contract because the items funded are not DPH contracted programs. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> Amend the proposed resolution to reduce the requested increased amount by \$8,441,623, from the requested \$17,048,037 to \$8,606,414. Approve the proposed resolution as amended. 	

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 Department of Public Health (DPH) entered into a contract with Asian American Recovery Services, Inc. (AARS) in 2009, following a competitive selection process. This contract was for AARS to provide fiscal intermediary check-writing services to pay non-contracted vendors for the provision of services required by DPH health service providers who cannot directly receive payments for services from third party payers, such as Medi-Cal, Medicare, and private insurance companies. Subsequently, AARS merged with HealthRIGHT360 in 2013.

In November 2015, the Board of Supervisors approved a resolution authorizing DPH to amend its contract with HealthRIGHT360 for fiscal intermediary check-writing services, increasing the total contract amount by \$54,985,970 from \$37,355,006 to \$92,340,976 (File 15-0869). The term of the existing contract is for five years and six months from December 31, 2013 through June 30, 2019. DPH entered into three interim contract amendments with HealthRIGHT360 to increase the contract amount to \$83,899,354, which is less than the authorized contract amount of \$92,340,976.¹

Under the existing contract, HealthRIGHT360 serves as a fiscal intermediary providing reimbursement for the following services:

- Specialty Mental Health services providers to San Francisco Medi-Cal beneficiaries and eligible San Francisco Mental Health Plan (SFMHP) members. DPH uses non-contract providers to serve SFMHP members who reside in other California counties who have emergency or urgent care needs. Since non-contract providers are not considered “vendors” in the City’s accounts payable system, the SFMHP needs a fiscal intermediary (contractor) mechanism to pay non-contract providers both in the city and out of county.
- Residential Care Facilities, a network of licensed mental health facilities that provide services to eligible mental health clients;
- Mental health wrap around services for mental health clients, which include fiscal management services in the form of direct check writing for services or expenses that will

¹ DPH executed three signed contract amendments with HealthRIGHT360. The first amendment (July 1, 2015) increased compensation from \$37,355,006 to \$43,609,461 and the term from July 1, 2009 to June 30, 2012 to December 31, 2013 to June 30, 2016. The second amendment (July 1, 2016) extended the term from December 31, 2013 to June 30, 2016 to December 31, 2013 to June 30, 2018 and increased the amount from \$43,609,461 to \$79,720,710. The third amendment (July 1, 2018) extended the term from December 31, 2013 to June 30, 2018 to December 31, 2013 to June 30, 2019 and increased the amount from \$79,720,710 to \$83,899,354. The amendments did not exceed the total contract amount of \$92,340,976 or extend the term past June 30, 2019 as approved in November 2015 (File 15-0869).

assist in a client's stabilization efforts such as emergency housing and food, transportation, clothing, and vocational training;

- Emergency stabilization housing services for homeless clients with special medical and behavioral needs. These providers are small hotel operators who have entered into a Memorandum of Understanding with DPH regarding the placement of clients at their buildings for a limited time period; and
- Parent Training Institute support services, such as food, childcare and transportation, to reduce barriers for participation in the Triple P parenting course sessions held at Family Resource Centers.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the fourth amendment to the contract between HealthRIGHT360 and the Department of Public Health (DPH) for fiscal intermediary check-writing services, to (1) increase the contract amount by \$17,048,037 from \$83,899,354 to an amount not to exceed \$100,947,391, and (2) to extend the term by 18 months from the current end date of June 30, 2019 to a new end date of December 31, 2020.

According to Ms. Michelle Ruggels, Director of the DPH Business Office, the existing contract term needs to be extended for 18 months, with an associated increase in the contract amount, in order to complete a competitive solicitation process; DPH has been unable to do so because of the volume of solicitations currently in process by DPH. Ms. Ruggels states that the DPH does not expect to utilize the full 18 months to complete the process but if there is a transition in vendors, DPH wishes to ensure that both the completion of the solicitation process and a new contract may be implemented without a payment gap for services.

Under the proposed amendment, DPH intends to extend the HealthRIGHT360 contract for 18 months through December 31, 2020 to complete a solicitation process, and vendor transition, if applicable. According to Ms. Ruggels, DPH plans to issue a competitive solicitation process for a new contract before December 31, 2020 with a goal for the new contract to begin July 1, 2020.

FISCAL IMPACT

Actual and estimated expenditures under the contract between DPH and HealthRIGHT360 from December 31, 2013 through June 30, 2019 are \$73,593,137, as shown in Table 1 below.

**Table 1. Actual and Estimated Contract Expenditures from
December 31, 2013 through June 30, 2019**

	Total
December 31, 2013 - June 30, 2014	\$5,930,427
July 1, 2014 - June 30, 2015	14,310,217
July 1, 2015 - June 30, 2016	12,572,721
July 1, 2016 – June 30, 2017	13,010,253
July 1, 2017 – June 30, 2018	12,572,712
July 1, 2018 – June 30, 2019 (est.)	15,196,807
Total	\$73,593,137

Source: Department of Public Health

DPH anticipates contract expenditures of \$22,795,211 for the 18-month extension from July 1, 2019 through December 31, 2020, and a contingency of \$4,559,043². According to Ms. Ruggels, the total requested increased amount is incorrectly stated in the proposed resolution. Consequently, DPH would like to amend the proposed resolution to reduce the total requested increased amount by \$8,441,623 from \$17,048,037 to \$8,606,414 for a total not-to-exceed amount of \$100,947,391, as shown in Table 2 below.

Table 2. Projected Contract Expenditures over 18-Month Extension Period from July 1, 2019 through December 31, 2020

	Total Expenses
July 1, 2019 – June 30, 2020	\$15,196,807
July 1, 2020 – December 31, 2020	7,598,404
Subtotal	<u>\$22,795,211</u>
Contingency Funds	4,559,043
Total Projected Expenditures	\$27,354,254
Total Actual Expenditures (see Table 1 above)	<u>73,593,137</u>
Total Proposed Not-to-Exceed Amount	\$100,947,391
Less Existing Not-to-Exceed Amount	<u>(92,340,976)</u>
Revised Total Requested Increased Amount	\$8,606,414

Source: Department of Public Health

According to Mr. Mario Moreno, Director of DPH's Contract Management and Compliance, approximately \$50,000 is the annual expended amount on check fees to HealthRIGHT360, with the balance of the funding used for direct expenses. HealthRIGHT360 is reimbursed at a rate of \$22 per check. While there is fluctuation in the number of checks written each year, Mr. Moreno states that a total of 2,190 checks were issued in FY 2017-18.

DPH will pay for the contract through a combination of DPH General Funds, City department work orders, and State and Federal grants.

POLICY CONSIDERATION

According to Ms. Ruggels, HealthRIGHT360 has met the requirements for the monitoring report objectives related to the contract's check-writing function. The items paid for by the checks issued by HealthRIGHT360 are not subject to performance monitoring through this contract because the items funded are not DPH contracted programs. Ms. Ruggels states that an item or service paid for directly on behalf of a client is reflected in the individual client's treatment plan, and client improvement in stability and functioning – perhaps as a result of an item purchased through this contract – is measured through annual program reviews of the clinic that treats the client. For example, a clinic must utilize an assessment tool, delivered twice annually, that measures improvement in one of the measured domains for each of its clients: behavioral health needs, life domain functioning, and risk behaviors or strengths. The overall improvement is measured and reported through an annual performance review report.

² DPH calculated a 12 percent contingency based on the contract budget for FY 2018-19, FY 2019-20, and FY 2020-21 (six months through December 31, 2020).

RECOMMENDATIONS

1. Amend the proposed resolution to reduce the requested increased amount by \$8,441,623, from the requested \$17,048,037 to \$8,606,414.
2. Approve the proposed resolution as amended.

Item 2 File 19-0385	Department: San Francisco International Airport (Airport)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> The proposed resolution would approve the new contract between the San Francisco International Airport and Bombardier Transportation (Holdings) USA, Inc. (Bombardier), for AirTrain Operation and Maintenance for a total contract amount not to exceed \$219,541,698 for a term of ten years from July 1, 2019 through June 30, 2029. The contract has one (1) five-year option to renew through June 30, 2034. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> In March 1998, the Airport entered into a contract with Bombardier to (a) design and install the light rail air train system (AirTrain) and (b) operate and maintain the AirTrain system. In 2008, as a result of a lawsuit against Bombardier by the Airport, the Airport approved a new contract with Bombardier to operate and maintain the AirTrain system from through February 2014. In December 2018, the Board of Supervisors approved the fifth and final modification to the existing contract to extend through June 30, 2019. In March 2019, the Office of Contract Administration waived the competitive solicitation requirement for the proposed new contract under Administrative Code Section 21.5(d). The proposed contract includes nonstandard language approved by the City's Risk Manager that limits Bombardier's liability for incidental and consequential damages. The proposed contract has two modifications of the standard terms related to the Airport's liabilities and risk, but the Airport considers that all the contract's provisions in total expose the Airport to a minimum amount of risk. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> The proposed contract with Bombardier consists of \$200,409,236 for maintenance and operations, including achievement based bonuses, for a ten year period, as well as an additional \$18,132,462 in capital plan expenditures, for a total of \$219,541,698. The proposed resolution should be amended to clarify that the option to extend the contract by five years is subject to Board of Supervisors approval. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> The Airport will monitor Bombardier's performance through (1) a computer-based maintenance system; (2) daily observations and inspections; and (3) monthly reports provided by Bombardier. 	
<p style="text-align: center;">Recommendations</p>	
<ul style="list-style-type: none"> Amend the proposed resolution to clarify that the option to extend the contract is subject to Board of Supervisors approval in accordance with Charter Section 9.118(b). 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.

Administrative Code Section 21.5 (d) provides for the Director of the Office of Contract Administration (OCA) to authorize procurement of goods and services without undergoing a competitive process, in accordance with regulations set by the OCA Director, for proprietary goods and services.

BACKGROUND

In March 1998, the Airport entered into a two-phase contract with Bombardier Transportation (Holdings) USA Inc. (Bombardier), based on a competitive Request for Proposals process, to (a) design, construct, and install the light rail air train system (AirTrain) (Phase I) and (b) operate and maintain the AirTrain system through February 2009 (Phase II).

In December 2004, the Airport filed a lawsuit against Bombardier for contract delays and property damages, which was settled in April 2008. The settlement included a provision that allowed the Airport to recover costs if Bombardier did not meet performance incentives, and the Airport would approve a five-year contract for Bombardier to operate and maintain the AirTrain system from March 2009 through February 2014. The Board of Supervisors approved the contract in November 2008 (File 08-0942) and exempted the contract from a competitive request for proposal process because the contract was awarded as a result of a legal settlement.

The new five-year contract included one option to extend the term of the contract by three years through February 2017, which was mandatory if Bombardier met performance benchmarks, and two additional one-year options to extend the term of the contract through February 2019 at the sole discretion of the Airport. The new five-year contract was for an amount not-to-exceed \$56,500,000. Since then, the Airport has modified the contract five times. In December 2018, the Board of Supervisors approved the fifth and final modification to the existing contract between the Airport and Bombardier to (a) extend the contract by four months from March 1, 2019 through June 30, 2019, and (b) increase the contract not-to-exceed amount to \$135,442,464 (File 18-1063).

On March 1, 2019, the Office of Contract Administration waived the competitive solicitation requirement for the proposed new contract under Administrative Code Section 21.5(d). On April 2, 2019, the Airport Commission approved a new agreement with Bombardier for the operation and maintenance of the AirTrain System, pending Board of Supervisors approval.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the new contract between the San Francisco International Airport and Bombardier Transportation (Holdings) USA, Inc., for AirTrain Operation and Maintenance for a total contract amount not to exceed \$219,541,698 for a term of ten years from July 1, 2019 through June 30, 2029. The contract has a one (1) five-year option to renew through June 30, 2034.

According to Ms. Cynthia Avakian, Director of Contracts at the Airport, the Airport chose a term of ten years in order to ensure a fixed price over a longer term. The previous contracts with Bombardier were for five years or less.

Limiting Bombardier's liability for incidental and consequential damage

The proposed contract includes nonstandard language approved by the City's Risk Manager that limits Bombardier's liability for incidental and consequential damages. Specifically, the agreement provides for a cap on incidental and consequential damages of \$1,000,000 annually and \$10,000,000 for the term. Damages for personal injury, wrongful death, or cost of repair or replacement of property are not subject to the cap.

Administrative Code Section 21.23 states that the City may waive future rights to incidental and consequential damages, or limit damages caused by the contractor's negligence to a specified amount. The factors to be evaluated in determining whether damages should be waived or capped in a particular case shall include but are not limited to:

- (a) Whether, in light of insurance and bond requirements, the performance of the contract is likely to create undue risk of damages to the City;
- (b) Whether the language proposed in the contract waiving future claims to incidental and consequential damages or limiting the contractor's liability for damages caused by the contractor's negligence is standard in the industry to which the contract relates;
- (c) The best interests of the City.

According to Ms. Stephanie Williams, Airport Risk and Loss Services Manager, the insurance requirements in the proposed contract meet standard requirements for a contract of this type and scope. The proposed contract has two modifications of the standard terms related to the Airport's liabilities and risk, but the Airport considers that all the contract's provisions in total expose the Airport to a minimum amount of risk.

FISCAL IMPACT

The proposed contract with Bombardier consists of \$200,409,236 for maintenance and operations, including achievement based bonuses, for a ten year period, as well as an additional \$18,132,462 in capital plan expenditures, for a total of \$219,541,698. The maintenance and operations budget for the initial ten years and the one (1) five-year option to extend is \$323,261,078, as shown in Table 1 below.

Table 1: Annual Operations and Maintenance Budget by Year

Contract Year	Base Price	Potential Bonuses (1%)	Total Per Year	Percent Annual Increase
1	\$17,550,278	\$175,503	\$17,725,781	n/a
2	17,969,130	179,691	18,148,821	2%
3	18,466,770	184,668	18,651,438	3%
4	18,978,514	189,785	19,168,299	3%
5	19,504,767	195,048	19,699,815	3%
6	20,045,950	200,460	20,246,410	3%
7	20,602,493	206,025	20,808,518	3%
8	21,174,841	211,748	21,386,589	3%
9	21,763,451	217,635	21,981,086	3%
10	<u>22,368,792</u>	<u>223,688</u>	<u>22,592,480</u>	3%
Subtotal	\$198,424,986	\$1,984,250	\$200,409,236	
11	22,991,351	229,914	23,221,265	3%
12	23,631,624	236,316	23,867,940	3%
13	24,290,125	242,901	24,533,026	3%
14	24,967,383	249,674	25,217,057	3%
15	<u>25,755,004</u>	<u>257,550</u>	<u>26,012,554</u>	3%
Subtotal	\$121,635,487	\$1,216,355	\$122,851,842	
Total	\$320,060,473	\$3,200,605	\$323,261,078	

Renewal Option

The contract provides for one five-year option, as noted above. The proposed resolution should be amended to clarify that the option to extend the contract by five years is subject to Board of Supervisors approval in accordance with Charter Section 9.118(b).

Third Party Assessment

Prior to beginning negotiations for a new contract, the Airport hired a third party consultant, PGH Wong Engineering, to gather data from similar transit systems across the United States in order to perform a cost analysis of maintenance and operations. The analysis was completed on November 23, 2018. The consultants examined people mover systems at the Atlanta Hartsfield-Jackson International Airport, Denver International Airport, and Dallas/Fort Worth International Airport. The consultants found the current average annual cost to those airports for the operation and maintenance of their systems to be \$18,700,000 per year. As shown in Table 1 above, the cost for maintenance and operations under the proposed resolution would be \$17,725,781, including all bonuses, in year one.

Capital assets replacement projects

In addition to the annual maintenance and operations, the proposed contract contains additional services related to capital asset replacement projects. The total cost of the capital asset replacement projects is \$18,132,462, and is detailed in Table 2 below.

Table 2: Capital assets replacement projects

Vehicle Coupler Replacement	\$5,106,182
Vehicle HVAC Replacement	6,268,958
Vehicle LCD Dynamic and Advertising Display System	2,905,575
Station Door System Repair Kit	1,700,000
Vehicle Roof Wrap	301,747
<u>Replacement of Maintenance Radio System and Operational Radio System</u>	<u>1,850,000</u>
Total	\$18,132,462

Funds for the Bombardier agreement will come from the Airport's annual operating funds.

POLICY CONSIDERATION

The Airport will monitor Bombardier's performance through (1) a computer-based maintenance system that monitors system availability and preventative maintenance programs; (2) daily observations and inspections; and (3) monthly reports provided by Bombardier. The proposed agreement provides that the City's obligation to Bombardier cannot at any time exceed the amount certified by City's Controller for the purpose and period stated in such certification.

RECOMMENDATIONS

1. Amend the proposed resolution to clarify that the option to extend the contract by five years is subject to Board of Supervisors approval in accordance with Charter Section 9.118(b).
2. Approve the proposed resolution

Item 3 File 19-0386	Department: San Francisco International Airport (Airport)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> The proposed resolution would approve Amendment No. 1 to the retail concession lease in Terminal 3 between San Francisco International Airport (Airport) as landlord and Air Sun J.V. as tenant, extending the term by approximately one year and eight months from approximately May 1, 2019 through December 2020, with a condition that the lease may be terminated with the Airport Director's sole discretion by providing six months advance written notice. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> The Airport selected Air Sun JV in 2009 through a competitive Request for Proposals (RFP) for a specialty store concession lease in Terminal 3. The Board of Supervisors approved the original lease between the Airport and Air Sun for a term of seven years and initial MAG rent of \$150,000, with a two-year option to extend the lease, for a total term of nine years. In December 2016, the Airport Commission approved exercising the option. In February 2019, the Airport Commission approved Amendment No. 1 to the lease, extending the lease through December 2020. However, the existing lease expired March 5, 2019, before approval of Amendment No. 1 could come before the Board of Supervisors. The lease has been in holdover status since March 2019. The lease extension would commence following Board of Supervisors approval. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> Air Sun has recently been paying the MAG rent, as opposed to percentage rent based on gross revenues. The Airport increased the MAG rent by 4.5 percent on April 1, 2019, from \$185,570 to \$193,920. The MAG is currently will be adjusted on April 1, 2020 based on the Consumer Price Index (CPI). Between April 2019 and December 2020, Air Sun will pay at least \$339,360 in MAG rent to the Airport. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(c) states that any modification, amendment or termination of a lease that had an initial term of ten years or more, including options to extend, or that had anticipated revenues of \$1 million or more is subject to Board of Supervisors approval.

BACKGROUND

In 2009, San Francisco International Airport (Airport) conducted a Request for Proposals (RFP) for a specialty store concession lease in Terminal 3. Air Sun JV, a joint venture between Sunglass Hut Trading, LLC and Corliss Stone-Littles, LLC, was deemed the highest scoring responsive and responsible proposer. In October 2009, the Board of Supervisors approved a lease with Air Sun for a term of seven years and initial Minimum Annually Guaranteed (MAG) rent of \$150,000, with a two-year option to extend the lease, for a total term of nine years (File 09-1007, Resolution 394-09). In December 2016, the Airport Commission approved exercising the option.

In February 2019, the Airport Commission approved an extension of the lease. However, the existing lease expired March 5, 2019 and is currently in holdover status. According to Ms. Veronica Zamani, Airport Principal Property Manager, the lease extension did not come before the Board of Supervisors before it expired because of administrative delays.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve Amendment No. 1 to the lease with Air Sun JV, extending the term of the lease by approximately one year and eight months from approximately May 1, 2019 through December 2020. As noted above, the lease has been in holdover status since March 2019. The lease extension would commence following Board of Supervisors approval.

Under the lease, Air Sun pays the greater of MAG rent or percentage rent based on gross revenues. The MAG is adjusted annually based on the Consumer Price Index (CPI) and was adjusted by 4.5 percent on April 1, 2019, from \$185,570 to \$193,920.

Amendment No. 1 extends the term of the lease to approximately ten years and ten months, including the holdover period, which is longer than the nine-year maximum term authorized in the RFP. According to Ms. Zamani, the Airport is recommending the lease to extend beyond the term set in the RFP due to significant construction in Terminal 3 West. At the time of the RFP and original lease in 2009, the timeline for construction was not known. Airport staff plans to conduct an RFP to solicit a new retail tenant in the summer of 2020.

The proposed resolution would also allow the Airport to terminate the lease at the Airport Director's sole discretion by providing six months advance written notice. According to Ms. Zamani, this provision was included to give the tenant ample notice to surrender in the event that the Airport chooses to terminate the lease.

Other terms of the lease would not change under Amendment No. 1.

FISCAL IMPACT

According to Ms. Zamani, Air Sun has been recently paying the MAG, as opposed to percentage rent. The Airport typically sets MAG rent at approximately 70 percent of projected percentage rent for retail concession tenants. According to Ms. Zamani, while most concession tenants pay percentage rent, retail concession tenants pay the MAG rent more frequently than food and beverage concession tenants do.

Between April 2019 and December 2020, the Airport will receive at least \$339,360 in MAG rent. The MAG was \$185,570, or \$15,464 per month, from April 2018 through March 2019, and was adjusted to \$193,920, or \$16,160 per month, for the period of April 2019 through March 2020. The MAG would be adjusted again in April 2020. MAG rent paid by Air Sun to the Airport is shown in Table 1 below.

Table 1: MAG Rent Collected by Airport, April 2019 – December 2020

Lease Year	MAG Rent	Monthly MAG Rent	Months	Total MAG Paid
Year 1 (April 2019 – March 2020)	\$193,920	\$16,160	12	\$193,920
Year 2 * (April 2020 – December 2020)	193,920	16,160	9	145,440
Total			21	\$339,360

**MAG subject to adjustment in April 2020*

RECOMMENDATION

Approve the proposed resolution.

Items 4 and 5 Files 19-0416 and 19-0420	Department: Real Estate Division
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p>	
<ul style="list-style-type: none"> • File 19-0420 is a resolution authorizing (1) the Director of Real Estate Division to acquire real property located at 814-820 Bryant Street and 470 6th Street from Wen-Chiao Wayne Lin and Mei-Huei Grace Lin, and Tony Chih-Tung Lin and Jenny Chun-Hsing Lin for the purchase price of \$11,520,000; and (2) issuance of \$16,000,000 in Certificates of Participation. • File 19-0416 is an ordinance appropriating \$16,000,000 of Certificates of Participation pay for the purchase of 814-820 Bryant Street and 470-6th Street, including debt issuance costs and demolition of an existing structure. 	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • In January 2016, the Board of Supervisors verbally urged the Real Estate Division to begin negotiating the acquisition of the four adjacent properties at: (1) 450 6th Street, (2) 444 6th Street, (3) 470 6th Street, and (4) 814-820 Bryant Street for the Hall of Justice Relocation Project. In June 2016, the Board of Supervisors approved the acquisition of one of the four lots, the property at 450 6th Street, for \$2,403,333. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • In January 2019, the Real Estate Division contracted with Runde and Partners to conduct an appraisal of the 814-820 Bryant Street and 470 6th Street properties, in accordance with Administrative Code 23.3, which determined the market value is consistent with the proposed negotiated price. The appraisal review is in process. • The costs to purchase the property, including transaction costs and demolition of an existing building, are approximately \$12,000,000. In addition, the City's estimated costs to issue the certificates of participation are \$3,535,000, including the audit fee, debt service reserve fund, capitalized interest and fees, and cost of issuance and underwriter's discount. \$465,000 would be reserved for market uncertainty. • The anticipated incremental debt service associated with the delivery and execution of the Certificates of Participation complies with the City's policy of limiting General Fund debt service payments at or below 3.25 percent of General Fund Discretionary Revenue. 	
<p style="text-align: center;">Policy Consideration</p>	
<ul style="list-style-type: none"> • A specific plan for construction of a new facility has not yet been approved. The Real Estate Division stated that no jail is contemplated to be constructed on this property. The proposed Capital Plan, pending before the Board of Supervisors, provides for the issuance of certificates of participation for the demolition of the Bryant Street wing of the Hall of Justice slated for FY 2024-25. Planning for the replacement building has not yet begun, but is expected to consolidate criminal justice functions currently in leased spaces. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> • Approve the proposed resolution and proposed ordinance pending (a) the receipt of the appraisal review, and (b) the approval of the Ten-Year Capital Plan for FY 2020-20 through FY 2029-30 by the Board of Supervisors on April 30, 2019. 	

MANDATE STATEMENT

City Charter Section 9.105 states that amendments to the Annual Appropriation Ordinance are subject to Board of Supervisors approval by ordinance after the Controller certifies the availability of funds.

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.

City Charter Section 9.118(e) states that the Board of Supervisors has the power to borrow money by the issuance of tax anticipation notes, temporary notes, commercial paper, or any other short-term debt instruments in the manner provided by state law or City ordinance.

BACKGROUND

The Hall of Justice, located at 850 Bryant Street, was constructed in 1958 and is seismically deficient. Due to aging infrastructure, the Hall of Justice has serious health, safety, and working condition problems, requiring significant renovation and capital investment. As a result, replacing the Hall of Justice, including County Jails No. 3 and No. 4, has been a high priority in the City's Ten-Year Capital Plan since 2006. However, in late 2015, the Board of Supervisors rejected legislation to (a) accept a State grant to construct a new jail, (b) issue \$215,000,000 Certificates of Participation and commercial paper to fund the balance of the costs, and (c) purchase four adjacent properties to locate the new jail facility.

Instead, on January 12, 2016, the Board of Supervisors approved a resolution (File 15-1286) urging the Director of the Department of Public Health and the Sheriff to convene a working group to re-envision the jail replacement project at the Hall of Justice. The resolution also stated that the Board of Supervisors verbally urged the Real Estate Division to begin negotiating the acquisition of the four adjacent properties at: (1) 450 6th Street, (2) 444 6th Street, (3) 470 6th Street, and (4) 814-820 Bryant Street, and that the Board of Supervisors would soon consider legislation approving these acquisitions.

In June 2016, the Board of Supervisors approved the acquisition of one of the four lots, the property at 450 6th Street, for \$2,403,333 (File 16-0645).

In April 2017, the Board of Supervisors adopted the FY 2018-27 Ten-Year Capital Plan. The Capital Plan calls for \$308 million in certificates of participation for the Hall of Justice Relocation Project to relocate the District Attorney's Office, Adult Probation Department, Police Department Investigations Unit, Medical Examiner, and other administrative offices from the Hall of Justice.

DETAILS OF PROPOSED LEGISLATION

File 19-0420: the proposed resolution would authorize the Director of Real Estate Division to acquire real property located at 814-820 Bryant Street and 470 6th Street from Wen-Chiao

Wayne Lin and Mei-Huei Grace Lin, as to an undivided 60 percent interest, and Tony Chih-Tung Lin and Jenny Chun-Hsing Lin, as to an undivided 40 percent interest, to facilitate the replacement of the Hall of Justice known as the Justice Facilities Improvement Program, for the purchase price of \$11,520,000. These are two of the four properties recommended for purchase by the Board of Supervisors, as noted in File 15-1286.

In addition, the proposed resolution would authorize the Controller to cause the execution and delivery of taxable or tax-exempt certificates of participation representing an aggregate principal amount not to exceed \$16,000,000 to finance the costs of the acquisition of the property, including demolition and related site preparation costs. The proposed resolution would authorize the Controller to issue the City's commercial paper notes in anticipation of the execution and delivery of the Certificates of Participation.

Finally, the proposed resolution would adopt findings that the conveyance is consistent with the City's General Plan and Eight Priority Policies of City Planning Coe Section 101.1, and authorize the Controller and the Director of Property to execute such documents and take necessary actions in furtherance of this resolution.

File 19-0416: the proposed ordinance would appropriate \$16,000,000 of Certificates of Participation to the General Services Agency to purchase the property located at 814-820 Bryant Street and 470-6th Street and to fund the Hall of Justice Relocation Project with related demolition, site preparation and other acquisition costs in FY 2018-2019.

Existing and Proposed Use of Property

The proposed properties at 814-820 Bryant Street and 470 6th Street are two of the four properties listed above in the planned acquisition, located adjacent to the Hall of Justice as shown in the map below.



The properties are approximately 24,000 square feet and include a vacant single story wood frame quick-service restaurant facility of approximately 2,899 feet.

The Real Estate Division continues to negotiate for the fourth of the four parcels identified in File 15-1286, but a project adjacent to the existing Hall of Justice could move forward without purchasing the final parcel.

Environmental and Planning Code Provisions

On July 21, 2015, the Board of Supervisors approved the Final Mitigated Negative Declaration for the jail replacement project (File 15-0701). On April 11, 2019, the Planning Department verified that the proposed acquisition of 814-820 Bryant Street and 470 6th Street is consistent with the City's General Plan and the eight priority policies in Section 101.1 of the Planning Code. The proposed resolution would incorporate the Planning Department's findings regarding consistency with the City's General Plan and the Planning Code.

FISCAL IMPACT

Appraisal and Purchase Price

In January 2019, the Real Estate Division contracted with Runde and Partners to conduct an appraisal of the 814-820 Bryant Street and 470 6th Street properties, which determined the market value is consistent with the proposed negotiated price, in accordance with Administrative Code 23.3. The appraisal defines market value as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale.

According to Mr. Penick, the appraisal review is in process and is not available in time for this report. The Real Estate Division expects the report in time for the Budget and Finance Committee hearing on May 1, 2019.

Uses of certificates of participation

The City would pay approximately \$12,000,000 for the total project cost, including \$11,520,000 for site acquisition, as shown in Table 1 below. In addition, the City's estimated costs to issue the certificates of participation are \$3,535,000, including the audit fee, debt service reserve fund, capitalized interest and fees, and cost of issuance and underwriter's discount. \$465,000 would be reserved for market uncertainty.

Table 2: Uses of \$16 million in Certificates of Participation

Site Acquisition	\$11,520,000
Title Insurance	10,605
Title Endorsement, Escrow Fees and Other Fees	8,161
Demolition and Site Preparation	461,234
Subtotal Estimated Project Cost (rounded)	12,000,000
Audit Fee	24,000
Debt Service Reserve Fund	1,233,237
Capitalized Interest and Fees	1,337,138
Cost of Issuance and Underwriter's Discount	940,625
Subtotal Costs of Issuance (rounded)	3,535,000
Total Estimated Costs (rounded)	15,535,000
Reserve for Market Uncertainty	465,000
Total Not to Exceed (rounded)	\$16,000,000

The project is expected to be completed in the summer of 2020.

City's Debt Policy

The current plan of finance anticipates utilizing the City's commercial paper program, which was approved by the Board of Supervisors in March 2009 (File 09-0197) and March 2010 (File 10-0269) to finance certain project costs, including preliminary design, planning, and permitting. Of the City's total commercial paper program of \$250 million authorized by the Board of Supervisors in May 2016 (File 16-0427), \$141.5 million is currently unencumbered.

The City's policy is to limit General Fund debt service at or below 3.25 percent of discretionary General Fund revenues. The anticipated incremental debt service associated with the delivery and execution of the Certificates of Participation complies with the City's policy of limiting General Fund debt service payments at or below 3.25 percent of General Fund Discretionary Revenue, as set forth and maintained in the City's Capital Plan.

POLICY CONSIDERATION

A specific plan for construction of a new facility on 814-820 Bryant Street and 470 6th Street has not yet been approved. The Real Estate Division stated that no jail is contemplated to be constructed on this property. The property is to be developed as an administrative building as part of the future Hall of Justice complex; and the Real Estate Division anticipates that the departments that were in the old Hall of Justice, including but not limited to the Police Investigations Unit and the Adult Probation Department, will be moved into the new facility on these two parcels and the previously-purchased parcel. According to Ms. Heather Green, Capital Planning Director, the proposed Capital Plan, pending before the Board of Supervisors, provides for the issuance of certificates of participation for the demolition of the Bryant Street wing of the Hall of Justice slated for FY 2024-25. According to Ms. Green, planning for the

replacement building has not yet begun, but is expected to consolidate criminal justice functions currently in leased spaces.

RECOMMENDATION

Approve the proposed resolution and proposed ordinance pending (a) the receipt of the appraisal review, and (b) the approval of the Ten-Year Capital Plan for FY 2020-20 through FY 2029-30 by the Board of Supervisors on April 30, 2019.

Item 6
File 18-1072

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 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, and (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 rates: (1) construction employees would receive wage rates that vary by classification, from no change to an increase of \$5.63 per hour; (2) janitorial employees would receive a wage rate increase depending on classification ranging from \$0.25 to \$0.55 per hour, and window cleaners would receive a wage rate increase of \$0.65 per hour; (3) garage and parking lot employees would receive a wage rate increase depending on classification from no increase to \$0.83 per hour; (4) theatrical employees would receive a wage rate increase depending on classification from \$2.21 to \$4.38 per hour; (5) solid waste haulers would receive a wage rate increase depending on classification ranging from \$0.84 to \$1.05 per hour; (6) employees performing moving services would receive a wage rate increase of \$0.30 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 from \$0.89 to \$16.27 per hour, (9) loaders and unloaders would receive a wage rate increase of \$1.00 per hour, (10) security guards would receive a wage rate increase depending on classification ranging from \$1.55 to \$1.90 per hour, and (11) motor bus drivers would receive a wage rate increase of \$0.75 per hour.

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 wages rates.

Recommendation

- Approval of the proposed resolution is a policy decision 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. Table 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.

Table 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)	May 19, 2011	Public works or construction
Section 21C.1	January 7, 2011	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 that have contracts with the City, lease City property, or have permits for or other access to temporary use of City property must pay prevailing wage rates to employees. 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, broadcast services, and loading unloading and driving commercial vehicles on City property.

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 Civil Service Commission submitted the report to the Board of Supervisors on October 17, 2018.

Administrative Code Section 6.22(E) states 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. If the Board of Supervisors does not adopt the prevailing wage rates, 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:

- Public works and improvement project contracts,
- Janitorial services contracts,
- Public off-street parking lots, garages, or storage facilities for vehicles on property owned or leased by the City,
- Theatrical or technical services related for shows on property owned or leased by the City,
- Hauling of solid waste generated by the City in the course of City operations,
- Moving services under City contracts at facilities owned or leased by the City,
- Exhibit, display or trade work show services at a special event on City-owned property,
- Broadcast services on City property,
- Loading, unloading, and driving of commercial vehicles on City property in connection with shows or special events,
- Security guard services, and
- 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 2019 as compared to 2018, (d) the amount of the hourly fringe benefit rate increases in 2019 as compared to 2018, 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.¹ 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

Administrative Code Section 21C.7 provides for the Board of Supervisors to approve the prevailing rate of wages for covered classifications each calendar year. While the Civil Service Commission provides prevailing wage data to the Board, the Board of Supervisors is not limited to consideration of the data provided by the Civil Service Commission.

The prevailing wage rates for parking employees, as submitted by the Civil Service Commission, are based on wage rates in the collective bargaining agreement between Teamsters Local 665 and New South Parking, which covers workers at San Francisco International Airport parking facilities. Parking employees at City-owned parking facilities under the jurisdiction of the San

¹ The 2019 prevailing wage rates under S.F. Admin Code 21C no longer include wages for foreperson classifications. According to Mr. Benjamin Weber, Office of Labor Standards Enforcement, the foreperson classifications were removed because they pertain only to union contracts and the distinction is not enforceable from a prevailing wage standpoint. Since the prevailing wage is a minimum wage, the foreperson wage exceeds the prevailing wage and does not prevail.

Francisco Municipal Transportation Agency (SFMTA) are covered under the collective bargaining agreement between Teamsters Local 665 and a consortium of companies that operate parking facilities in San Francisco, including City-owned parking facilities², which expired in November 2018. As of the writing of this report, the collective bargaining agreement between Teamsters Local 665 and the consortium of companies operating parking facilities in San Francisco, including City-owned parking facilities is under negotiation.

The prevailing wage rate for parking employees as submitted by the Civil Service Commission would apply to employees of City-owned parking facilities. Even if the wage rate and benefits negotiated by Teamsters Local 665 and the parking consortium are lower than those submitted by the Civil Service Commission.³ As noted above, the Board of Supervisors has the option to approve the prevailing wage rates as submitted by the Civil Service Commission or consider other data to approve the prevailing wage rates. Therefore, approval of the proposed resolution is a policy matter for the Board of Supervisors.

RECOMMENDATION

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

² The operators included in this agreement are ABM Parking Services, IMPARK & IMCO, Standard Parking & Central Parking, City Park, California Parking, Pacific Park Management, Parking Concepts Inc., LAZ Parking of California, Ace Parking Mgt., Inc. ProPark America, Douglas Parking, Portsmouth Sq. Garage, Encore Hospitality Services, Savoy Corporation, Parking Company of America, and R&R Parking.

³ If the collective bargaining agreement between the Teamsters Local 665 and the parking consortium provides for wage rates and benefits that are higher than the prevailing wage rate, the higher rate would apply. If the collective bargaining agreement provides for wage rates and benefits that are lower than the prevailing wage rate, the prevailing wage rate would apply to parking employees of City-owned or leased facilities but not to parking employees of private facilities under the agreement.

List of the Crafts Covered by Prevailing Wage Requirements

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

Type of Contract, Lease, or Operating Agreement	Collective Bargaining Agreement and/or Labor Union	Hourly Wage Rate Increase/ Decrease in 2019 compared to 2018	Hourly Fringe Benefits Rate Increase/ Decrease in 2019 compared to 2018	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 roofers, bitumastics, enamelers, pipe wrappers, mastic workers, kettlemen, water well drillers, and pump installers to an increase of \$5.63 per hour for cable splicers.	Varies by classification, ranging from a decrease of \$1.50 for certain plumbers and air conditioning and refrigeration/HVAC service workers to an increase of \$2.15 for sprinkler fitters.	Varies by classification: -The low wage rate increases from \$15.00 to \$15.50 per hour for water well driller helpers. -The high wage is increases from \$113.94 to \$114.44 per hour for plumbers, steamfitters, and air conditioning and refrigeration/HVAC service workers.
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.	Varies by classification, from an increase of \$0.25 per hour to an increase of \$0.55 per hour.	Varies by classification, from an increase of \$0.36 per hour to an increase of \$0.74 per hour.	Varies by classification: -The low wage increases from \$24.09 per hour to \$24.95 per hour. -The high wage increases from \$32.99 per hour to \$33.90 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	An increase of \$0.65 per hour.	Varies by classification, from an increase of \$0.91 per hour to an increase of \$0.93 per hour.	Varies by classification: -The low wage increases from \$37.38 per hour to \$38.96 per hour. -The high wage increases from \$38.99 per hour to \$40.55 per hour.
Public Off-Street Garage Attendants	Collective Bargaining Agreement between New South Parking California and Teamsters Automotive and Allied Workers, Local 665, covering parking employees at San Francisco International Airport.	Varies by classification, from no increase to an increase of \$0.83 per hour.	Varies by classification, from a decrease of \$0.18 per hour to an increase of \$1.89 per hour.	Varies by classification: -The low wage decreases from \$19.96 per hour to \$19.78 per hour. -The high wage increases from \$35.30 per hour to \$38.02 per hour.

Type of Contract, Lease, or Operating Agreement	Collective Bargaining Agreement and/or Labor Union	Hourly Wage Rate Increase/ Decrease in 2018 compared to 2017	Hourly Fringe Benefits Rate Increase/ Decrease in 2018 compared to 2017	Proposed Prevailing Wage Rates (Hourly Wage Rate + Hourly Fringe Benefit Rate)
Theatrical Services	2016 Project Collective Bargaining Agreement - International Alliance of Theatrical Stage Employees, Local 16, and Moving Picture Technicians, Artists and Allied Crafts, and Canada Local 16	Varies by classification, from an increase of \$2.21 per hour to an increase of \$4.38 per hour.	Varies by classification, from an increase of \$0.92 per hour to an increase of \$1.85 per hour.	Varies by classification: -The low wage increases from \$51.66 per hour to \$54.79 per hour. -The high wage increases from \$102.16 per hour to \$108.39 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 \$0.84 per hour to an increase of \$1.05 per hour.	Varies by classification from an increase of \$4.18 to \$4.19 per hour. (Does not include vacation benefits which vary based on length of employment)	Varies by classification: ·The low wage rate increases from \$64.04 to \$69.07 per hour. ·The high wage rate increases from \$76.81 to \$82.11 per hour.
Moving Services	Collective Bargaining Agreement between the Northern California employers and the Northern California Regional Council of Carpenters and the Carpenters 46 Northern California Counties Conference Board.	An increase of \$0.30 per hour	An Increase of \$0.37 per hour.	Varies by classification: ·The low wage rate increases from \$33.18 to \$33.85 per hour. ·The high wage rate increases from \$32.45 to \$34.12 per hour
Trade Shows	Collective Bargaining Agreement, between the Convention Services Employer and 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 \$1.75 per hour to an increase of \$1.76 per hour.	Varies by classification: ·The low wage increases from \$63.87 to \$67.02 per hour. ·The high wage increases from \$68.21 to \$71.51 per hour.
Broadcast service workers	Agreement between MIRA Mobile Television Inc. and KELLEYCORE d/b/a SAMMCO, and the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists, and Allied Crafts, AFL-CIO, CLC, and Local 119/ Bay Area Freelance Association	Varies by classification, from an increase of \$0.89 per hour to an increase of \$16.27 per hour.	Varies by classification, from an increase of \$0.84 per hour to an increase of \$1.61 per hour.	Varies by classification: -The low wage increases from \$26.09 per hour to \$27.82 per hour. -The high wage increases from \$96.13 per hour to \$101.78 per hour.

Type of Contract, Lease, or Operating Agreement	Collective Bargaining Agreement and/or Labor Union	Hourly Wage Rate Increase/ Decrease in 2018 compared to 2017	Hourly Fringe Benefits Rate Increase/ Decrease in 2018 compared to 2017	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	An increase of \$1.00 per hour.	Varies by classification, from an increase of \$0.66 per hour to an increase of \$0.67 per hour.	Varies by classification: -The low wage increases from \$61.03 per hour to \$62.69 per hour. -The high wage increases from \$62.16 per hour to \$63.83 per hour.
Security Guard Services	Collective Bargaining Agreement between Security Employers and Services Employees International Union, United Services Workers West	Varies by classification, from an increase of \$1.55 per hour to an increase of \$1.90 per hour.	Varies by classification, from an increase of \$0.81 per hour to an increase of \$0.83 per hour.	Varies by classification: -The low wage increases from \$18.39 per hour to \$20.75 per hour. -The high wage increases from \$18.19 per hour to \$21.12 per hour.
Motor Bus Services	Collective Bargaining Agreement between Bauer's Intelligent Transportation, Inc. and Teamsters Local Union No. 665	An increase of \$0.75 per hour.	An increase of \$0.30 per hour.	Varies by classification: -The low wage increases from \$25.20 per hour to \$26.26 per hour. -The high wage increases from \$34.00 per hour to \$35.06 per hour.