

**SECOND ADDENDUM TO THE
SAN FRANCISCO PUBLIC UTILITIES COMMISSION
WATER SYSTEM IMPROVEMENT PROGRAM
PROJECT LABOR AGREEMENT**

THIS ADDENDUM (this “Addendum”) is made as of **July 23, 2019**, in San Francisco, California, by and between the signatory craft unions (“Unions”), and the San Francisco Public Utilities Commission (“SFPUC”).

Recitals

WHEREAS, On March 27, 2007, by Resolution No. 07-0044, the San Francisco Public Utilities Commission authorized the SFPUC General Manager to enter into the Water System Improvement Program (“WSIP”) Project Labor Agreement (“PLA” or “Agreement” as defined below), which was approved and duly executed by the parties; and

WHEREAS, On September 23, 2008, by Resolution No. 08-0170, the Commission approved Addendum No. 1 of the Agreement, which extended the Agreement to the SFPUC Advanced Meter Infrastructure project; and

WHEREAS, On May 10, 2016, by Resolution No. 16-0090, the Commission approved an Extension Agreement which applied the terms of the Agreement, as modified in that Extension Agreement, to certain Sewer System Improvement Program (SSIP) projects and the AWSS Pumping Station 2 project, and such Extension Agreement did not amend the Agreement; and

WHEREAS, Section 18.2 of the Agreement provides that the parties may agree to extend the PLA to additional SFPUC capital projects where the SFPUC determines that extending the Agreement to further projects would meet one or more legitimate governmental interests; and

WHEREAS, The SFPUC and the Unions desire to modify the Agreement on the terms and conditions set forth herein to (1) extend the Agreement to seven additional SFPUC significant capital projects, (2) update certain provisions to be consistent with terms in the SSIP Extension Agreement, and (3) revise Section 18.2 to authorize the SFPUC General Manager, with the approval of the Joint Administrative Committee, to add additional SFPUC capital projects to the PLA in the future without requiring Commission approval or formal amendment of the Agreement; and

WHEREAS, The Commission approved this Second Addendum on July 23, 2019 by Resolution No. 19-0150;

NOW, THEREFORE, the SFPUC and the Unions agree as follows:

Article 1 Definitions

The following definitions shall apply to this Amendment:

1.1 **Agreement.** The term “Agreement” shall mean the SFPUC WSIP Project Labor Agreement dated March 27, 2007, as amended by the First Addendum, dated September 10, 2008.

1.2 **Other Terms.** Terms used and not defined in this Addendum shall have the meanings assigned to such terms in the Agreement.

Article 2 Modifications to the Agreement.

The Agreement is hereby modified as follows:

2.1 **Section 1.1.** *Section 1.1 of the Agreement currently reads as follows:*

Section 1.1 The SFPUC is undertaking an estimated \$4.3 billion program to rebuild and seismically upgrade Hetch Hetchy Water System’s aging pipelines, tunnels, reservoirs, pump stations, storage tanks and dams. The capital improvement program, referred to hereinafter as the Water System Improvement Program (“WSIP”), is a comprehensive program involving numerous individual projects.

Such section is hereby amended in its entirety to read as follows:

Section 1.1.

a. WSIP. The SFPUC is undertaking an estimated \$4.8 billion program to rebuild and seismically upgrade Hetch Hetchy Water System’s aging pipelines, tunnels, reservoirs, pump stations, storage tanks and dams. The capital improvement program, referred to hereinafter as the Water System Improvement Program (“WSIP”), is a comprehensive program involving numerous individual projects.

b. Other Significant Projects. The following are “Other Significant Projects”:

1. The Harding Park Recycled Water Project to construct a new pump station, distribution pipeline, underground recycled water storage tank to produce and deliver recycled water to irrigate Harding Park and Fleming Golf Courses, and back-up connection to the SFPUC potable water distribution system.
2. The Bay Corridor Transmission and Distribution Project to construct public utilities including electrical duct banks, electrical conduits, electrical cables and equipment, water and sewer pipelines, dry-weather force main, trenchless utility crossings at rail tracks, accessible curb ramps, and street restoration in congested urban public rights of way.
3. Sunol Long Term Improvements Watershed Center Project to construct an Interpretive Watershed Center in the vicinity of the Sunol Water Temple.
4. Auxiliary Water Supply System Pipeline Improvements Projects to remotely operate various existing AWSS manual gate valve locations, upgrade existing motorized gate valve locations, replace and relocate existing gate valve, and install new facilities for connecting and controlling backup water supply for the AWSS piping facilities.

5. The Southeast Community Center Project at 1550 Evans to construct a new community center that will consist of two buildings that will include a café and childcare center, multipurpose rooms, office space, and a community room pavilion.
6. The Treasure Island Wastewater Treatment Plant Project to provide for a new wastewater treatment plant to replace the aging wastewater treatment plant, ensure future regulatory compliance, and meet the wastewater and recycled water needs of future development at Treasure Island.
7. The Mountain Tunnel Improvement Project to improve the condition of the existing Mountain Tunnel and to ensure the Tunnel's continued ability to provide quality drinking water reliably to its 2.7 million customers in the Sierra Foothills and San Francisco Bay Area.

Other Significant Projects also include any additional projects to which the Parties agree to extend this Agreement in accordance with the procedures provided in Section 18.2 and as set forth in Appendix A-1.

2.2 **Section 1.2.** *Section 1.2 of the Agreement currently reads as follows:*

Section 1.2 The purpose of this Agreement is to promote efficiency of construction of the WSIP ("the Project") by facilitating communication, education and partnerships among the SFPUC, Unions, Contractors, and contract-enforcement agencies to identify and resolve issues, to enhance understanding and compliance with the labor-related policies and regulations, and to provide for peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Project.

Such section is hereby amended in its entirety to read as follows:

Section 1.2 The purpose of this Agreement is to promote efficiency of construction of the WSIP and Other Significant Projects as set forth in Appendix A-1 (collectively referred to herein as "the Project") by facilitating communication, education and partnerships among the SFPUC, Unions, Contractors, and contract-enforcement agencies to identify and resolve issues, to enhance understanding and compliance with the labor-related policies and regulations, and to provide for peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Projects.

2.3 **Section 2.1.** *Section 2.1 of the Agreement currently reads as follows:*

Section 2.1 This Agreement hereinafter designated as the "Water System Improvement Project Labor Agreement" or "WSIPLA" shall apply and is limited to construction as defined in Section 2.2 performed by contractors of whatever tier who have contracts awarded for such work on or after the effective date of the WSIPLA, with regard to the construction or any other construction-related activities necessary to the "Project"; except that work performed under the NTL Articles of Agreement and the National Agreement of Elevator Constructors, with the exception of Article VI, VII and VIII of this Agreement shall apply.

Such section is hereby amended in its entirety to read as follows:

Section 2.1 This Agreement hereinafter designated as the “Water System Improvement Project Labor Agreement” or “WSIPLA” shall apply and is limited to construction as defined in Section 2.2 performed by contractors of whatever tier who have contracts awarded for such work on or after the effective date of the WSIPLA, with regard to the construction or any other construction-related activities necessary to the “Project” as defined in Section 1.2 and set forth in Appendix A-1; except that work performed under the National Transient Lodge Articles of Agreement and the National Agreement of Elevator Constructors, with the exception of Article VI, VII and VIII of this Agreement shall apply.

2.4 **Section 2.4.** *Section 2.4 of the Agreement currently reads as follows:*

Section 2.4. To the extent consistent with the National Labor Relations Act, all hauling work done physically on the site of construction or hauling to any non-remote facility that is owned, leased or controlled by the San Francisco Public Utilities Commission and dedicated to the Water System Improvement Program shall be covered by the terms and conditions of this Agreement.

Such section is hereby amended in its entirety to read as follows:

Section 2.4. The furnishing of supplies, equipment or materials that are stockpiled for later use shall in no case be considered construction subcontracting. Construction trucking work, such as the delivery of ready-mix, asphalt, aggregate, sand or other fill or material which are directly incorporated into the construction process, as well as the off-hauling of debris and excess fill, material and/or mud, shall be covered by the terms and conditions of this Agreement to the fullest extent provided by prevailing wage law and by the prevailing wage determinations of the California Department of Industrial Relations. Contractors/Employers, including brokers, of persons providing construction trucking work shall provide certified trucking payroll records to the SFPUC within ten (10) calendar days of written request or as required by bid specifications.

2.5 **Section 6.5(a).** *Section 6.5(a) of the Agreement currently reads as follows:*

Section 6.5.

(a) The party invoking this procedure shall notify Tom Angelo, the permanent Arbitrator agreed upon under this procedure. In the event the permanent Arbitrator is unavailable at any time, the party invoking this procedure shall notify William Riker, the permanent alternate Arbitrator agreed upon under this procedure. Notice to the Arbitrator shall be by the most expeditious means available, with notice by electronic means or any other effective written means, to the parties involved. ...

Such section is hereby amended to read as follows:

Section 6.5.

a) The party invoking this procedure shall notify Barry Winograd, the permanent Arbitrator agreed upon under this procedure. In the event the permanent Arbitrator is unavailable at any time, the party invoking this procedure shall notify William Riker, the permanent alternate

Arbitrator agreed upon under this procedure. Notice to the Arbitrator shall be by the most expeditious means available, with notice by electronic means or any other effective written means, to the parties involved. In the event of the death, incapacity, or retirement of an arbitrator named in Article VI, (Work Stoppages and Lockouts), the Joint Administrative Committee shall meet to name a replacement arbitrator by mutual consent. All parties to this Agreement hereby agree to such replacement.

2.6 **Section 7.1.** *Step 3 of Section 7.1 of the Agreement currently reads as follows:*

Section 7.1, Step 3. If the grievance is not settled at Step 2, either party to the grievance may request the dispute be submitted to arbitration within seven (7) calendar days thereafter. The request for arbitration and/or the request for an extension of time must be in writing. The arbitrator shall be selected from among the following designated Arbitrators: Gerald McKay, Thomas Angelo, William Riker, Jerri-Lou Cossack and Alexander Cohn, who shall constitute a permanent panel of arbitrators and who shall be selected to hear disputes on a rotational basis. If none of the designated Arbitrators are available within a reasonable period of time to hear the dispute, the parties shall select an arbitrator by the alternate striking method from a list of seven (7) experienced Northern California construction industry labor arbitrators obtained from the American Arbitration Association.

Such section is hereby amended to read as follows:

Section 7.1, Step 3. If the grievance is not settled at Step 2, either party to the grievance may request the dispute be submitted to arbitration within seven (7) calendar days thereafter. The request for arbitration and/or the request for an extension of time must be in writing. The arbitrator shall be selected from among the following designated Arbitrators: Katherine Thompson, Barry Winograd, William Riker, David Weinberg and Alexander Cohn, who shall constitute a permanent panel of arbitrators and who shall be selected to hear disputes on a rotational basis. If none of the designated Arbitrators are available within a reasonable period of time to hear the dispute, the parties shall select an arbitrator by the alternate striking method from a list of seven (7) experienced Northern California construction industry labor arbitrators obtained from the American Arbitration Association.

In the event of the death, incapacity, or retirement of an arbitrator named in Article VII, (Grievance Procedure), the Joint Administrative Committee shall meet to name a replacement arbitrator by mutual consent. All parties to this Agreement hereby agree to such replacement.

2.7 **Section 8.3.** *Section 8.3 of the Agreement currently reads as follows:*

Section 8.3. When conflicting claims for work on the Project are submitted to a Contractor, the dispute shall be resolved pursuant to agreed upon Jurisdictional Dispute Procedures, as adopted by the National Building & Construction Trades Department, or by the Mechanical Allied Crafts (MAC) (Appendix E), or by the National Construction Alliance (NCA) (Appendix F), incorporated herein respectively. It is understood by the parties that these Procedures might be amended from time to time. In the event a jurisdictional dispute arises between two or more Unions affiliated with the National Building & Construction Trades Department, such dispute shall be resolved by the procedures set forth in the Plan for the Settlement of Jurisdiction Disputes in the Construction Industry. In the event a jurisdictional dispute arises between two or more Unions affiliated with the MAC, such dispute may be resolved under the MAC Procedure. In the event a jurisdictional dispute arises between two or

more Unions affiliated with the NCA, such dispute shall be resolved under the NCA Procedure. In the event a jurisdictional dispute arises between two or more Unions that are not affiliated with the same International group and are not stipulated to the same jurisdictional dispute resolution procedure, the dispute shall be handled in accordance with and resolved as described in Appendix G hereto.

Such section is hereby amended in its entirety to read as follows:

Section 8.3. The assignment of Covered Work will be solely the responsibility of the Contractor performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of the Jurisdictional Disputes in the Construction Industry (the “Plan”) or any successor Plan.

All jurisdictional disputes on this Project between or among the building and construction trades Unions party to this Agreement and Contractors executing the Letter of Assent, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Contractors and Unions parties to this Agreement.

Notwithstanding the above, if a dispute arising under this Article involves the Northern California Carpenters Regional Council or any of its subordinate bodies, an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Barry Winograd, Robert Hirsch, and Thomas Pagan, and the Arbitrator’s hearing on the dispute shall be held at the offices of the California State Building and Construction Trades Council in Sacramento, California, within 14 days of the selection of the Arbitrator. All other procedures shall be as specified in the Plan.

All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Contractor’s assignment shall be adhered to until the dispute is resolved. Individual employees violating this section shall be subject to immediate discharge. Each Contractor will conduct a pre-job conference with the Council prior to commencing work. The Owner and Construction Manager will be advised in advance of all such conferences and may participate if they wish. Pre-job conferences for different Contractors may be held together.

2.8 **Section 9.1.** *Section 9.1 of the Agreement currently reads as follows:*

Section 9.1 All employees covered by this Agreement shall be classified and paid for all hours worked in accordance with the classification(s) and wage scales, overtime scales and benefits contained in the prevailing wage determination published by the State Director of Industrial Relations for the relevant craft and geographic jurisdiction. If the prevailing wage laws are repealed during the term of this Agreement, the Contractor shall pay the wage rates established under the recognized local collective bargaining agreement.

Such section is hereby amended in its entirety to read as follows:

Section 9.1 All employees covered by this Agreement shall be classified and paid for all hours worked in accordance with the classification(s) and wage scales, overtime scales and benefits contained in the prevailing wage determination published by the State Director of Industrial Relations for the relevant craft and geographic jurisdiction, and/or the U.S. Secretary

of Labor when federal funds are involved, whichever is higher. If the prevailing wage laws are repealed during the term of this Agreement, the Contractor shall pay the wage rates established under the recognized local collective bargaining agreement.

2.9 **Section 18.2.** *Section 18.2 of the Agreement currently reads as follows:*

Section 18.2. In the event that the SFPUC determines that extending this Project Labor Agreement to any further construction projects would meet one or more legitimate governmental interests, this Agreement may be extended by mutual consent of the parties.

Such section is hereby amended in its entirety to read as follows:

Section 18.2. The SFPUC General Manager may recommend to the Joint Administrative Committee (JAC) the extension of this PLA to one or more significant capital projects listed in the SFPUC Commission-approved 10-Year Capital Improvement Plan (except projects designated as “Repair and Replacement” or “R&R”), as amended from time to time, if the General Manager determines that extending this PLA to such project(s) would meet one or more legitimate governmental interests. In making such determination and recommendation, the SFPUC General Manager shall, using the template set forth in Appendix I, submit to the JAC a written due diligence report setting forth one or more legitimate governmental interests that would be served by applying the terms of this PLA to the additional project(s). Following receipt of such report, the JAC shall vote on whether to add the project(s). Addition of projects shall require the unanimous vote of the JAC. Appendix A-1 shall be updated to reflect any projects added by the procedures under this Section 18.2, and such updates to Appendix A-1 shall not require a formal amendment or modification of the PLA.

2.10 **Appendix A.** Appendix A is hereby replaced in its entirety by **Appendix A-1**, attached to this Addendum and fully incorporated within the Agreement.

2.11 **Appendix I.** Appendix I is attached to this Addendum and is hereby added to and fully incorporated within the Agreement.

2.12

Article 3 Effective Date

Each of the modifications set forth in Section 2 shall be effective on and after July 23, 2019 or upon execution by all of the parties, whichever occurs sooner.


Article 4 Legal Effect

Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

[SIGNATURES ON FOLLOWING PAGE]

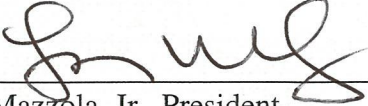
IN WITNESS WHEREOF, SFPUC and the Unions have executed this Addendum as of the date first referenced above.

FOR THE SFPUC



Harlan L. Kelly Jr., General Manager
San Francisco Public Utilities Commission

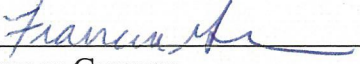
FOR THE UNIONS



Larry Mazzola, Jr., President
San Francisco Building and Construction
Trades Council, AFL-CIO

Approved as to Form:

Dennis J. Herrera
City Attorney

By: 

Francesca Gessner
Deputy City Attorney

Attached Appendices: Appendix A-1, Appendix I

APPENDIX A-1

Counties	Type	Project #	Project Title	Construction Start	Construction Finish	Estimated Base Construction Contract Cost
Alameda	Pipeline	CUW35902	Alameda Siphons # 4	Dec-08	Oct-10	\$56,824,000
Alameda	Dam	CUW37401	Calaveras Dam Replacement	Jan-09	Jul-11	\$169,019,000
Alameda	Pump Station	CUW38601	San Antonio Pump Station Upgrade	Nov-09	Jul-11	\$11,235,477
Alameda	Pipeline	CUW37403	San Antonio Back Up Pipeline	Jan-10	Dec-11	\$21,712,000
Alameda	Dam	CUW35201	Alameda Creek Fishery Enhancement	Jun-10	Dec-11	\$10,869,000
Alameda	Pipeline	CUW35302	Seismic Improvements of BDPL Nos.3 & 4	Sep-10	Apr-12	\$47,268,000
Alameda	Treatment Plant	CUW38101	New Sunol Valley Treated Water Plant Expansion & Treated Water	Dec-10	Mar-13	\$147,801,000
Alameda	Tunnel	CUW35901	New Irvington Tunnel	Nov-09	Apr-13	\$153,994,000
Alameda	Pipeline & Tunnel	CUW36801	Bay Division Pipeline Reliability & Tunnel *	Jul-09	Jul-13	\$406,648,000
<u>Alameda</u>	<u>Regional Buildings and Ground</u>	<u>CUW27701</u>	<u>Sunol Long Term Improvements Watershed Center</u>	<u>Mar-20</u>	<u>Aug-21</u>	<u>\$22,000,000</u>
San Francisco	Pump Station	CUW32301	Alemany Pump Station	Nov-07	Aug-09	\$14,000,000
San Francisco	Reservoir	CUW33401	Stanford Heights Reservoir	Sep-07	Sep-09	\$18,000,000
San Francisco	Pipeline/Valves	CUW32301	North University Mound System	May-08	Dec-09	\$12,000,000
San Francisco	Pipeline	CUW31301	Noe Valley Transmission Main	Apr-09	Sep-10	\$8,050,000
San Francisco	Reservoir	CUW37201	University Mound Reservoir Upgrades- North Basin	Jan-09	Oct-10	\$71,228,000
San Francisco	Pump Station	CUW30901	Lake Merced Pump Station	Mar-09	May-11	\$52,410,000
San Francisco	Reservoir	CUW31901	Hunters Point Reservoir	Jul-10	Dec-11	\$7,750,000
San Francisco	Reservoir	CUW33701	Sutro Reservoir	Feb-10	Jan-12	\$30,000,000
San Francisco	Reclamation Projects	CUW30201	Recycled Water Project	Mar-10	Mar-12	\$136,031,643
<u>San Francisco</u>	<u>Local Recycled Water</u>	<u>CUW30204</u>	<u>Harding Park Recycled Water Project</u>	<u>Oct-10</u>	<u>Mar-12</u>	<u>\$5,251,100</u>
San Francisco	Ground Water Project.	CUW30102	Groundwater Projects - Phase B	Jan-09	Dec-12	\$15,397,771
San Francisco	Ground Water Project.	CUW30103	Groundwater Projects - Phase C	Oct-10	Aug-13	\$27,724,744
<u>San Francisco</u>	<u>Emergency Fire Fighting Water System</u>	<u>CUAW2AW29</u>	<u>Auxiliary Water Supply System Pipeline Improvements</u>	<u>Oct-19</u>	<u>Oct-20</u>	<u>\$5,500,000</u>

Counties	Type	Project #	Project Title	Construction Start	Construction Finish	Estimated Base Construction Contract Cost
<u>San Francisco</u>	<u>Facilities and Infrastructure</u>	<u>CWWFAC03</u>	<u>The Southeast Community Center at 1550 Evans</u>	<u>Jan-20</u>	<u>Dec-21</u>	<u>\$71,181,251</u>
<u>San Francisco</u>	<u>Power Infrastructure</u>	<u>10014227~</u>	<u>Bay Corridor Transmission and Distribution Project</u>	<u>Jun-17</u>	<u>Mar-22</u>	<u>\$90,000,000</u>
<u>San Francisco</u>	<u>Treatment Plant</u>	<u>CWP11001</u>	<u>Treasure Island Wastewater Treatment Plant</u>	<u>Dec-21</u>	<u>Dec-23</u>	<u>\$130,000,000</u>
San Joaquin	Treatment Plant	CUW38401	Advanced Disinfection	Jan-09	Dec-10	\$70,917,000
San Mateo	Miscellaneous	CUW35501	Standby Power Facilities - Various Locations *	Sep-07	Oct-09	\$6,440,000
San Mateo	Treatment Plant	CUW36602	HTWTP Short-Term Improvements (Remaining Filters)	Jul-08	Mar-10	\$11,475,000
San Mateo	Treatment Plant	CUW36603	HTWTP Short-Term Improvements (Coag. & Floccu.)	Jul-08	Mar-10	\$6,089,845
San Mateo	Pipeline	CUW37901	San Andreas Pipeline No. 3 Installation	Mar-09	Dec-10	\$29,165,000
San Mateo	Dams	CUW35401	Lower Crystal Springs Dam Improvements	Jan-10	Mar-11	\$13,774,000
San Mateo	Valve Lots	CUW39101	Baden and San Pedro Valve Lots Improvements	Apr-09	Apr-11	\$31,536,000
San Mateo	Tunnel	CUW35601	New Crystal Springs Bypass Tunnel	Jul-08	Jun-11	\$57,512,000
San Mateo	Inst. & Controls	CUW36302	Installation of SCADA System - Phase II - Security System *	Dec-09	Sep-11	\$9,112,000
San Mateo	Reservoir	CUW36103	Pulgas Balancing Reservoir Rehabilitation	Oct-09	Oct-11	\$20,000,000
San Mateo	Pipeline	CUW37801	Crystal Springs Pipeline No. 2 Replacement	Oct-09	Nov-11	\$64,439,000
San Mateo	Inst. & Controls	CUW36301	Installation of SCADA System - Phase II *	Jun-10	Mar-12	\$15,018,000
San Mateo	Treatment Plant	CUW36701	HTWTP Long-Term Improvements	Apr-11	Oct-13	\$112,445,000
San Mateo	Pipeline	CUW37101	Crystal Springs / San Andreas Transmission Upgrade	Jun-11	Oct-13	\$101,860,000
Santa Clara	Pipeline	CUW38001	BDPL No. 3 & 4 – Crossovers	Nov-10	Nov-12	\$24,921,000
Santa Clara	Miscellaneous	CUWxxxxxx	Watershed Management and Land Acquisition	Jul-10	Jun-13	\$12,000,000
Stanislaus	Pipeline	CUW37301	San Joaquin Pipeline Systems	Jan-11	Jul-13	\$249,053,000
Stanislaus	Pipeline	CUW37302	San Joaquin Pipeline Systems - Rehab of Existing System	Oct-06	May-14	\$66,763,944
<u>Tuolumne</u>	<u>Tunnel</u>	<u>CUH10221</u>	<u>Mountain Tunnel Improvement Project *</u>	<u>Mar-20</u>	<u>Mar-27</u>	<u>\$140,000,000</u>

Notes:

*These projects are located in more than one county

~Project created in FSP and thus does not have a FAMIS project number

APPENDIX I

SFPUC General Manager Due Diligence Investigation and Recommendation Template

Section 18.2 of the Water System Improvement Program Project Labor Agreement (Agreement) permits the SFPUC General Manager to recommend to the Joint Administrative Committee extension of the Agreement to additional significant SFPUC capital projects if the General Manager determines that such extension would advance one or more legitimate governmental interests such as preventing construction delays due to work stoppages and ensuring access to skilled craft labor.

The purpose of this document is to review the legitimate governmental interests of the SFPUC that would be furthered by adding the [insert name of the contract or project].

Project Description:

[Insert name of the contract or project and a description of project scope of work and schedule]

Legitimate Governmental Interests of the SFPUC:

On March 28, 2006, the SFPUC adopted Resolution No. 06-0049, approving the staff evaluation that the Agreement furthered the legitimate governmental interests of the SFPUC. The governmental interests of the SFPUC furthered by the Agreement were summarized in the Resolution No. 06-0049 and accompanying staff report as follows:

There are numerous advantages in moving forward on the negotiation of a PLA, which include but are not limited to the following: creates framework for labor harmony; mitigates against construction delays; assures steady supply of qualified labor; provides employment, career, and local business opportunities...

The governmental interests of the SFPUC furthered by the Agreement are also furthered by the addition of [insert project name] to the scope of the Agreement.

In addition to the benefits recognized in Resolution No. 06-0049, inclusion of [insert project name] in the scope of the Agreement will provide significant benefits to the SFPUC as follows:

Relevant project-specific factors to consider:

- the size, scope and complexity of the project
- project schedule/duration and sequencing of work and the potential costs of delays
- the number of different crafts working on the project
- SFPUC unionized workforce working side by side with contractor's workers

Examples of governmental interests:

- prevent costly delays resulting from labor disruptions
- assure contractors access to a steady and reliable supply of skilled craft workers
- ensure efficient, on-time, effective project delivery
- uniform substance abuse prevention program
- agreed-upon methods of resolution of disputes, including those involving jurisdictional assignments, local workforce deployment and training, and related issues.

Summary:

Based on the analysis provided here, the SFPUC General Manager recommends that the construction craft work contemplated under [insert contract name/number] be included in the

WSIP PLA Addendum Two (July 23, 2019)

Agreement. The conditions contained within the Agreement provide a reliable framework that is most likely to produce high quality and timely completion of the [insert project name].

Date: _____

Signature: _____

SFPUC, General Manager