

THIS PRINT COVERS CALENDAR ITEM NO. : 10.4

**SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY**

DIVISION: Finance and Information Technology

BRIEF DESCRIPTION:

Authorizing the Director of Transportation or his designee to execute the Second Amendment to SFMTA Contract No.2011-12-08 with Serco, Inc., for parking meter coin counting, collection, and support services, to implement collective bargaining agreement (CBA) wage increases of approximately \$715,000 for the remainder of the base term of the Agreement and an average of approximately \$915,000 for each extension year of the agreement, effective July 1, 2016, and benefits, effective January 1, 2017 for meter collector, coin room operator, crew lead, and foreperson positions with no increase in the total contract amount; and urge the Board of Supervisors to approve an uncodified ordinance authorizing the SFMTA to establish prevailing wage requirements in future procurements based on the CBA, and establish transitional employment and retention requirements, for existing employees performing such services.

SUMMARY:

- The SFMTA's contractor for parking meter coin counting and collections services, Serco has negotiated a CBA with Teamsters Local 665 to establish wages and benefits.
- The current agreement, which expires July 31, 2017 and has the option to be extended for up to four years, does not obligate the City to pay the higher wages proposed; Serco will only implement terms of the CBA with assurance from the SFMTA that increased wage and benefit costs will be absorbed by the SFMTA.
- The estimated cost for reimbursing the Contractor for the CBA wage and benefit increases is estimated at \$715,000 for the remaining term of the agreement and an average of \$913,000 for each year of extension for the agreement, which includes a 16.52% Contractor overhead rate.
- The SFMTA has prepared an uncodified ordinance for approval by the Board of Supervisors which would authorize establishing prevailing wage requirements, including transitional employment and retention, for future competitive procurement processes.

ENCLOSURES:

1. SFMTAB Resolution
2. Second Amendment to the Parking Meter Coin Collections and Counting Agreement
3. Uncodified Ordinance

APPROVALS:

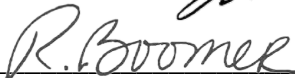
DATE

DIRECTOR



5/9/16

SECRETARY



5/9/16

ASSIGNED SFMTAB CALENDAR DATE: May 17, 2016

PAGE 2.

PURPOSE

To authorize the Director of Transportation or his designee to execute the Second Amendment to SFMTA Contract No.2011-12-08 with Serco, Inc., for parking meter coin counting, collection, and support services, to implement collective bargaining agreement (CBA) wage increases of approximately \$715,000 for the remainder of the base term of the Agreement and average of approximately \$915,000 for each extension year of the agreement, effective July 1, 2016, and benefits, effective January 1, 2017 for meter collector, coin room operator, crew lead, and foreperson positions with no increase in the total contract amount; and urge the Board of Supervisors to approve an uncodified ordinance authorizing the SFMTA to establish prevailing wage requirements in future procurements based on the CBA, and establish transitional employment and retention requirements, for existing employees performing such services.

GOAL

The SFMTA will further the following goals of the Strategic Plan through adoption of the Prevailing Wage Ordinance.

Goal 4: Create a workplace that delivers outstanding service

Objective 4.1: Improve internal communications

Objective 4.2: Create a collaborative and innovative work environment

Objective 4.3: Improve employee accountability

Objective 4.4: Improve relationships and partnerships with our stakeholders

DESCRIPTION

Contract Amendment

In 2012, the SFMTA Board of Directors and the Board of Supervisors approved Contract No. 2011-12-08 with Serco, Inc., for parking meter coin collections, counting, and support services, in an amount not to exceed \$46,410,974, and for a term of five years, with the option to extend the agreement for up to four years (the Contract). The base term of the Contract expires on July 31, 2017.

In early 2016, Serco and Teamsters Local 665 successfully negotiated a collective bargaining agreement (CBA) that establishes increased wage and benefits for certain employees of Serco working on the Contract (meter collectors, coin room operators, crew leads, and foreperson positions). The CBA benefits include a progressive pay scale, with salary increases, additional paid time off, and increases to the employer contribution for health care. However, the Contract does not require that the City pay the negotiated wage and other terms under the CBA. Serco has informed the SFMTA that it will honor the proposed CBA only with assurance that the SFMTA will cover the increased costs resulting from the CBA which includes a 16.52% Contractor overhead rate. The SFMTA seeks to amend the Contract in order to ensure that the negotiated wage and benefits under the proposed CBA will be paid for under the Contract.

Ordinance

In addition, the SFMTA wishes to be proactive and avoid any detrimental effects of a transition in contractors when the time comes for a new competitive procurement for coin counting, collection, and support services. The SFMTA has drafted an uncodified ordinance for consideration by the Board of Supervisors. The ordinance will authorize the SFMTA to carry forward the requirement to pay prevailing wages based on the CBA, as well as retain the current collections and counting personnel for at least six months after any future contract award. Such provisions are subject to compliance with all applicable state and local laws and other requirements, including, but not limited to State licensing requirements and SFMTA-required background checks. This ordinance establishes that the SFMTA is committed to retaining the most experienced and skilled employees under the agreement, and ensures that any future contractors will provide a comparable wage and benefit package.

PUBLIC OUTREACH

The SFMTA communicated with Teamsters' Local 665 and the Board of Supervisors during the development of the CBA.

ALTERNATIVES CONSIDERED

The alternative would be not to implement the CBA, and/or not request the ordinance for prevailing wage and retention requirements. Failure to adopt the CBA requirement could result in a loss of contractor employees providing services under the agreement, and a lack of experienced employees available for hire due to wage rates that may not be comparable to rates proposed. Establishing the ordinance ensures that any future contractors will be obligated to continue the terms of the CBA.

FUNDING IMPACT

Payment of CBA wages and benefits will result in an estimated \$715,000 increase for the remaining term of the Agreement and an average of approximate \$913,000 for each extension year of the Agreement which includes a 16.52% Contractor overhead rate. While there is no need to increase the agreement's not-to-exceed amount because approximately \$22 million remains, funds for the CBA were not budgeted and will be identified.

ENVIRONMENTAL REVIEW

On April 7, 2016, the SFMTA, under authority delegated by the Planning Department, determined that amending the Contract and approving the prevailing wage ordinance are not "projects" pursuant to CEQA as defined in CEQA Guidelines Sections 15060(c) and 15378(b) because the actions would not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

The determination is on file with the Secretary to the SFMTA Board of Directors.

PAGE 4.

OTHER APPROVALS RECEIVED OR STILL REQUIRED

The City Attorney's office has reviewed this calendar item. The prevailing wage ordinance will go to the Board of Supervisors for approval.

RECOMMENDATION

The recommendation is to authorize the Director of Transportation or his designee to execute the Second Amendment to SFMTA Contract No.2011-12-08 with Serco, Inc., for parking meter coin counting, collection, and support services, to implement collective bargaining agreement (CBA) wage increases of approximately \$715,000 for the remainder of the base term of the Agreement and average of approximately \$915,000 for each extension year of the agreement, effective July 1, 2016, and benefits, effective January 1, 2017 for meter collector, coin room operator, crew lead, and foreperson positions with no increase in the total contract amount; and urge the Board of Supervisors to approve an uncodified ordinance authorizing the SFMTA to establish prevailing wage requirements in future procurements based on the CBA, and establish transitional employment and retention requirements, for existing employees performing such services.

SAN FRANCISCO
MUNICIPAL TRANSPORTATION AGENCY
BOARD OF DIRECTORS

RESOLUTION No. _____

WHEREAS, In 2012, the City approved Contract No. 2011-12-08 with Serco, Inc. (Serco), for parking meter coin collection, counting, and support services, in an amount not to exceed \$46,410,974, and for a term of five years, with the option to extend the agreement for up to four years (the Contract); and,

WHEREAS, In early 2016, Serco and Teamsters Local 665 successfully negotiated a collective bargaining agreement (CBA) that establishes increased wages and benefits for certain employees of Serco working on the Contract (meter collectors, coin room operators, crew leads, and foreperson positions); the CBA benefits include a progressive pay scale, with salary increases, additional paid time off, and increases to the employer contribution for health care; and,

WHEREAS, The Contract does not require that the City pay any increases resulting from negotiated wages and benefits under the CBA; and,

WHEREAS, Serco will honor the proposed CBA only with the assurance that the SFMTA will cover the increased costs resulting from the CBA; and,

WHEREAS, The SFMTA seeks to amend the agreement to in order to ensure that wage and benefits under the proposed CBA will be honored by the contractor; and,

WHEREAS, In addition, the SFMTA has drafted an uncodified ordinance for consideration by the Board of Supervisors approve, which will authorize the SFMTA to carry forward to future procurements for coin collection, counting and support services the requirement to pay prevailing wages based on the CBA and retain the current personnel performing such services for at least six months after contract award; and,

WHEREAS, The cost of implementing the CBA will be approximately \$715,000 for the remainder of the base term of the Agreement and average of approximately \$915,000 for each extension year of the agreement, which includes a 16.52% Contractor overhead rate; and,

WHEREAS, Failure to amend the Contract could result in a loss of staff providing services under the Contract, and a lack of experienced employees available for hire due to wage rates that may not be comparable to rates proposed; and,

WHEREAS, Establishing the ordinance ensures that any future contractors will be obligated to continue the terms of the CBA; and,

WHEREAS, On April 7, 2016, the SFMTA, under authority delegated by the Planning

Department, determined that amending the Contract and approving the prevailing wage ordinance are not “projects” pursuant to CEQA as defined in CEQA Guidelines Sections 15060(c) and 15378(b) because the actions would not result in a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment; now, therefore, be it

RESOLVED, That the SFMTA Board of Directors authorizes the Director of Transportation or his designee to execute the Second Amendment to SFMTA Contract No.2011-12-08 with Serco, Inc., for parking meter coin counting, collection, and support services, to implement collective bargaining agreement (CBA) wage increases of approximately \$715,000 for the remainder of the base term of the Agreement and average of approximately \$915,000 for each extension year of the agreement, effective July 1, 2016, and benefits, effective January 1, 2017 for meter collector, coin room operator, crew lead, and foreperson positions with no increase in the total contract amount; and, be it

FURTHER RESOLVED, That the SFMTA Board of Directors urges the Board of Supervisors to approve an uncodified ordinance authorizing the SFMTA to establish prevailing wage requirements in future procurements based on the CBA, and establish transitional employment and retention requirements, for existing employees performing such services.

I certify that the foregoing resolution was adopted by the San Francisco Municipal Transportation Agency Board of Directors at its meeting of May 17, 2016.

Secretary to the Board of Directors
San Francisco Municipal Transportation Agency

**City and County of San Francisco
Municipal Transportation Agency
One South Van Ness Ave. 7th floor
San Francisco, California 94103**

**Second Amendment to Agreement
Between the City and County of San Francisco
And Serco, Inc. for
Parking Meter Coin Collections, Counting and Support Services
Contract No. SFMTA #2011-12-08**

THIS AMENDMENT (this “Amendment”) is made as of May XX, 2016 in San Francisco, California, by and between **Serco, Inc.** (“Contractor”), and the City and County of San Francisco, a municipal corporation (“City”), acting by and through its Municipal Transportation Agency (“SFMTA”).

RECITALS

A. City and Contractor have entered into the Agreement (as defined below).

B. City and Contractor desire to modify the Agreement on the terms and conditions set forth herein to [give a general description of what the Amendment is doing, such as “extend the performance period, increase the contract amount, and update standard contractual clauses”].

NOW, THEREFORE, Contractor and the City agree as follows:

1. Definitions. The following definitions shall apply to this Amendment:

1a. Agreement. The term “Agreement” shall mean the Agreement dated August 1, 2012 between Contractor and City, as amended by the:

First Amendment, dated March 25, 2013

1b. Other Terms. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. Modifications to the Agreement.

2a. Section 5 (Compensation) is amended by adding a new subsection g to the Agreement to read as follows:

g. Employee Wages and Benefits. Commencing on the effective dates stated in Appendix B-1, Contractor shall pay all employees providing meter collector, coin room operator, crew lead, and foreperson positions the wages and benefits as provided in Appendix B-1. Contractor shall submit supplemental invoices to the monthly submission that list, by employee, each (unburdened) hourly wage and benefit cost prior to implementation of the CBA, and the new CBA rate in order to receive reimbursement of the actual increase in cost per employee. The

Contractor shall also include a percentage not-to-exceed 16.52% of the incremental increase to cover Contractor's overhead cost.

2b. Section 62 (Consideration of Criminal History in Hiring and Employment Decisions) is added to the agreement to read as follows:

62. Consideration of Criminal History in Hiring and Employment Decisions.

Contractor agrees to comply fully with and be bound by all of the provisions of Chapter 12T, "City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions," of the San Francisco Administrative Code ("Chapter 12T"), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the Chapter 12T is available on the web at <http://sfgov.org/olse/fco>. A partial listing of some of Contractor's obligations under Chapter 12T is set forth in this Section. Contractor is required to comply with all of the applicable provisions of 12T, irrespective of the listing of obligations in this Section. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12T.

The requirements of Chapter 12T shall only apply to a Contractor's or Subcontractor's operations to the extent those operations are in furtherance of the performance of this Agreement, shall apply only to applicants and employees who would be or are performing work in furtherance of this Agreement, and shall apply when the physical location of the employment or prospective employment of an individual is wholly or substantially within the City of San Francisco. Chapter 12T shall not apply when the application in a particular context would conflict with federal or state law or with a requirement of a government agency implementing federal or state law.

2c. Section 63 (Large Vehicle Driver Safety Training Requirements) is added to the agreement to read as follows:

63. Large Vehicle Driver Safety Training Requirements

a. Training Requirements. Contractor agrees that before any of its employees and subcontractors drive large vehicles within the City and County of San Francisco, those employees and subcontractors shall successfully complete either (a) the SFMTA's Large Vehicle Urban Driving Safety training program or (b) a training program that meets the SFMTA's approved standards for large vehicle urban driving safety. The SFMTA's approved standards for large vehicle urban driving safety is available for download at www.SFMTA.com/largevehicletainingstandards. This requirement does not apply to drivers providing delivery services who are not employees or subcontractors of the Contractor. For purposes of this section, "large vehicle" means any single vehicle or combination of vehicle and trailer with an unladen weight of 10,000 pounds or more, or a van designed to carry 10 or more people.

b. Liquidated Damages. By entering into this Agreement, Contractor agrees that in the event the Contractor fails to comply with the Large Vehicle Driver Safety Training Requirements, the City will suffer actual damages that will be impractical or extremely

difficult to determine; further, Contractor agrees that the sum of up to One Thousand Dollars (\$1,000) per employee or subcontractor who is permitted to drive a large vehicle in violation of these requirements is not a penalty, but is a reasonable estimate of the loss that City will incur based on the Contractor's failure to comply with this requirement, established in light of the circumstances existing at the time this Contract was awarded. City may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by City because of Contractor's failure to comply.

2.d. Appendix B (Calculation of Charges) is amended by adding the attached Appendix B-1 to said Appendix B.

IN WITNESS WHEREOF, Contractor and City have executed this Amendment as of the date first referenced above.

CITY	CONTRACTOR
San Francisco Municipal Transportation Agency	Serco, Inc.
_____ Edward D. Reiskin Director of Transportation	_____ David Cornell Director of Contracts 1818 Library Street Suite 1000 Reston, VA 20190
Approved as to Form: Dennis J. Herrera City Attorney	City vendor number: 7390801
By: _____ Robin M. Reitzes Deputy City Attorney	
San Francisco Municipal Transportation Agency Board of Directors	
Resolution No. _____	
Adopted: _____	
Attest: _____ Secretary, SFMTA Board of Directors	

Appendix B-1
Wages and Benefits for SF Parking Meter Revenue Counting and Collections Individuals
Covered by Teamsters Local 665

Parking Meter Revenue Collectors	First Sunday following 7/1/2016
1 - 6 months	\$14.50
7 - 12 months	\$15.00
13 - 18 months	\$16.50
18+ months	\$21.80

Coin Room Operators	First Sunday Following 7/1/2016
1 - 6 months	\$14.50
7 - 12 months	\$15.00
13 - 18 months	\$16.50
18+ months	\$21.80

Crew Leaders (Foreperson)	First Sunday following 7/1/2016
All Crew Leaders	25.07

Paid Time-Off Days - All Employees

Employment length	January 1, 2017
< 1 year	9
1 year +	14
2 years +	19
5 years +	24
12 years +	29
20 years +	34
25 years +	39

Holidays	January 1, 2017
Serco provided	10
CBA required additional	2

Employer Monthly Health Insurance Contribution	January 1, 2017
All Employees	\$990.00

WAGE AND BENEFIT DETAIL

This chart is a summary of the hourly wage rates that will be effective July 1, 2016, and benefits that will be effective January 1, 2017 required by the Collective Bargaining Agreements between Serco Inc., the operations provider for Collection and Counting of San Francisco Parking Meters Revenue and Teamsters Local # 665, Parking Operators.

	Basic Hourly Rate	Health and Welfare	401 K Contrib.	Paid Time Off (Includes Sick Leave Accrual)	Holidays	Hospital Leave	Parking	Uniforms	Pension Plan	Wage and Benefit Hourly Rate Estimate	1.5 X	2x
Category	EMPLOYER PAYMENTS									STRAIGHT-TIME	OVERTIME	
Meter Collector & Coin Room Operator 1 - 6 months.	\$ 14.50	\$ -	\$ 0.250	\$ 0.502	\$ 0.446	\$ -	\$ 0.075	\$ 0.427	\$ 2.190	\$ 18.39	\$ 21.75	\$ 29.00
Meter Collector & Coin Room Operator 7 - 12 months	\$ 15.00	\$ 5.712	\$ 0.250	\$ 0.519	\$ 0.462	\$ -	\$ 0.075	\$ 0.427	\$ 2.190	\$ 24.63	\$ 22.50	\$ 30.00
Meter Collector & Coin Room Operator 13 - 18 months	\$ 16.50	\$ 5.712	\$ 0.250	\$ 0.888	\$ 0.762	\$ 0.190	\$ 0.075	\$ 0.427	\$ 2.190	\$ 26.99	\$ 24.75	\$ 33.00
Meter Collector & Coin Room Operator 18 - 24 months	\$ 21.80	\$ 5.712	\$ 0.250	\$ 1.174	\$ 1.006	\$ 0.252	\$ 0.075	\$ 0.427	\$ 2.190	\$ 32.89	\$ 32.70	\$ 43.60
Meter Collector & Coin Room Operator 2 years +	\$ 21.80	\$ 5.712	\$ 0.250	\$ 1.593	\$ 1.006	\$ 0.252	\$ 0.075	\$ 0.427	\$ 2.190	\$ 33.30	\$ 32.70	\$ 43.60
Meter Collector & Coin Room Operator 5 years +	\$ 21.80	\$ 5.712	\$ 0.250	\$ 2.012	\$ 1.006	\$ 0.252	\$ 0.075	\$ 0.427	\$ 2.190	\$ 33.72	\$ 32.70	\$ 43.60
Meter Collector & Coin Room Operator 12 years +	\$ 21.80	\$ 5.712	\$ 0.250	\$ 2.432	\$ 1.006	\$ 0.252	\$ 0.075	\$ 0.427	\$ 2.190	\$ 34.14	\$ 32.70	\$ 43.60
Meter Collector & Coin Room Operator 20 years +	\$ 21.80	\$ 5.712	\$ 0.250	\$ 2.851	\$ 1.006	\$ 0.252	\$ 0.075	\$ 0.427	\$ 2.190	\$ 34.56	\$ 32.70	\$ 43.60

	Basic Hourly Rate	Health and Welfare	401 K Contrib.	Paid Time Off (Includes Sick Leave Accrual)	Holidays	Hospital Leave	Parking	Uniforms	Pension Plan	Wage and Benefit Hourly Rate Estimate	1.5 X	2x
Meter Collector & Coin Room Operator 25 years +	\$ 21.80	\$ 5.712	\$ 0.250	\$ 3.270	\$ 1.006	\$ 0.252	\$ 0.075	\$ 0.427	\$ 2.190	\$ 34.98	\$ 32.70	\$ 43.60
Crew Lead/Foreperson < 6 months	\$ 25.07	\$ -	\$ 0.250	\$ 0.868	\$ 1.157	\$ -	\$ 0.075	\$ 0.427	\$ 2.190	\$ 30.04	\$ 37.61	\$ 50.14
Crew Lead/Foreperson 1 year +	\$ 25.07	\$ 5.712	\$ 0.250	\$ 1.350	\$ 1.157	\$ 0.289	\$ 0.075	\$ 0.427	\$ 2.190	\$ 36.52	\$ 37.61	\$ 50.14
Crew Lead/Foreperson 2 years +	\$ 25.07	\$ 5.712	\$ 0.250	\$ 1.832	\$ 1.157	\$ 0.289	\$ 0.075	\$ 0.427	\$ 2.190	\$ 37.00	\$ 37.61	\$ 50.14
Crew Lead/Foreperson 5 years +	\$ 25.07	\$ 5.712	\$ 0.250	\$ 2.314	\$ 1.157	\$ 0.289	\$ 0.075	\$ 0.427	\$ 2.190	\$ 37.48	\$ 37.61	\$ 50.14
Crew Lead/Foreperson 12 years +	\$ 25.07	\$ 5.712	\$ 0.250	\$ 2.796	\$ 1.157	\$ 0.289	\$ 0.075	\$ 0.427	\$ 2.190	\$ 37.97	\$ 37.61	\$ 50.14
Crew Lead/Foreperson 20 years +	\$ 25.07	\$ 5.712	\$ 0.250	\$ 3.278	\$ 1.157	\$ 0.289	\$ 0.075	\$ 0.427	\$ 2.190	\$ 38.45	\$ 37.61	\$ 50.14
Crew Lead/Foreperson 25 years +	\$ 25.07	\$ 5.712	\$ 0.250	\$ 3.761	\$ 1.157	\$ 0.289	\$ 0.075	\$ 0.427	\$ 2.190	\$ 38.93	\$ 37.61	\$ 50.14

All Benefits listed below will be implemented beginning January 1, 2017.

- A. Paid Time Off amounts reflect the hourly value based upon the number of hours/days provided per the CBAs. The CBAs include periodic increases in the number of days paid as time off through the remaining term. See the Paid Time Off sections of the individual CBAs for details. Paid Time Off is not paid as additional hourly wages, and varies from 12 days annually up to 39 days annually at the end of the CBA term for employees of designated seniority.
- B. The Holidays amounts reflect the hourly value of the paid holiday provisions. The CBAs include periodic increases in the annual holiday allotment through the remainder of its term. See the Holiday sections of the individual CBAs. Holiday pay is not added to hourly wages. Serco currently pays 10 holidays. Under the CBA, 8 holidays will be paid in the first year of employment; 12 holidays annually starting year 2 and thereafter.
- C. Hospital Leave - Each full-time employee with one or more years of seniority shall receive three (3) days of Hospital Leave Pay each year. Hospital Leave Pay is to be used prior to the sick pay.
- D. Full time shifts are two consecutive shifts of 4 hours equaling 8 hours total per day at the discretion of the Employer and overtime is based upon working over 8 hours daily. Double-time is paid for hours worked over 12 in any given day.
- E. The Health and Welfare amounts listed is the maximum hourly value of the employer contribution specified in the CBAs for the effective date. The CBAs include increased employer contribution through the remainder of the agreements. This is paid directly toward benefits and is not paid as additional wages. For those not electing benefits a monthly contribution, a contribution, per the Healthy San Francisco provisions, is made. See appropriate Health and Benefit sections of the individual CBAs for details. New employees shall not be eligible for medical benefits during the first 6 months.
- F. The 401 K contribution reflects the hourly value of the employer contribution to the Supplemental Income 401(k) Trust Fund for each straight-time hour worked. The employer contribution is \$0.25 per hour after 4th month of employment or thereafter. No contributions will be made during first 3 months of employment. The amount of actual contribution will fluctuate based on number of hours worked. The contribution is not paid as additional wages. See 401 K Section of the individual CBAs for details.
- G. Parking - CBA allows for \$74 per month per employee for parking.
- H. Uniforms - CBA allows for \$3 per week per employee for uniform stipend to defray cleaning costs.
- I. Pension Plan - Per CBA, the Employer shall pay into the Western Conference of Teamsters Pension Trust Fund, on account of each employee performing bargaining unit work, the sums as specified below, per hour, for each straight-time hour worked for such Employer, with a maximum of 2080 hours per calendar year. The total contributions including PEER 80 to the Western Conference of Teamsters Pension Trust shall be \$2.19 per hour (\$1.88/hour Basic Contribution Rate plus \$0.31 PEER rate.)

1 [Prevailing Wage Requirements - Parking Meter Coin Collections and Counting]

2

3 **Ordinance authorizing the Municipal Transportation Agency to include, in any contract**
 4 **for parking meter coin collections, counting, and support services it executes after**
 5 **issuing a competitive solicitation, provisions that require the contractor and**
 6 **subcontractors to pay prevailing wages to meter collector, coin room operator, crew**
 7 **lead, and foreperson positions, and to provide transitional employment and retention**
 8 **to the prior contractor's employees performing such services, subject to compliance**
 9 **with all applicable state laws and regulations; and making findings as to the applicable**
 10 **prevailing wage rates for the positions covered by this ordinance.**

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

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

19 Section 1. Findings.

20 (a) San Francisco Administrative Code Section 21C.7 requires, for certain types of
 21 service contracts, that contractors and their subcontractors pay prevailing wages to individuals
 22 performing work under the contract, and provide transitional employment and retention for the
 23 prior contractor's employees.

24 (b) The requirement to pay prevailing wages includes wage rates for overtime and
 25 holiday work and fringe benefits as paid for similar work performed in the City by private
 employers.

1 (c) The Board of Supervisors has previously determined that the turnover of
2 experienced workers resulting from a change in City contractors for certain types of services
3 jeopardizes the quality, efficiency, and cost-effectiveness provided under the successor
4 contract.

5 (d) The Municipal Transportation Agency (SFMTA) intends to amend its current
6 contract with Serco, Inc. (Serco), for parking meter coin collections, counting, and support
7 services to authorize payment for services based on the rates of pay and other compensation
8 terms in the collective bargaining agreement (CBA) recently agreed to by Serco and
9 Teamsters Local 665 affecting the positions of meter collector, coin room operator, crew lead,
10 and foreperson.

11 (e) The current five-year contract for parking meter coin collections, counting, and
12 support services expires on July 31, 2017, and has an option for the City to extend the
13 contract for up to four years.

14 (f) Because the possibility of turnover of experienced workers resulting from a
15 potential change in contractors will jeopardize the quality, efficiency, and cost-effectiveness of
16 parking meter coin processing provided under a successor contract, the SFMTA is seeking
17 authorization from the Board of Supervisors to include, in any contract for parking meter coin
18 collection, counting, and support services the SFMTA executes after issuing a request for
19 proposals (RFP), provisions that would require: (1) payment of prevailing wages by both the
20 contractor and subcontractors to any individual providing meter collector, coin room operator,
21 crew lead, and foreperson services under the contract; and (2) transitional employment and
22 retention for the prior contractor's employees performing such services.

23 (g) Similar to the requirements in Section 21.C.7 of the Administrative Code, the
24 SFMTA intends to include, in any new contract for coin collection, counting, and support
25 services, requirements that the successor contractor: (1) retain, for a six-month period,

1 employees who have worked at least 15 hours per week and have been employed by the
2 prior contractor or its subcontractors, if applicable, for the preceding 12 months; (2) retain
3 employees of the prior contractor by seniority within job classifications if fewer employees are
4 required to perform the new contract; (3) during the six-month retention period, maintain a
5 preferential hiring list of eligible employees that were not retained by the successor contractor;
6 (4) not discharge any retained employee during the six-month transition period without cause;
7 and (5) at the end of the six-month period, offer continued employment to retained employees,
8 if the employee's performance is satisfactory, under the terms and conditions established by
9 the successor contractor (collectively, Retention Requirements).

10 (h) Based on information provided by the SFMTA, the Board of Supervisors finds that
11 the greatest number of workers providing the subject parking meter coin collections, counting,
12 and support services in San Francisco are paid prevailing wages at the rates negotiated in the
13 CBA and set forth in the table entitled "Wages and Benefits for SF Parking Meter Revenue
14 Counting and Collections Individuals Covered by Teamsters Local 665 CBA," on file with the
15 Clerk of the Board of Supervisors in File No. _____; accordingly, the Board of
16 Supervisors sets the prevailing wage rates for the subject workers, as intended by the
17 SFMTA, in accordance with the rates in the table for the period of time covered by the CBA.

18 Section 2. The Municipal Transportation Agency is authorized to include, in any
19 contract for parking meter coin collections, counting, and support services it executes after
20 issuing an RFP, provisions that would require: (1) payment of prevailing wages by both the
21 contractor and subcontractors to any individual meter collector, coin room operator, crew lead,
22 and foreperson services under the contract; and (2) transitional employment and retention for
23 the prior contractor's employees performing such services, in accordance with the Retention
24 Requirements set forth above. Such provisions are subject to compliance with all applicable
25

1 state and local laws and other requirements, including, but not limited to, State licensing
2 requirements and SFMTA-required background checks.

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

5 By: _____
6 ROBIN M. REITZES
7 Deputy City Attorney

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