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Mayor London Breed and City Administrator Naomi Kelly Announce Finalized Citywide Project Labor Agreement to Support Working People and Small Businesses on Public Construction Projects

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Project labor agreement promotes efficiency in public construction projects, supports small businesses, and expands opportunities for graduates of the City's job training programs

San Francisco, CA — Mayor London N. Breed and City Administrator Naomi M. Kelly today announced San Francisco has finalized a citywide Project Labor Agreement for public construction projects, which supports working people and small businesses.

The 20-year agreement was negotiated and executed on behalf of San Francisco by the City Administrator following legislation that Mayor Breed advanced and signed in January 2019, which created a structure for this negotiated Project Labor Agreement. The legislative framework was the result of input from Mayor Breed, the Board of Supervisors, City Departments, labor leaders, community stakeholders, and small and local business owners.

"I am committed to making sure that working people can continue to live in San Francisco and I am proud that we finalized this Project Labor Agreement, which is good for workers, the City, and provides opportunities for our local small businesses," said Mayor Breed. "San Francisco has a long economic recovery ahead of us, and using our public construction projects is a key way that we can provide good-paying jobs and economic opportunity."

"We look forward to the continued work to deliver the many public works projects under the finalized Project Labor Agreement," said City Administrator Naomi M. Kelly. "Thank you to the San Francisco Building Construction Trades Council for their valued participation throughout the process to ensure stability and continuity of public work and improvement projects."

"This Agreement is very important in that it will protect all workers to make sure that they receive the pay, benefits and working conditions that they deserve when working on publicly funded projects," said Larry Mazzola, Jr., President of the San Francisco Building and Construction Trades Council and Business Manager of Plumbers and Pipefitters Union Local 38. "It also levels the playing field for contractors bidding on this work, ensuring that the bidding process will be fair and equitable. I want to thank Mayor London Breed who believed in this PLA and agreed that workers deserved these protections when working on City construction jobs. The Agreement wouldn't have happened without her."

"This is a historic accomplishment for all of San Francisco and San Francisco workers," said Tim Paulson, Secretary Treasurer of the San Francisco Building and Construction Trades Council. "This agreement, where all the City family participated, ensures good jobs and apprenticeships to all the workers who will build San Francisco's public infrastructure for the next generation."

"Part of what has been critical to the Project Labor Agreement discussion is the fundamental notion of fairness in hiring," said Supervisor Peskin. "Whether it's criteria for how our public bond dollars are spent or ensuring a fair bidding process, this is going to reduce the opportunities for corruption in contracting and restore faith in our local government for both workers and the general public."

"This historic Project Labor Agreement is the culmination of multi-year negotiations and could not have been accomplished without the collaborative spirit of all stakeholders whose focus was working families, and I am proud to have played a role in this. The Agreement not only uplifts existing workers but future generations who will join the workforce by providing a pathway for direct entry with unions," said Supervisor Ahsha Safai. "This news is much-needed and welcomed news for San Francisco's working families, the backbone of San Francisco, as many are currently being pummeled by a spiraling economy in the midst of an ongoing pandemic. This is a win for all."

"The local small business construction community is pleased that their concerns were heard during the process of writing this groundbreaking Project Labor Agreement," said Miguel Galarza, President, Yerba Buena Engineering & Construction, Inc. "The strong small business protections, coupled with the robust workforce and CityBuild components ensure that accountability is in place to guarantee, no one from the City's impoverished communities are left behind that desire a career in the building trades."

The agreement between the City, San Francisco Building and Construction Trades Council, its member unions, and construction contractors that perform work on certain public projects seeks to avoid delays and control costs by establishing clear and consistent obligations for those performing work. Additionally, this agreement helps establish and stabilize wages, hours and working conditions for the workers employed on these projects.

This agreement and these standards will be applied to a number of public construction projects which meet certain monetary thresholds. For work funded by bonds, the threshold triggering applicability of the project labor agreement begins at \$5 million and lowers to \$1 million over a three-year time period. For all other work the threshold is set at \$10 million.

Additionally, this agreement also memorializes policies to ensure that local small businesses have the opportunity to participate in the economic opportunity these public construction projects create. Specifically, Local Business Enterprises are allowed to accumulate \$5 million worth of work before being subject to the terms of the Project Labor Agreement, allowing time for smaller Local Business Enterprises to grow.

Public construction projects are also critical to job creation for San Francisco residents. The Project Labor Agreement incorporates support for pre-apprenticeship programs including San Francisco's CityBuild Program, which provides pre-apprenticeship and construction training. The Project Labor Agreement requires unions to ensure graduates of CityBuild have a pathway for direct entry into union apprenticeship programs.

Previously, there was not a requirement for the City to use a Project Labor Agreement on its public work and improvement projects. As a result of the legislation passed by the Board of Supervisors on January 15, 2019, and signed by Mayor Breed, the City Administrator negotiated and executed the Project Labor Agreement on behalf of the City.

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