



Memorandum

Date: 12.03.14 *RE:* Finance Committee
December 9, 2014

To: Finance Committee: Commissioners Cohen (Chair), Wiener (Vice Chair), Farrell, Tang and Avalos (Ex Officio)

From: Lee Saage – Deputy Director for Capital Projects *LS*

Through: Tilly Chang – Executive Director *TC*

Subject: **ACTION** – Recommend Exercising the Second One-Year Option of the Memorandum of Agreement (MOA) with the Office of Economic and Workforce Development and to Increase the MOA Amount by \$164,600, to a Total Amount Not to Exceed \$500,000, for CityBuild Services to Promote Workforce Development for Phase II of the Presidio Parkway Project and Authorizing the Executive Director to Modify Non-Material Agreement Terms and Conditions

Summary

The Transportation Authority has collaborated with the Office of Economic and Workforce Development (OEWD) to track local opportunities related to construction projects within San Francisco. On March 27, 2012, through approval of Resolution 12-46, the Transportation Authority authorized a Memorandum of Agreement (MOA) with OEWD for a one-year period with two additional one-year extension options, in an amount not to exceed \$167,700, for CityBuild services to enhance local hire for Phase II of the Presidio Parkway project implementation. The Transportation Authority and OEWD wish to further this relationship and provide a structure where OEWD will provide valuable local outreach and develop a skilled workforce to enhance the opportunities for San Francisco residents to become aware of and qualified for construction jobs relating to the implementation of Phase II of the Presidio Parkway project. Through Resolution 14-61, the first one-year option on this contract was exercised to cover the services provided during October 1, 2013 through September 30, 2014. This agreement will be funded by Prop K funds previously appropriated through Resolution 10-66 to the Presidio Parkway project. **We are seeking a recommendation to exercise the second one-year option of the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorize the Executive Director to modify agreement payment terms and non-material agreement terms and conditions.**

BACKGROUND

Doyle Drive serves as the South Access to the Golden Gate Bridge and is part of US-101 that provides a crucial regional link between San Francisco and North Bay Area counties. The Transportation Authority has been leading the effort since 1994, in close cooperation with the California Department of Transportation (Caltrans), to replace the existing Doyle Drive structure. The Transportation Authority has forged a partnership with a host of federal, state and local agencies involved with this complex undertaking. These agencies include the Federal Highway Administration, Presidio Trust, Department of Veterans Affairs, National Park Service, Caltrans, Golden Gate Bridge Highway and Transportation District, Transportation Authority of Marin, Sonoma County Transportation Authority, State Historic Preservation Office and others.

Construction of the Presidio Parkway project to replace Doyle Drive is organized into two phases. Phase I was delivered under a traditional design-bid-build process consisting of Contracts 1 through 4

for environmental mitigation, utility relocation, and the construction of portions of the permanent new parkway, one of four short tunnels under the Presidio, and a detour. Phase II includes construction of a new northbound bridge and Battery Tunnel, the Main Post Tunnels, and the Doyle Drive/Girard Road/Marina Boulevard/Richardson Avenue interchange as well as final landscaping. Phase II is to be delivered under a public-private partnership (P3) agreement, and is expected to be open by mid-2016 with a construction cost of approximately \$272 million.

The Transportation Authority has collaborated closely with the Office of Economic and Workforce Development (OEWD) to track local opportunities related to construction projects within the city on several projects from the inception of the agency. OEWD currently provides local workforce program planning, management, and operations including recruitment, assessment, referral, retention support for local resident job seekers, and community interface for the City on several large scale projects under construction through various City entities such as the San Francisco Public Utility Commission, the San Francisco International Airport, and the San Francisco Municipal Transportation Agency.

In July 2011, the Transportation Authority and OEWD began discussing the opportunities to collaborate on and facilitate the implementation of a workforce development program, as required in the Phase II contract of the Presidio Parkway project with the developer, Golden Link Concessionaire (GLC). GLC entered into a First Source Hiring Agreement (FSHA) with OEWD. Since April 2012, OEWD has been supporting the Phase II of the Presidio Parkway project by recommending qualified resources from its pool of CityBuild program graduates under a cooperative agreement with GLC to hire local labor for the construction activities per the FSHA. These efforts, similar to those provided by OEWD to support construction contracts 1-4 during Phase I, are supported by Prop K funding that the Transportation Authority reimburses to OEWD under the current Memorandum of Agreement (MOA) between our two agencies.

The purpose of this memorandum is to seek a recommendation to exercise the second one-year option to the MOA with OEWD and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to continue to enhance local hire for the Phase II of the Presidio Parkway project implementation for the period from October 1, 2014 through September 30, 2015.

DISCUSSION

On March 27, 2012, through approval of Resolution 12-46, the Transportation Authority Board authorized an MOA with OEWD for a one-year period with two additional one-year extension options in an amount not to exceed \$167,700, for CityBuild services to enhance local hire for the Phase II of the Presidio Parkway project implementation. The original MOA was awarded for the period of April 1, 2012 through March 31, 2013. However due to delayed construction start up, the original MOA had adequate funds to extend the service duration through September 30, 2013. Then, through Resolution 14-61, the first one-year option on this MOA was exercised for an additional \$167,700 to cover the services provided during the October 1, 2013 through September 30, 2014. During the past year, beginning in October of 2013, OEWD staff has supported the Presidio Parkway project and have worked very hard to ensure we meet our new hire goal of 50% to be local residents while the contractor has accelerated its construction activities.

For the Presidio Parkway project, OEWD will continue to provide an Employment Liaison Specialist(s), who will work with GLC, to provide outreach to CityBuild's network of community based organizations to identify, assess, and screen potential workers for referral to the Presidio Parkway project; facilitate the referral and hiring process with union locals and GLC; and provide onsite support to GLC and project subcontractors as required.

This approach has utilized the core skills held by each party, improving the efficiency of establishing and maintaining the First Source Hiring program. CityBuild has the primary relationship with various on-going training programs and can ensure that the workforce with required skills becomes available in a timely manner to benefit both the project and the City's employable workforce.

The tables on Attachment 1 show the statistics for the local hire since April 2013. As of September 2014, GLC has requested 313 positions to be filled through the CityBuild program and hired 309 new staff. With the growing need for skilled labor in San Francisco on several other large infrastructure projects such as the Transbay Transit Center, the contractor's request for specific high skill labor faced an availability challenge in the recent months. Therefore, CityBuild is working on developing additional skilled and certified San Francisco trade workers so that future requests for certified and experienced labor may be filled by local residents. Through the cooperative efforts of all stakeholders, a total of 113 San Francisco residents have been hired onto the project to-date.

This second one-year extension to the MOA will further the collaborative relationship between the Transportation Authority and OEWD and provide a structure where OEWD will provide valuable local outreach and help develop a skilled workforce. This effort will enhance the opportunities for city residents to become aware of and qualify for construction jobs relating to the implementation of Phase II of the Presidio Parkway project.

We are seeking a recommendation to exercise the second one-year option to the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorize the Executive Director to modify non-material agreement terms and conditions.

ALTERNATIVES

1. Recommend exercising the second one-year option to the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to modify non-material agreement terms and conditions, as requested.
2. Recommend exercising the second one-year option to the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to negotiate modify non-material agreement terms and conditions, with modifications.
3. Defer action, pending additional information or further staff analysis.

CAC POSITION

This item was included on the consent calendar for the December 3, 2014 CAC meeting. The CAC unanimously adopted a motion of support for the staff recommendation.

FINANCIAL IMPACTS

This MOA amendment will be funded by Prop K funds previously appropriated through Resolution 10-66. This year's activity was included in the Transportation Authority's adopted Fiscal Year 2014/15 budget. Sufficient funds will be included in next fiscal year's budget to cover the remaining cost of this MOA.

RECOMMENDATION

Recommend exercising the second one-year option to the MOA with OEWD, and to increase the MOA amount by \$164,600, to a total amount not to exceed \$500,000, for CityBuild services to promote workforce development for Phase II of the Presidio Parkway project and authorizing the Executive Director to modify non-material agreement terms and conditions.

Attachment:

1. September 2014 Presidio Parkway First Source Hiring Summary

Attachment 1

September 2014 Presidio Parkway First Source Hiring Summary			
	Requested	Total Hired	Local Hired
Project to Date	313	309	113
Project to Date New Hire %			37%
Sep-14	43	20	7
Aug-14	30	27	9
Jul-14	78	75	30
Jun-14	39	42	16
May-14	10	9	6
Apr-14	4	3	1
Mar-14	17	20	1
Feb-14	21	15	11
Jan-14	12	16	13
2013	59	82	19

September 2014 First Source Hiring Detail				
Trade	Requested	Total Hired	Local Hired	Total Local Hired to Date
Carpenter	18	10	4	59
Cement Mason	2	2	1	3
Electrician	0	0	0	0
Iron Worker	0	0	0	1
Laborer	14	3	1	41
Operating Engineer	9	5	1	9
Pile Driver	0	0	0	0
Roofer	0	0	0	0
Total	43	20	7	113