

THIS PRINT COVERS CALENDAR ITEM NO.: 10.5

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the Director of Transportation or designee to execute a side letter with the San Francisco Building Trades Council to extend the Citywide Project Labor Agreement to cover Public Work or Improvement projects funded by the 2022 Muni Reliability and Street Safety Bond Measure, if the voters approve the measure in the election on June 7, 2022.



SUMMARY:

- On December 1, 2021, the SFMTA Board of Directors approved a resolution (No. 211207-146) urging the Board of Supervisors to place a \$400 million General Obligation Bond on the June 2022 ballot.
- On March 1, 2022, the San Francisco Board of Supervisors approved Ordinance 31-22 providing for a special election to be held on Tuesday, June 7, 2022, including a proposition to incur bonded indebtedness in the amount of \$400 million to finance the costs of construction, acquisition, and improvement of certain transportation, street safety and transit related capital improvements, and related costs.
- In addition, the ordinance required that projects funded with bond funds would be subject to project labor agreements that meet the requirements of San Francisco Administrative Code, Section 6.27.
- Staff is requesting that the MTA Board of Directors authorize the Director of Transportation to execute a side letter with the San Francisco Building Trades Council implementing the requirements of the Board of Supervisors ordinance.

ENCLOSURES:

1. SFMTAB Resolution
2. Side Letter with the San Francisco Building Trades Council

APPROVALS:

	DATE
DIRECTOR 	<u>March 31, 2022</u>
SECRETARY 	<u>March 31, 2022</u>

ASSIGNED SFMTAB CALENDAR DATE: April 5, 2022

PURPOSE

Authorizing the Director of Transportation or designee to execute a side letter with the San Francisco Building Trades Council to extend the Citywide Project Labor Agreement to cover Public Work or Improvement projects funded by the Muni and Street Safety Bond Measure, if the voters approve the measure in the election on June 7, 2022.

STRATEGIC PLAN GOALS & TRANSIT FIRST POLICY PRINCIPLES

This action supports the following Strategic Plan Goals:

- Goal 1: Identify and reduce disproportionate outcomes and resolve past harm towards marginalized communities.
- Goal 4: Make streets safer for everyone.
- Goal 5: Deliver reliable and equitable transportation services.
- Goal 6: Eliminate pollution and greenhouse gas emissions by increasing use of transit, walking, and bicycling.
- Goal 7: Build stronger relationships with stakeholders.
- Goal 8: Deliver quality projects on-time and on-budget.
- Goal 9: Fix things before they break and modernize systems and infrastructure.
- Goal 10: Position the agency for financial success.

This action supports the following Transit First Policy Principles:

- 1. To ensure quality of life and economic health in San Francisco, the primary objective of the transportation system must be the safe and efficient movement of people and goods.
- 8. New transportation investment should be allocated to meet the demand for public transit generated by new public and private commercial and residential developments.

DESCRIPTION

In August 2021, the SFMTA Board of Directors had a special workshop on Transportation 2050. Transportation 2050 sets a baseline for the transportation needs and priorities identified by the community over the last eight years through two Mayoral transportation task forces (T2030 and T2045) with additional input from the city’s Muni Reliability Working Group in 2020. Transportation 2050 evaluates the resources needed to achieve the community’s vision for transportation developed through the city’s ConnectSF planning process, as well as infrastructure needs identified in the SFMTA’s 20-Year Capital Plan, and recommends a series of revenue measures to achieve this vision. The first of these funding measures was a \$400 million General Obligation Bond.

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On December 7, 2021, the SFMTA Board of Directors approved Resolution No. 211207-146 urging the Board of Supervisors to place a \$400 million General Obligation Bond on the June 2022 ballot.

On March 1, 2022, the San Francisco Board of Supervisors approved Ordinance 31-22 providing for a special election to be held on Tuesday, June 7, 2022, including a proposition to incur bonded indebtedness in the amount of \$400 million to finance the costs of construction, acquisition, and improvement of certain transportation, street safety and transit related capital improvements, and related costs.

In addition, the ordinance required that projects funded with bond funds would be subject to project labor agreements that meet the requirements of San Francisco Administrative Code, Section 6.27. At present, Administrative Code, 6.27 states that: “Notwithstanding the foregoing sentence, “Covered Project” does not include any Public Work or Improvement projects undertaken by the San Francisco International Airport, the San Francisco Public Utilities Commission, the Port of San Francisco, or the San Francisco Municipal Transportation Agency. “Covered Project” also does not include any Public Work or Improvement project where application of the citywide PLA would violate the conditions of a state, federal, or other public funding source.” The ordinance authorizing the GO Bond, however, requires that SFMTA projects funded through the proposed general obligation measure planned for June 7, 2022, would be subject to a project labor agreement.

Staff is recommending that the SFMTA Board of Directors authorize the Director of Transportation or designee to execute a side letter with the San Francisco Building Trades Council to extend the Citywide Project Labor Agreement to cover Public Work or Improvement projects funded by the Muni Reliability and Street Safety Bond Measure, if the voters approve the measure in the election on June 7, 2022. Failure to do so would mean that the SFMTA would be unable to spend the bond dollars if the bond is approved by the voters.

STAKEHOLDER ENGAGEMENT

The SFMTA Board of Directors held several hearings on the 2022 GO Bond and incorporated public feedback. The Board of Supervisors also took public comment on the GO Bond.

ALTERNATIVES CONSIDERED

None. The recommended item implements requirements set through an ordinance of the San Francisco Board of Supervisors.

FUNDING IMPACT

If the SFMTA Board does not approve this item, and a side letter is not executed. The SFMTA will be unable to spend most of the capital revenues generated if the voters approve the General Obligation Bond on June 7, 2022.

ENVIRONMENTAL REVIEW

On October 21, 2021, the SFMTA and the Planning Department determined that the proposed GO Bond is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b).

A copy of the CEQA determination is on file with the Secretary to the SFMTA Board of Directors.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

None.

RECOMMENDATION

Staff recommends that the SFMTA Board of Directors authorize the Director of Transportation or designee to execute a side letter with the San Francisco Building Trades Council to extend the Citywide Project Labor Agreement to cover Public Work or Improvement projects funded by the Muni and Street Safety Bond Measure, if the voters approve the measure in the election on June 7, 2022.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, On December 1, 2021, the SFMTA Board of Directors approved Resolution No. 211207-146 urging the San Francisco Board of Supervisors to place a \$400 million General Obligation Bond on the June 2022 ballot; and,

WHEREAS, On March 1, 2022, the San Francisco Board of Supervisors approved Ordinance 31-22 calling and providing for a special election to be held in the City and County of San Francisco on Tuesday, June 7, 2022, for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of the City and County in the amount of \$400 million to finance the costs of construction, acquisition, and improvement of certain transportation, street safety and transit related capital improvements, and related costs; and,

WHEREAS, On March 1, 2022, the San Francisco Board of Supervisors as part of Ordinance 31-22 required that projects funded with bond funds from the 2022 Muni Reliability and Street Safety Bond would be subject to the project labor agreements that meet the requirements of San Francisco Administrative Code, Section 6.27; and,

WHEREAS, Currently the SFMTA, under Administrative Code, Section 6.27 is exempted from participating in the Citywide Project Labor Agreement, as a “Covered Project” does not include any Public Work or Improvement projects by the San Francisco Municipal Transportation Agency; and,

WHEREAS, If the voters approve the proposed General Obligation Bond, at the scheduled election on June 7, 2022, SFMTA projects funded with these general obligation funds will be considered a “Covered Project” under Administrative Code, Section 6.27 and are subject to a Project Labor Agreement; and,

WHEREAS, On October 21, 2021, the SFMTA and the Planning Department determined that the proposed GO Bond is not a “project” under the California Environmental Quality Act (CEQA) pursuant to Title 14 of the California Code of Regulations Sections 15060(c) and 15378(b); and,

WHEREAS, A copy of the CEQA determination for the proposed General Obligation Bond is on file with the Secretary to the SFMTA Board of Directors; and be it further

RESOLVED, The Director of Transportation or designee is authorized to execute a side letter with the San Francisco Building Trades Council to extend the Citywide Project Labor Agreement to cover Public Work or Improvement projects funded by the 2022 Muni Reliability and Street Safety Bond Measure, if the voters approve the measure in the election on June 7, 2022.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of April 5, 2022.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

Addendum G
SAN FRANCISCO CITYWIDE PROJECT LABOR AGREEMENT

SIDE LETTER BETWEEN
THE SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
AND
THE SAN FRANCISCO BUILDING TRADES COUNCIL

On March 1, 2022, the San Francisco Board of Supervisors adopted Ordinance No. 31-22 (Clerk of the Board File No. 211290), entitled General Obligation Bond Election – Muni Reliability and Street Safety (“Bond Ordinance”) for the purpose of submitting to San Francisco voters a proposition to incur bonded indebtedness of the City and County in the amount of \$400,000,000 to finance the costs of construction, acquisition, and improvement of certain transportation, street safety and transit related capital improvements (the “MTA GO Bonds”). The Bond Ordinance states that: “contracts funded with proceeds of bonds authorized hereunder, which bonds are issued on or after June 7, 2022, shall be subject to project labor agreements that include all of the required terms set forth in subsection (e) of Administrative Code Section 6.27, and shall be governed by the provisions of Section 6.27, as Section 6.27 may be amended from time to time, unless the application of this requirement would cause the City to violate the conditions of a state, federal, or other funding source.”

As a general obligation bond, the corresponding construction including, but not limited to, network improvements, rail modernization, street safety and traffic signal improvements, on-street improvements, speed management, and other construction projects, meets the spirit and intent of the parties to cover MTA GO Bond Public Work or Improvement projects under the San Francisco Citywide Project Labor Agreement (“Agreement”).

Consistent with the Bond Ordinance, the Agreement, and contingent on voter approval of the bonded indebtedness for the MTA GO Bonds on June 7, 2022, the San Francisco Municipal Transportation Agency (“SFMTA”) and the San Francisco Building & Construction Trades Council (“Council”) hereby agree to extend the terms of the Agreement to cover Public Work or Improvement projects funded with the MTA GO Bonds on or after July 1, 2022 subject to the following:

1. The SFMTA exclusion language in the second sentence of the definition of “Covered Project” in Section 2.1.11 of the Agreement is modified to read:

Notwithstanding the foregoing sentence, “Covered Project” does not include any Public Work or Improvement projects undertaken by the San Francisco International Airport, the San Francisco Public Utilities Commission, the Port of San Francisco, or the San Francisco Municipal Transportation Agency, *except for SFMTA Public Work or Improvement projects funded with the MTA GO Bonds. (Modified language in italics)*

2. The SFMTA exclusion language in Article III of the Agreement (“Scope”), Section 3.6.9.11, is modified to read:

**Addendum G
SAN FRANCISCO CITYWIDE PROJECT LABOR AGREEMENT**

**SIDE LETTER BETWEEN
THE SAN FRANCISCO MUNICIPAL TRANSPORTATION AGENCY
AND
THE SAN FRANCISCO BUILDING TRADES COUNCIL**

Contracts awarded by the San Francisco Municipal Transportation Agency, the San Francisco International Airport, the San Francisco Public Utilities Commission, and the Port of San Francisco, *except for SFMTA Public Work or Improvement projects funded with the MTA GO Bonds. (Modified language in italics)*

Consistent with the Agreement Section 3.4 (Construction Contracts and Contract Award), the City shall include the Agreement, including this Addendum G side letter, in all advertisements for bid for Covered Projects.

On April 5, 2022 in Resolution _____, the SFMTA Board of Directors agreed to be bound by the Agreement for SFMTA Public Work or Improvement projects funded with MTA GO Bonds and authorized the Director of Transportation or designee to execute this side letter. The SFMTA and the Council, including all affiliated local unions listed on file in Board of Supervisors File No. 181043, agree to be a party to and bound by the existing City of San Francisco Project Labor Agreement and have authority to execute on behalf of their organization/affiliated local unions listed on file in Board of Supervisors File No. 181043.

[INSERT NAME]
[INSERT TITLE]
San Francisco Building Trades Council

JEFFREY TUMLIN
Director of Transportation
San Francisco Municipal Transportation Agency

APPROVED AS TO FORM
DAVID CHIU, CITY ATTORNEY

ERIK A. RAPOPORT
Deputy City Attorney