

May 16, 2016

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION SEWER SYSTEM
IMPROVEMENT PROGRAM AND AUXILIARY WATER SUPPLY SYSTEM
PUMPING STATION 2 CONSTRUCTION PROJECT EXTENSION AGREEMENT**

The San Francisco Public Utility Commission (“SFPUC”) and the signatory Unions hereto enter into this agreement (“Extension Agreement”) and mutually agree to apply the terms and conditions of the 2007 Water System Improvement Program Labor Agreement (WSIPLA) to the SFPUC’s Sewer System Improvement Program and the Auxiliary Water Supply System Pumping Station 2 (“AWSS”) construction projects on the same terms as the WSIPLA, with the following modifications:

**ARTICLE I
PURPOSE**

Section 1.1 (Revised)

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.

The Sewer System Improvement Program includes projects listed in the SFPUC Commission-approved Capital Improvement Plan as Sewer System Improvement Program projects, which are awarded by the SFPUC after May 10, 2016 (“SSIP”). The AWSS, also known as the Emergency Firefighting Water System Projects, will repair and improve the reliability of the core facilities, cisterns, pipelines and tunnels of the emergency firefighting water system, and includes for purposes of this Extension Agreement, AWSS Pumping Station 2. Collectively, the SSIP and AWSS Pumping Station 2 constitute “Covered Work.”

Section 1.2 (Revised)

The purpose of this **Extension Agreement** is to promote efficiency of construction of **Covered Work** 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. **This Extension Agreement extends the terms of the WSIPLA to encompass all Covered Work. The term “WSIP” or “Project” as used in the WISPLA shall include all Covered Work. For the purposes of applying WSIPLA terms to Covered Work under this Extension Agreement, the terms “signatory Unions,” “Union” or “Unions” as used in the**

WISPLA and this Extension Agreement shall refer to the signatory craft unions to this Extension Agreement. This Extension Agreement does not amend or modify the WSIPLA.

ARTICLE II SCOPE OF AGREEMENT

Section 2.1 (Revised)

This **Extension** Agreement, hereinafter designated as the “**Extension Agreement,**” 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 **Covered** ~~w~~**Work** on or after the **Effective Date of this Extension Agreement** ~~the WSIPLA,~~ with regard to the construction or any other construction-related activities necessary to the “**Covered Work**”; except that, **where there is a conflict, the terms and conditions of this Extension Agreement shall govern the terms and conditions of any and all other agreements, except for the following: (i) all work performed under the NTL Articles of Agreement, the National Stack/Chimney Agreement, the National Cooling Tower Agreement; (ii) all instrument calibration work and loop checking shall be performed under the terms of the UA/IBEW Joint National Agreement for Instrument and Control Systems Technicians; and (iii) all work performed under the National Agreement of International Union of Elevator Constructors. Notwithstanding the foregoing, Articles VI (Work Stoppages and Lockouts), Article VII (Grievance Procedure) and Article VIII (Jurisdictional Dispute Resolution) of this Extension Agreement shall apply to all Covered Work.**

All Covered Work is strictly located in the geographical jurisdiction of the Unions comprising the San Francisco Building & Construction Trades Council, AFL-CIO, and no other Building Trades Council is party to this Extension Agreement.

Section 2.2 (Revised)

This Agreement shall apply to all on-site construction **Covered** ~~w~~**Work** ~~on the Project.~~ This shall include all construction work **covered by the definition of Public Work or Improvement** as defined in San Francisco Administrative Code, Section 6.1(~~4~~) and Section 6.22(e)(1), and contained within the scope of the construction contracts executed for **all Covered Work**. (For informational purposes only, **the definition of Public Work or Improvement in San Francisco Administrative Code, Section 6.1(~~4~~) and Section 6.22(e)(1)** is attached hereto as Appendix B). **With respect to Covered Work jointly delivered with other City agencies (“Jointly Covered Work”), the Extension Agreement shall only apply to Jointly Covered Work after those other agencies have agreed to apply the Extension Agreement to the particular project prior to advertisement.**

Section 2.4 (Revised)

~~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.

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 Extension 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.

Section 2.8 (Revised)

The SFPUC and/or Contractors, as appropriate, have the absolute right to award contracts or subcontracts on **Covered Work** this Project to any Contractor notwithstanding the existence or nonexistence of any agreement between such contractor and any union party, provided only that such contractor is willing, ready and able to execute and comply with this Project Labor **Extension** Agreement, should such contractor be awarded **Covered Work** covered by this Agreement. In making such awards of work, the SFPUC and the Contractors recognize the SFPUC's programs and goals to include small, local business enterprises as contractors or subcontractors on the Project **Covered Work** and all parties to the Agreement shall make their best good faith efforts to effectuate these provisions of the **Extension** Agreement. Such good faith efforts shall be intended to insure that micro and small local business enterprises, as defined in San Francisco Administrative Code section 14B, are given a full opportunity to competitively bid for work on the **Covered Work** Project. It is agreed that all contractors and subcontractors, of whatever tier, whom have been awarded contracts for work covered by this **Extension** Agreement shall be required to accept and to be bound by the terms and conditions of this **Extension** Project Labor Agreement, and shall evidence their acceptance by the execution of the Letter of Assent, prior to the commencement of work. Each Contractor and Subcontractor shall provide a copy of the Letter of Assent, contained in Appendix D, to the Union prior to commencement of work.

Notwithstanding the above, with respect to SSIP projects covered under this Extension Agreement only, subcontractors certified as Local Business Enterprises ("LBEs") and Micro LBE prime contractors awarded Micro-Set Aside Contracts under San Francisco Administrative Code Chapter 14.B that are unwilling to provide a copy of the Letter of Assent to the relevant signatory Union(s) prior to commencement of work, shall be exempt from the terms of this Extension Agreement, except as set forth herein.

This exemption shall apply until such time that: (i) the certified LBE subcontractor is either listed to perform work and/or awarded work; and/or (ii) the certified Micro LBE prime contractor is awarded Micro-Set Aside Contract(s); and (iii) the aggregate total of the work for which the LBE subcontractor and /or the Micro LBE prime contractor is

listed and/or awarded totals five million dollars (\$5,000,000) or more across all SSIP projects covered by the terms of this Extension Agreement. In the event that the awarded and/or listed dollar amount differs from the amount for work actually performed for covered SSIP projects, the dollar amount of work actually performed at substantial completion of the project shall govern.

When the LBE subcontractor and/or Micro LBE prime contractor reaches the threshold of five million dollars (\$5,000,000) or more in the aggregate across all SSIP projects covered under this Extension Agreement, such contractor shall comply with the terms and requirements of this Extension Agreement. Dollar amounts for work for which the LBE subcontractor and/or the Micro LBE prime contractor is listed, awarded, and/or performed shall be tracked and shall count toward the five million dollar (\$5,000,000) threshold commencing from the Effective Date of this Extension Agreement.

At the pre-job conference for SSIP projects covered under this Extension Agreement, SFPUC staff will provide the Unions with a list of LBE subcontractors exempted under this Section 2.8, as well as the dollar amount of work for which the LBE subcontractor is either listed to perform and/or is awarded on the specific SSIP project. At the regular meetings of the Joint Administrative Committee, SFPUC staff will also provide a list of LBE contractors exempted from the terms of this Extension Agreement under this Section 2.8, as well as the dollar amounts of the work for which the LBE contractors are listed to perform and/or are awarded work, and the dollar amount of the actual work performed at substantial completion for the SSIP projects covered under this Extension Agreement.

ARTICLE III

UNION RECOGNITION AND EMPLOYMENT

Section 3.7 (Revised)

The parties to **this Extension Agreement** ~~the WSIPLA~~ support the development of increased number of skilled construction workers from the residents of the SFPUC's service territory to meet the needs of the Project. Towards that end, the Unions agrees to encourage the referral and utilization, to the extent permitted by law, hiring hall procedures, and the Standards of the applicable Apprenticeship Program approved by the State of California, Division of Apprenticeship Standards, of qualified residents as journeymen, apprentices and trainees on this Project and entrance into such apprenticeship and training programs as may be operated by signatory Unions. **The parties acknowledge that San Francisco's Local Hiring Policy for Construction, codified at San Francisco Administrative Code Section 6.22(g) as amended from time to time, applies to Covered Work.**

ARTICLE VI

WORK STOPPAGES AND LOCKOUTS

Section 6.5 (Revised)

... (a) The party invoking this procedure shall notify Barry Winograd ~~Tom Angelo~~, the permanent Arbitrator agreed upon under this procedure. ...

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 Extension Agreement hereby agree to such replacement.

ARTICLE VII

GRIEVANCE PROCEDURE

Section 7.1 (Revised)

Step 3. ... The arbitrator shall be selected from among the following designated Arbitrators: Katherine Thompson ~~Gerald McKay~~, Barry Winograd ~~Thomas Angelo~~, William Riker, David Weinberg ~~Jerri-Lou Cossaek~~ and Alexander Cohn ...

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 Extension Agreement hereby agree to such replacement.

ARTICLE VIII.

JURISDICTIONAL DISPUTE RESOLUTION

Section 8.3 (Revised)

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.

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 Extension 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 Extension 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, Thomas Angelo, 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. Appendices E, F, and G shall not apply to any Covered Work.

ARTICLE IX

WAGES AND BENEFITS

Section 9.1 (Revised)

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.

ARTICLE XX

GENERAL SAVINGS CLAUSE

Section 20.3 (New Section)

The Effective Date of this Extension Agreement is May 10, 2016.

IN WITNESS HEREOF, the parties hereto have executed this Extension Agreement effective May 10, 2016. Authorized by the San Francisco Public Utilities Commission at the public hearing held on May 10, 2016, by Resolution No. 16-0090.

FOR THE UNIONS


Michael Thériault
Secretary-Treasurer
San Francisco Building and
Construction Trades Council

FOR THE SAN FRANCISCO
PUBLIC UTILITIES COMMISSION

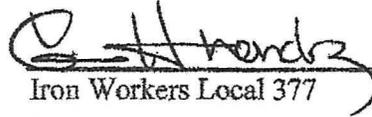

Harlan L. Kelly, Jr., General Manager
San Francisco Public Utilities Commission

Approved As To Form
Dennis J. Herrera
City Attorney


Erik Rapoport
Deputy City Attorney



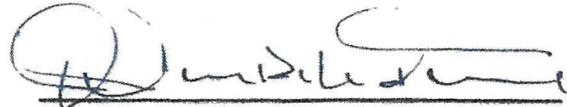
Heat and Frost Insulators Local 16



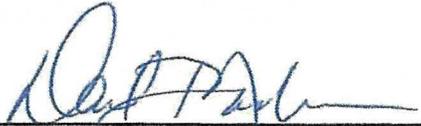
Iron Workers Local 377



Boilermakers Local 549



Northern California District Council of Laborers



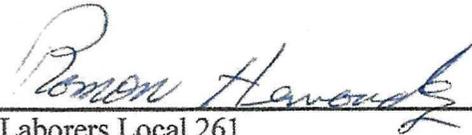
Bricklayers and Allied Crafts Local 3



Laborers Local 67



Carpenters Local 22



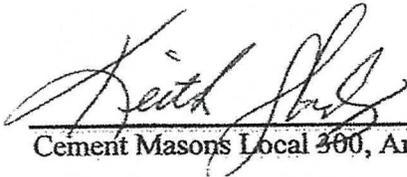
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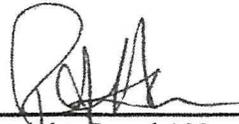
Carpenters Local 2236



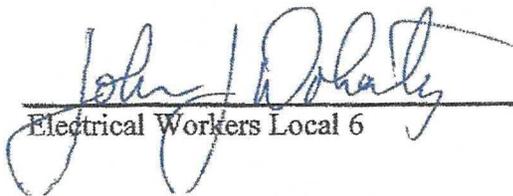
Lathers Local 68L



Cement Masons Local 300, Area 580



Millwrights Local 102



Electrical Workers Local 6



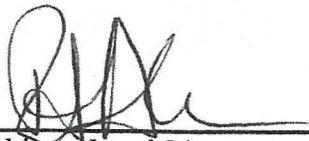
Operating Engineers Local 3

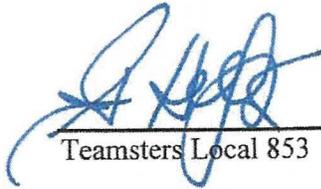


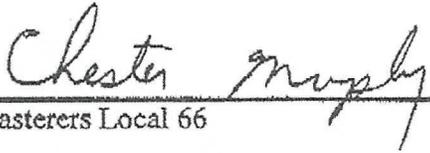
Elevator Constructors Local 8

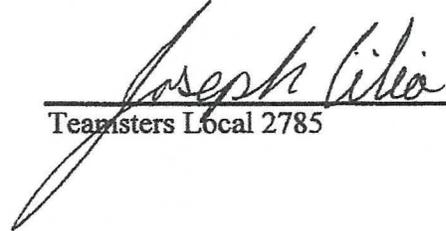


Painters and Allied Trades District Council 16


Piledrivers Local 34

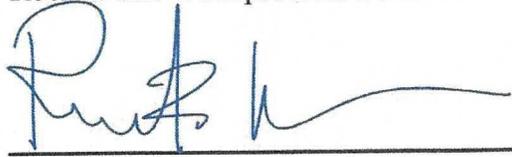

Teamsters Local 853

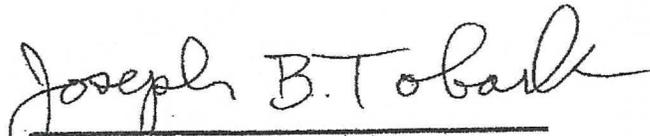

Plasterers Local 66

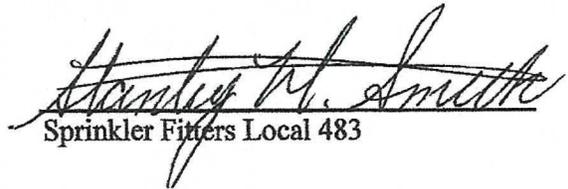

Teamsters Local 2785


Plumbers and Pipe Fitters Local 38


Roofers and Waterproofers Local 40


Sheet Metal Workers Local 104


Sign and Display Local 510


Sprinkler Fitters Local 483


Teamsters Local 665