



**Hetch Hetchy
Regional Water System**

Services of the San Francisco Public Utilities Commission



**Hetch Hetchy Capital Improvement Program
Project Labor Agreement
Quarterly Report**

**July 1, 2023, through September 30, 2023
(First Quarter FY 2023-2024)**



SFPUC
Infrastructure Division
Workforce and Economic Program Services Bureau
525 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

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Hetch Hetchy Capital Improvement Program Project Labor Agreement
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Executive Summary

Contracting and Employment Highlights – Program to Date

- Twelve (12) construction contracts, with a combined value of \$346 million, have been awarded.
- 617,160 total craft hours have been worked by 1,568 workers who earned \$46.3 million in wages and benefits.
- The SFPUC Regional Service Territory consists of 251 ZIP Codes in seven counties outside of San Francisco. 597 Service Territory residents worked 234,499 hours (38.0%) and earned \$17.9 million in wages and benefits.
- 188 San Francisco residents worked 93,685 hours (15.2%) and earned \$6,016,228 on PLA-covered projects. Combined, San Francisco and Service Territory residents worked 328,184 hours, or 53.2% of all hours, exceeding the City’s Local Hiring requirement of 30%.
- 174 pre-employment substance abuse tests have been administered to employees cleared to work on HCIP projects as of June 30, 2023. Three people were prevented from working due to a non-negative test result.

Table 1. Worker Highlights – Total Program

Region of Worker Residence	Inception Through September 30, 2023		
	Hours	Wages & Benefits	Worker Count
Outside	288,976	\$ 22,350,040	801
San Francisco	93,685	\$ 6,016,228	188
Service Territory	234,499	\$ 17,948,676	597
Grand Total	617,160	\$ 46,314,943	1,568
Comb. SF and Serv.	328,184	\$ 23,964,903	785

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Contracting and Employment Highlights – During the Quarter

- No contracts were awarded during the quarter.
- 196 construction workers worked 32,363 hours and earned \$2.9 million in wages and benefits.
- 15 San Francisco residents worked 858 hours and earned \$63 thousand in wages and benefits.
- 101 SFPUC Service Territory residents worked 19,597 hours and earned \$1.7 million in wages and benefits.
- 14 pre-employment substance abuse screenings were administered under the provisions of the PLA’s Substance Abuse Policy.

Table 2. Summary of Craft Worker Employment During the Quarter

Region of Worker Residence	Three Months Ending September 30, 2023		
	Hours	Wages & Benefits	Worker Count
Outside	11,909	\$ 1,087,335	80
San Francisco	858	\$ 63,725	15
Service Territory	19,597	\$ 1,700,640	101
Grand Total	32,363	\$ 2,851,700	196
Comb. SF and Serv.	20,454	\$ 1,764,365	116

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Table 3. List of HCIP Construction Contracts

- Twelve (12) construction contracts, with a combined value of \$345 million, have been awarded.

Sorted by Award Date (newest to oldest)

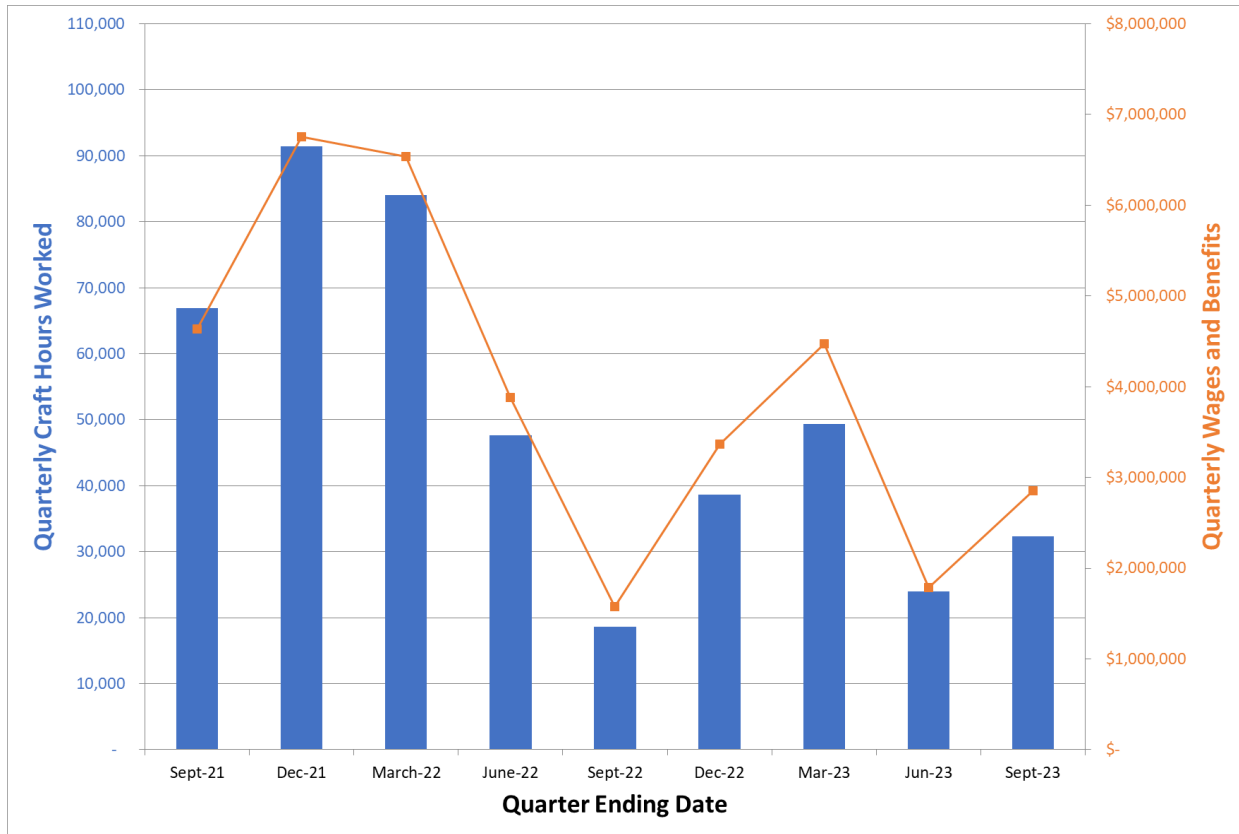
HSIP Construction Contracts				
Inception through September 30, 2023				
Contract	Project	Award Date	Prime Contractor	Original
HH-1011	O'Shaughnessy Dam Instream Flow Release Valve Replacement	6/13/2023	Sierra Mountain Construction, Inc	\$ 5,960,000
HH-1006	San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1B	8/23/2022	Mountain Cascade, Inc.	\$ 11,801,808
HH-1007	Transmission Line 7/8 Upgrades	6/28/2022	Wilson Utility Construction Company	\$ 23,980,141
HH-1005	San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A	3/8/2022	Sierra Mountain Construction, Inc	\$ 10,799,504
HH-1002R	O'Shaughnessy Dam Fall Protection Improvements and Spillway Access	6/8/2021	Mountain Cascade, Inc	\$ 1,498,687
DB-121R2	Moccasin Powerhouse Generator Rehabilitation	5/11/2021	GE Renewable US LLC	\$ 26,271,805
HH-1000R	Mountain Tunnel Improvements Project	10/13/2020	Michels Tunneling	\$ 138,973,189
HH-1001	Moccasin Reservoir Perimeter Security Fence	5/12/2020	Mountain Methods, Inc	\$ 1,364,290
DB-130	Bay Corridor Transmission and Distribution - Phase 3	4/28/2020	Beta Engineering California, LP	\$ 56,668,701
DB-129.2	Bay Corridor Transmission & Distribution - Phase 2 (2019) South	3/10/2020	Anvil Builders Inc.	\$ 29,280,870
DB-129.1	Bay Corridor Transmission & Distribution - Phase 2 (2019) North	2/11/2020	Mitchell Engineering	\$ 24,058,409
DB-128R2	Bay Corridor Transmission and Distribution - Phase 1	4/25/2017	A&B Construction	\$ 15,283,930
12 Projects				\$ 345,941,334

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Summary Tables and Charts

Chart 1. Craft Hours and Wages

- During the quarter, construction workers worked 32,363 hours and earned \$2,851,700 in wages and benefits.



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Table 4. Craft Utilization Table

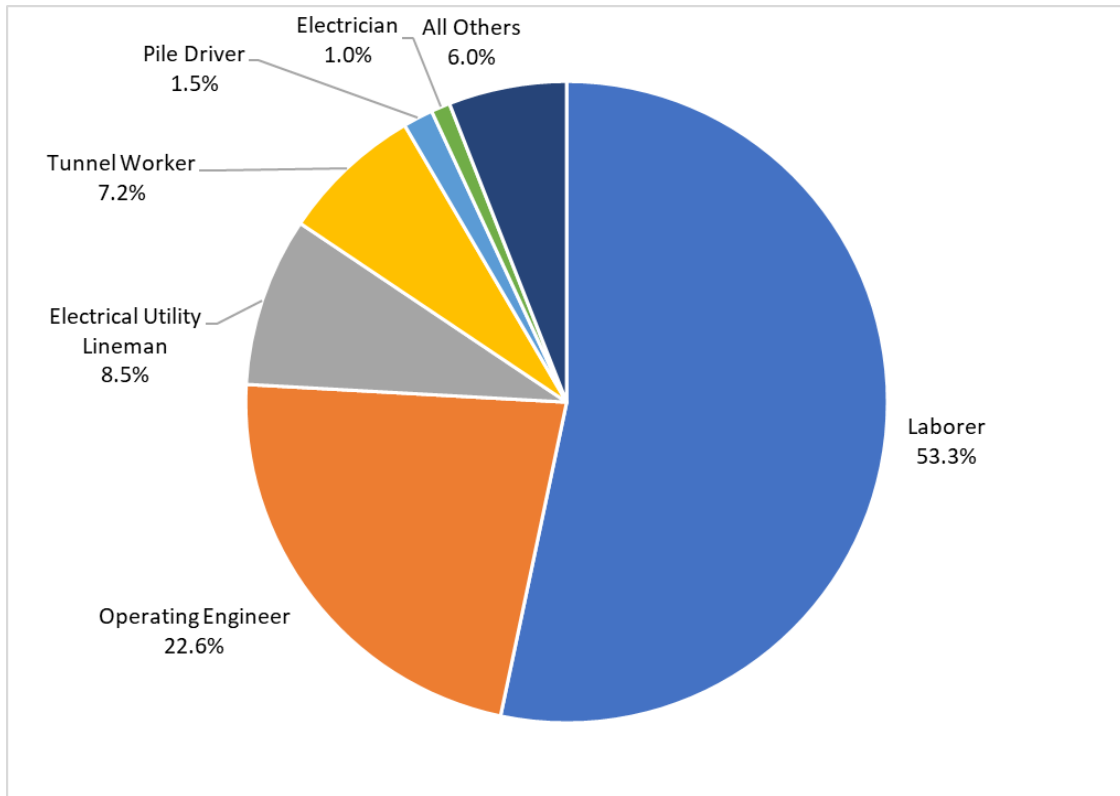
The table below reflects the values of hours and wages for each trade and the relative percentages of each as compared to the HCIP program’s overall totals.

- Contractors reported construction craft hours in 16 craft worker classifications.
- Laborers, Operating Engineers, Electrical Utility Linemen, Tunnel Workers, Pile Drivers and Electricians worked 94.0% of all hours, with 580 thousand combined hours worked.

Cumulative Employment by Craft				
Inception Through September 30, 2023				
Craft	Total Hours	Total Wages	% Craft Hours of Total Hours	% Wages of Total Wages
Laborer	328,979	\$ 20,433,678	53.3%	44.1%
Operating Engineer	139,348	\$ 12,215,928	22.6%	26.4%
Electrical Utility Lineman	52,629	\$ 5,261,099	8.5%	11.4%
Tunnel Worker	44,219	\$ 3,862,107	7.2%	8.3%
Pile Driver	9,331	\$ 800,608	1.5%	1.7%
Electrician	5,922	\$ 762,207	1.0%	1.6%
Top 6 Crafts Sub-Total	580,427	\$ 43,335,627	94.0%	93.6%
Carpenter	5,517	\$ 447,377	0.9%	1.0%
Iron Worker	5,207	\$ 452,654	0.8%	1.0%
Cement Mason	4,754	\$ 336,568	0.8%	0.7%
Roofer	2,489	\$ 181,473	0.4%	0.4%
Painter	1,110	\$ 61,329	0.2%	0.1%
Plumber	1,029	\$ 83,116	0.2%	0.2%
Field Surveyor	237	\$ 25,584	0.0%	0.1%
Building/Construction Inspector	104	\$ 10,288	0.0%	0.0%
Remaining Apprenticeable Sub-Total	20,447	\$ 1,598,389	3.3%	3.5%
Driver	14,312	\$ 1,246,331	2.3%	2.7%
Teamster	1,974	\$ 134,597	0.3%	0.3%
Total Non-Apprenticeable	16,286	\$ 1,380,928	2.6%	3.0%
Grand Total	617,160	\$ 46,314,943	100.0%	100.0%

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Chart 2. Craft Utilization Pie Chart



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Table 5. Worker Residence by County

- When comparing the counties where workers are from, San Francisco residents worked 15.2% of all construction hours and earned over \$6 million in wages and benefits, as reported in the City’s online certified payroll reporting system, LCPtracker, Inc.

HCIP-PLA Employment by Top 20 Counties of Residence Through September 30, 2023			
County	Total Craft Hours	Wages & Benefits	% Craft Hours
Tuolumne County	107,727	\$ 8,204,335	17.5%
San Francisco County	93,685	\$ 6,016,228	15.2%
Alameda County	76,483	\$ 5,635,530	12.4%
Contra Costa County	61,171	\$ 4,021,090	9.9%
Stanislaus County	50,661	\$ 4,051,001	8.2%
Calaveras County	25,442	\$ 2,131,140	4.1%
San Joaquin County	23,746	\$ 1,745,300	3.8%
San Mateo County	13,821	\$ 1,021,239	2.2%
Merced County	11,111	\$ 777,172	1.8%
Solano County	10,349	\$ 850,706	1.7%
Santa Clara County	9,454	\$ 879,797	1.5%
San Bernardino County	6,157	\$ 551,509	1.0%
Lake County	5,346	\$ 460,159	0.9%
Mariposa County	5,154	\$ 324,099	0.8%
Butte County	5,153	\$ 369,962	0.8%
Riverside County	4,606	\$ 310,649	0.7%
Los Angeles County	4,245	\$ 292,152	0.7%
Placer County	3,999	\$ 443,415	0.6%
Sacramento County	3,978	\$ 323,977	0.6%
Madera County	3,604	\$ 278,521	0.6%
Top 20 CA Counties	525,889	\$ 38,687,979	85.2%
All Other CA Counties	22,095	\$ 1,766,227	3.6%
Out of State	69,175	\$ 5,860,737	11.2%
Grand Total	617,160	\$ 46,314,943	100.0%

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Table 6. Worker Residence by Project

- HH-1001 Moccasin Reservoir Perimeter Security Fence has the highest local worker participation to date on HCIP, with Service Territory workers having worked 82.5% of the project’s total hours.

Sorted by San Francisco and Service Territory Total Percent

Project	Hours				San Francisco	Service Territory	SF and Serv
	Outside	San Francisco	Service Territory	Grand Total			
HH-1001 - Moccasin Reservoir Perimeter Security Fence	1,012	-	4,784	5,796	0.0%	82.5%	82.5%
HH-1005 - San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A	2,593	-	5,389	7,982	0.0%	67.5%	67.5%
HH-1000R - Mountain Tunnel Improvements Project	98,108	270	153,136	251,514	0.1%	60.9%	61.0%
DB-128R2 - Bay Corridor Transmission and Distribution - Phase 1	29,325	25,372	16,814	71,510	35.5%	23.5%	59.0%
HH-1002R - O'Shaughnessy Dam Fall Protection Improvements and Spillway Access	803	-	986	1,789	0.0%	55.1%	55.1%
HH-1007 - Transmission Line 7/8 Upgrades	11,397	-	13,467	24,863	0.0%	54.2%	54.2%
DB-129.2 - Bay Corridor Transmission & Distribution - Phase 2 (2019) South	54,188	32,145	23,334	109,668	29.3%	21.3%	50.6%
DB-129.1 - Bay Corridor Transmission & Distribution - Phase 2 (2019) North	23,871	12,774	4,835	41,480	30.8%	11.7%	42.5%
DB-130 - Bay Corridor Transmission and Distribution - Phase 3 (2019)	67,680	23,124	11,755	102,559	22.5%	11.5%	34.0%
Grand Total	288,976	93,685	234,499	617,160	15.2%	40.0%	55.1%

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Apprentice Data

The California Division of Apprenticeship Standards (DAS) consults with employers to develop a skilled workforce with viable career pathways to increase productivity and strengthen California’s economy. DAS minimum ratios requires apprentices be utilized in the ratios applicable to each craft, generally one apprentice hour to every five journeymen hours at the end of the project. However, an employer can and is encouraged to employ an apprentice as the second person on the job whenever possible and allowed by the apprenticeship program standards.

Table 7. Apprentice Utilization by Craft

- On HCIP, 10.3% of the hours in apprenticeable trades have been worked by apprentices.
- Pile Drivers have utilized the most apprentices, with 34.7% of all hours being worked by apprentices.
- Apprentice Laborers have worked 11.8% of their craft’s 328 thousand total hours.

Craft	Apprentice Hours	Journey Hours	Total Hours	Apprentice Percentage of Craft Total (Apprentice/Total)
Pile Driver	3,236	6,095	9,331	34.7%
Painter	376	734	1,110	33.9%
Carpenter	1,519	3,999	5,517	27.5%
Cement Mason	1,299	3,455	4,754	27.3%
Iron Worker	836	4,372	5,207	16.0%
Laborer	38,765	290,214	328,979	11.8%
Tunnel Worker	3,855	40,364	44,219	8.7%
Operating Engineer	10,019	129,329	139,348	7.2%
Building/Construction Inspector	4	100	104	3.8%
Electrical Utility Lineman	1,983	50,646	52,629	3.8%
Electrician	93	5,829	5,922	1.6%
Field Surveyor	-	237	237	0.0%
Plumber	-	1,029	1,029	0.0%
Roofer	-	2,489	2,489	0.0%
Apprenticeable Subtotal	61,982	538,891	600,874	10.3%
Driver	-	14,312	14,312	0.0%
Teamster	-	1,974	1,974	0.0%
Grand Total	61,982	555,177	617,160	10.0%

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Table 8. Apprentice Utilization by Project

The table below lists HCIP Projects sorted by Percentage of Apprentice Utilization from highest to lowest. The total Apprentice Utilization for the entire HCIP is 10.0%.

- HH-1002R O’Shaughnessy Dam Fall Protection Improvements and Spillway Access has the highest apprentice utilization ratio, with 32.3% of all hours worked by apprentices.

Project Name	Apprentice Hours	Journey Hours	Grand Total	Appr. Utilization %
HH-1002R - O’Shaughnessy Dam Fall Protection Improvements and Spillway Access	579	1,210	1,789	32.3%
HH-1001 - Moccasin Reservoir Perimeter Security Fence	1,393	4,403	5,796	24.0%
HH-1005 - San Joaquin Pipeline Valve and Safe Entry Improvements: Phase 1A	1,075	6,907	7,982	13.5%
HH-1007 - Transmission Line 7/8 Upgrades	3,133	21,731	24,863	12.6%
DB-129.2 - Bay Corridor Transmission & Distribution - Phase 2 (2019) South	13,383	96,285	109,668	12.2%
HH-1000R - Mountain Tunnel Improvements Project	24,711	226,803	251,514	9.8%
DB-130 - Bay Corridor Transmission and Distribution - Phase 3 (2019)	9,139	93,420	102,559	8.9%
DB-129.1 - Bay Corridor Transmission & Distribution - Phase 2 (2019) North	3,167	38,313	41,480	7.6%
DB-128R2 - Bay Corridor Transmission and Distribution - Phase 1	5,405	66,105	71,510	7.6%
Grand Total	61,982	555,177	617,160	10.0%

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Substance Abuse Prevention

The PLA requires pre-employment alcohol and drug testing for all covered employees. The policy also allows testing where the contractor has reasonable cause to believe that the employee has used drugs or alcohol, and mandates testing where a contractor concludes that an employee was under the influence of drugs or alcohol at the time of an accident.

Table 9. Workers’ Pre-Employment Clearance Data

- 174 pre-employment tests have been on HCIP with a total non-negative screening rate of **1.7%**.
- During the quarter, 14 pre-employment substance abuse screenings were administered, and no individuals were prevented from working as the result of a non-negative test.

HCIP - Covered by PLA Substance Abuse Testing Summary Tests Administered to Individuals Cleared to Work Through 09/30/2023	
Project	Number Cleared
HH-1000R - Mountain Tunnel Improvement Project	121
HH-1007 - Transmission Line 7/8 Upgrades	31
DB-129.1 - Bay Corridor Transmission and Distribution – Phase 2 (2019) North	13
HH-1001 - Moccasin Reservoir Perimeter Security Fence	9
Total Cleared	174

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History of the WSIP PLA and SSIP Extension Agreement

On April 8, 2003, the San Francisco Board of Supervisors adopted Resolution 223-03 urging the SFPUC to develop plans for a Project Labor Agreement covering the capital improvement program to rehabilitate, repair, and upgrade the Hetch Hetchy Water System.

On May 20, 2003, the San Francisco Board of Supervisors adopted Resolution 350-03 urging the SFPUC to include social justice components in the Project Labor Agreement covering the Hetch Hetchy Water System upgrade.

On May 11, 2006, the San Francisco Board of Supervisors amended the San Francisco Administrative Code to establish a PUC Small firm Advisory Committee to provide for the certification of small construction contractors located outside San Francisco and within the SFPUC service territory for work on SFPUC construction projects, including those covered by the WSIP PLA.

On March 28, 2006, the SFPUC adopted Resolution No. 06-0049 to authorize SFPUC staff to commence negotiations with the various craft labor unions for a project labor agreement covering the Water System Improvement Program. Resolution No. 06-0049 concluded that the governmental interests of the SFPUC were furthered by a project labor agreement 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; militates against construction delays; assures steady supply of qualified labor; provides employment, career, and local business opportunities; and other benefits ...”

On March 26, 2007, the SFPUC approved the negotiated agreement. The PLA requires construction contractors to utilize workers dispatched by signatory unions, and prohibits the unions and contractors from participating in strikes, lockouts, or other disruptions to the work. The PLA provides a procedure for adjudicating conflicting jurisdictional claims between the unions, provides for uniform hours of work, overtime, shifts and holidays, encourages the recruitment and training of low-income residents of the SFPUC service territory, and requires substance abuse testing for all covered workers. The first implementation of the PLA was on the WD-2504 Stanford Heights Reservoir Seismic Retrofit and Improvement project, which the SFPUC awarded to S.J. Amoroso Construction Company, LLC., on June 26, 2007, in the amount of \$17,899,960.

In 2008, the Commission approved Addendum No. 1 of the Agreement, which extended the Agreement to the Advanced Meter Infrastructure (AMI) project.

In May 2016, the Commission approved an Extension Agreement, which applied the terms of the PLA, as modified in the Extension Agreement, to Sewer System Improvement Program (SSIP) projects and the AWSS Pumping Station 2 project.

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Governance and Certified Payroll Reporting System

The parties to the PLA have established a four-person Joint Administrative Committee (JAC) that reviews the implementation and progress of the PLA and provides guidance to questions or concerns that arise in connection with the PLA. The Workforce and Economic Program Services team, within the SFPUC's Infrastructure Division, administers the PLA under the advisement of the JAC.

Prior to the commencement of construction, representatives of participating contractors and subcontractors, the unions, and SFPUC staff, are required to attend a PLA Pre-Job Conference. At the conference, the general contractor and subcontractors must present their scope of work and make work assignments to the respective unions based on traditional craft jurisdictional lines. When conflicting claims for work are submitted to a contractor, the corresponding Jurisdictional Dispute Resolution procedures identified in the PLA, as specified for the trades involved, is invoked so as to prevent delay or disruption of the work.

All SFPUC construction projects utilize the City's authorized labor compliance reporting program, currently the web-based system, LCPtracker, Inc. The data from the certified payrolls records collected by LCPtracker, Inc., has been compiled to produce the information in this report.