SFPUC General Manager's Small Firm Advisory Committee Presents:

HETCHY SYSTEM IMPROVEMENT PROGRAM
CONTRACTORS OPEN HOUSE

APRIL 29, 2015
10:30 A.M. - 12:30 P.M.
Laborers Training Center
1001 Westside Drive
San Ramon, CA 94583
Program

+ Overview / Hetch Hetchy System Improvement Program
+ Regional Job Order Contracts (JOC)
+ SFPUC-Local Business Enterprise Certification Program
+ SFPUC Contractors Assistance Center
+ SFPUC Workforce Program Services
+ Contractor Tips
+ Questions and Answers
Water
Power
Sewer
Infrastructure: Mission, Roles, and Responsibilities

**Mission:**
To effectively plan and implement capital improvements to the Water, Wastewater and Power Systems of the SFPUC in order to continue to provide high quality utility services to our customers.

**Roles and Responsibilities:**
To manage the planning, design and construction of the capital programs of the SFPUC, as well as the repair and replacement of its water, wastewater and power enterprise facilities.
Hetch Hetchy
Regional Water System
## HSIP 10 Year CIP Plan – Construction

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>FY14-15</th>
<th>FY15-16</th>
<th>FY16-17</th>
<th>FY15-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>$17,895,800</td>
<td>$3,846,700</td>
<td>$5,591,300</td>
<td>$61,957,675</td>
</tr>
<tr>
<td>Power</td>
<td>$25,733,500</td>
<td>$27,334,450</td>
<td>$21,231,925</td>
<td>$128,098,555</td>
</tr>
<tr>
<td>Joint</td>
<td>$22,165,000</td>
<td>$31,211,050</td>
<td>$32,316,050</td>
<td>$674,290,370</td>
</tr>
</tbody>
</table>
3-yr Construction Spending Plan

Total Construction Cost

- Construction Contracts
- Construction Management

Qtr 3, Qtr 4, Qtr 1, Qtr 2, Qtr 3, Qtr 4, Qtr 1, Qtr 2, Qtr 3, Qtr 4, 2014 2014 2015 2015 2015 2015 2016 2016 2016 2016 2017 2017 2017 2017 2017
Current Projects

Moccasin Control & Server Building
Construction Budget - $6,600,000
Completion – August 2015

Don Pedro Reservoir Crossing 115kV and 230kV Transmission Lines
Construction Budget - $6,000,000
Completion – March 2016

Cashman Creek
Construction Budget - $700,000
Completion - October 2015
### Upcoming HSIP Contracts - Construction

<table>
<thead>
<tr>
<th>Project</th>
<th>Construction Estimate</th>
<th>Forecast – Advertisement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>O’Shaughnessy Drum Gate Automation</td>
<td>$1,000,000</td>
<td>Mid 2015</td>
</tr>
<tr>
<td>SJPL1 Section Replacement at SJVH</td>
<td>$1,250,000</td>
<td>Mid 2015</td>
</tr>
<tr>
<td>Valve Replacement at Tesla (4 EA.)</td>
<td>$3,500,000</td>
<td>Late 2015</td>
</tr>
<tr>
<td>Moccasin Facility Upgrade</td>
<td>$9,000,000</td>
<td>Early 2016</td>
</tr>
<tr>
<td>Mt Tunnel Access &amp; Adit Improvement</td>
<td>$5,000,000</td>
<td>Mid 2016</td>
</tr>
<tr>
<td>Cherry Dam Outlet Works</td>
<td>$5,000,000</td>
<td>Mid 2016</td>
</tr>
<tr>
<td>Cherry Reservoir Pump Replacement</td>
<td>$3,000,000</td>
<td>Mid 2016</td>
</tr>
<tr>
<td>Kirkwood Powerhouse Turbine Shut-Off Valve Replacement</td>
<td>$8,000,000</td>
<td>Mid 2016</td>
</tr>
<tr>
<td>Oil Containment Upgrade</td>
<td>$3,500,000</td>
<td>Late 2016</td>
</tr>
<tr>
<td>Moccasin Wastewater Treatment Plant</td>
<td>$4,000,000</td>
<td>Late 2016</td>
</tr>
<tr>
<td>Holm Powerhouse Electrical Upgrade</td>
<td>$3,500,000</td>
<td>Early 2017</td>
</tr>
</tbody>
</table>
## Upcoming HSIP Contracts - Professional Services

<table>
<thead>
<tr>
<th>Project</th>
<th>Construction Estimate</th>
<th>Forecasted Advertisement Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Intake Dam &amp; Bridge Rehabilitation</td>
<td>$17,400,000</td>
<td>May-15</td>
</tr>
<tr>
<td>O'Shaughnessy Outlet Works</td>
<td>$20,400,000</td>
<td>December-15</td>
</tr>
</tbody>
</table>
O’Shaughnessy Dam
Drum Gate Automation

Construction Estimate: $1M
Work includes: Replace 18-Inch manual valves with motorized 18-inch knife gate valve, modify piping to accommodate, Construct PLC control Panel, Test and Install. Project Trades: Laborers, mechanics, plumbers, pipe fitters, electricians, etc. Advertisement Date: Mid 2015
O’Shaughnessy Dam Outlet Works

Construction Estimate $29M

Work includes: This project is to rehabilitate the release system of O’Shaughnessy Reservoir to Canyon Tunnel and the Tuolumne River, rehabilitate the drum gates. Project Trades: Laborers, mechanics, plumbers, pipe fitters, riggers, etc. Advertisement Date: 2018
Holm Powerhouse Electrical Upgrade

Construction Estimate: $3.5
Work includes: 13.8kV equipment upgrade; addition and integration of a generator breaker; replacement of two 13.8kV feed breakers; replacement of Unit 2 Main Control Board; any necessary tasks to match Unit 2 to Unit 1; integration work to integrate exciter, governor Programmable Logic Controllers (PLCs), Generator 2 PLCs into existing plant control and Supervisory Control And Data Acquisition (SCADA) system; upgrades to turbine and generators, and AC stations. Project Trades: electricians, mechanics, laborers, etc.
Advertisement Date: Early 2017
Construction Estimate: $15M
Work includes: Painting, replacement of roofs and gutters, dry rot, foundations, drainage, etc.; hazardous material abatement (lead and asbestos); building and electrical code deficiencies; water distribution systems; waste water collection and treatment facilities or septic systems; energy efficiency projects; industrial buildings; Arc-flash deficiencies; emergency power or redundancy for support facilities. Project Trades: painters, bricklayers, carpenters, electricians, laborers, mechanics, roofers, etc. Estimated Schedule: 2014-2025
Cherry Dam Outlet Works

Construction Estimate: $8M

Work includes: Replacement of Hollow Jet Valves with fixed cone valves, upsize the piping system, and replacement of 240V distribution panel, conduit, and wire. Project Trades: Laborers, plumbers, electricians, mechanics, surveyors, riggers, etc. Project Trades: Laborers, plumbers, electricians, mechanics, surveyors, riggers, etc.

Advertisement Date: Mid 2016
Cherry Reservoir Pump Replacement

Construction Estimate: $3M

Work includes: Replacing the pumps, transformer, and switchgear associated with the pumps and bringing them up to current safety standards. Project trades: electricians, mechanics, laborers, riggers, etc. Advertisement Date: 2016-2019.
Construction Estimate $8M
Work includes: Remove and replace TSOVs for Unit 1 and Unit 2. Project Trades: electricians, mechanics, laborers, etc. Advertisement Date: Mid 2016
Oil Containment Upgrade - Kirkwood and Holm Powerhouses

Construction Estimate: $3.5

Work includes: Building an oil containment tank and upgrade the polishing facilities. Project Trades: laborers, steel fitters, carpenters, etc. Advertisement: Late 2016
Moccasin Wastewater Treatment Plant

Construction Estimate: $4M
Work includes: The proposed upgraded works include: improvement of lower camp lift station, installation of fine screen, site work and yard piping, package wastewater treatment system, addition of an effluent pump station, and automation of electronics, instrumentation to monitor the plant. Project Trades: Laborers, steel fitters, carpenters, etc. Advertisement Date: Late 2016
Construction Challenges
Upcountry

- Remote location
- Limited suppliers
- Adverse weather in the winter
- Difficult terrain
- Limited mobile phone and internet coverage
- Limited lodging
- Working on public lands, Yosemite National Park, Stanislaus National Forrest
- Operational limitations
- Special training required for high voltage work
Contacts

- Daniel Alvarado – Acting Director
dalvarado@sfwater.org
Office: (415) 554-3408

- Tracy Cael - Director
tcael@sfwater.org
Office: (415) 551-4629

- Tim Parkan - Project Manager
tparkan@sfwater.org
Office: (209) 989-2139

- Iris Martin-Lopez – Coordinator, SFPUC-Local Business Enterprise Certification Program
ilopez@sfwater.org
Office: (415) 554-3222

- Contractors Assistance Center
Hetch Hetchy: (209) 460-1012
San Francisco: (415) 467-1040
acp@sfwater.org
SFPUC General Manager’s Small Firm Advisory Committee Presents:

**HETCHY SYSTEM IMPROVEMENT PROGRAM CONTRACTORS OPEN HOUSE**

**APRIL 29, 2015**
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Laborers Training Center
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San Ramon, CA 94583
Job Order Contracts

Since 2007, SFPUC has issued **$154 Million** worth of JOCs!
What is a JOC?

A JOC is a Competitively Bid, Fixed-Price, Multiple Task Order Contract.

Types of Work that may be accomplished through JOC:
- Small Construction Projects
- Repair Work
- Alteration Projects
- Maintenance Projects
JOCs are an important tool for SFPUC to execute smaller scale construction projects.

- Time Savings
- Cost Savings
JOC Process

**PART 1**
BIDDING THE UMBRELLA JOC CONTRACT

- OWNER ADVERTISES JOC CONTRACT
- CONTRACTORS SUBMIT BIDS
- OWNER AWARDS UMBRELLA JOC CONTRACT

**PART 2**
PROCURING INDIVIDUAL PROJECTS FROM OWNER POST AWARD

- OWNER PROJECT A
- SUBCONTRACTING OPPORTUNITIES
- OWNER PROJECT B
- SUBCONTRACTING OPPORTUNITIES
- OWNER PROJECT C
- SUBCONTRACTING OPPORTUNITIES
Benefits of winning a JOC

- Contractor collaborates with Project Managers on Scope of Work and Means & Methods
- Opportunity to showcase construction expertise
- JOC’s diverse projects allows contractor to grow book of work
- Builds Capacity of your business
Upcoming Opportunities

+ **Summer 2015**
  - JOC 101 Workshop
  - JOC 58 - B License for the Hetch Hetchy Region worth $3M

+ **Fall 2015**
  - (1) A License for Hetch Hetchy Region worth $5M
    - High Voltage Work
  - (1) A License Micro LBE set aside worth $1M
Next Steps…

- In 2015, SFPUC is planning to issue over $40M worth of Job Order Contracts.

- Visit: www.sfwater.org/joc for more information about the JOC program and contact our office to sign up for all of our future events.
SFPUC General Manager’s Small Firm Advisory Committee Presents:

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**CONTRACTORS OPEN HOUSE**

**APRIL 29, 2015**

10:30 A.M. – 12:30 P.M.

**Laborers Training Center**

1001 Westside Drive

San Ramon, CA 94583
The San Francisco Public Utilities Commission Local Business Enterprise (SFPUC-LBE) Certification Program provides small and micro construction firms located in the Hetch Hetchy water service area opportunity to bid and compete for contracts under regional capital improvement projects.

What type of work applies towards certification?

- Public works/construction services
- Construction material supplies
- Construction equipment rental and/or trucking
- Effective July 1, 2015, professional services (architectural and engineering)
What are the Benefits of the SFPUC-LBE Certification Program on SFPUC Contracts?

• When bidding as a subcontractor LBEs are eligible to be utilized to meet LBE subcontracting goal

• When bidding as a prime LBEs are eligible for the 10% bid discount/rating bonus (on regional capital improvement projects and project located 70 miles outside of San Francisco)

• Certification is granted for 3 years
What economic thresholds qualify for the SFPUC-LBE Certification Program?

The aggregate average gross annual receipts of all of the businesses under such common ownership must not exceed the below limits in the prior 3 years.

<table>
<thead>
<tr>
<th>WORK</th>
<th>SMALL-LBE</th>
<th>MICRO-LBE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classes A&amp;B General Contractors</td>
<td>$14,000,000</td>
<td>$7,000,000</td>
</tr>
<tr>
<td>Specialty Construction Contractors</td>
<td>$7,000,000</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Goods/Materials/Equipment and General Services</td>
<td>$7,000,000</td>
<td>$3,500,000</td>
</tr>
<tr>
<td>Professional Services (Architect/Engineering)</td>
<td>$2,500,000</td>
<td>$1,250,000</td>
</tr>
<tr>
<td>Trucking</td>
<td>$3,500,000</td>
<td>$1,750,000</td>
</tr>
</tbody>
</table>
What Happens During the Certification Process?

- Application processing ranges from 14 to 30 business days
- The Contract Monitoring Division (CMD) staff will review the application and supportive documents submitted, CMD may request additional items to complete the file
- The final step of the certification process will be an on-site visit conducted by CMD

For more information on the SFPUC-LBE Certification Program
Contact:
Iris Martin Lopez
415-554-3222
Visit: http://sfwater.org/LBE
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Contractors Assistance Center

- Free Resource
- Individual Technical Assistance
- Classroom Trainings
- Plan Room
- Information on City Programs
- Networking Opportunities
Contractors Assistance Center

sfwater.org/acp > Resources
Contractors Assistance Center

150 Executive Park Blvd, Suite 1300
San Francisco, CA 94134

T  (209) 460-1012
F  (415) 467-1041
E  acp@sfwater.org
W  sfwater.org/acp
H  8:30 AM – 5:30 PM
SFPUC General Manager’s Small Firm Advisory Committee Presents:

**HETCHY SYSTEM IMPROVEMENT PROGRAM**

**CONTRACTORS OPEN HOUSE**

**AUGUST 29, 2015**

10:30 A.M. - 12:30 P.M.

Laborers Training Center

1001 Westside Drive

San Ramon, CA 94583
Workforce and Economic Program Services (WEPS) Bureau

- **Project Labor Agreement (PLA)**
  Administration for $4.8B WSIP Program

- **Pre-Apprentice Job Training** and
  Opportunities Program (JTOP) & Project-Specific Trainings

- **Contractor Support** & Employee Referral Services
Monitor and Assist Contractors

California Labor Code on Public Works Projects
  - Prevailing Wage Rates
  - CA State Journey to Apprenticeship Ratio Requirements

San Francisco Administrative Code
  - Local Hire on Construction Contracts
    - 30% Total Hours
    - 50% Apprentice Hours by Craft
  - First Source Hiring
    - 50% of all “entry-level” opportunities on Professional Services Contracts
Project-Specific Workforce Training

Miner Tender Preparedness Program
N. CA Laborers’ Training Center

Trimble GPS/Grade Setting
Operating Engineers’ Local #3

Cement Expo & PreApprentice
Advanced Concrete Skills
Carpenters Training Committee N. CA

Bioregional Habitat Restoration
N. CA Laborers’ Training Center
Multi-County Network of Training Providers

YouthBuild San Joaquin
+ San Joaquin County

JobTrain’s Project Build
+ San Mateo County

CityBuild Academy
+ San Francisco County

Cypress Mandela Training Center
+ Alameda County
WSIP Workforce Achievements

- **“2013 Employer of the Year”:** San Mateo County’s JobTrain

- **+12,000 Workers Employed, +$450M wages, 7M Craft Hours**

- **48% of Total Hours** were worked by San Francisco & Service Territory Residents

- **72% of Total Apprentice Hours** were worked by San Francisco & Service Territory Apprentices

- **Safety Record:** Lower incident report than national average (0.6 vs 1.5)

- **Website:** sfwater.org/pla
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CityBuild Program

CityBuild Mission

- Assist contractors in meeting workforce needs
- Maximize employment opportunities in the construction industry for San Franciscans, and local residents of *SFPUC Service Territory* when a project is outside the City
- Support construction training to enhance the pool of available local construction workers

CityBuild Responsibilities

- Oversee and enforce local hire legislation
- Provide employment networking
- Manage and operate pre-apprentice training
Mandatory Local Hiring - HSIP

• San Francisco Administrative Code Chapter 6.22 (G)

• Mandatory requirement to employ SFPUC Service Territory residents on contracts for San Francisco funded public works projects at or above $400,000

• Enacted in 2010, effective March 25, 2011

• Hiring requirement currently at 30% of overall project hours by trade

• 50% of apprentice hours performed by residents of San Francisco and SFPUC Service Territory
LOCAL HIRING BY DEPARTMENT
SF Public Utilities Commission

About PUC projects:
The Public Utilities Commission (PUC) Projects include infrastructure upgrades and repairs that maintain sustainable operations of the City’s wastewater and clean water delivery system. Table 16 displays the total work hours for PUC projects by local hiring requirement.

<table>
<thead>
<tr>
<th>Requirement</th>
<th>Number of Projects</th>
<th>Total Hours</th>
<th>Apprentice Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total</td>
<td>Local</td>
</tr>
<tr>
<td>20%</td>
<td>26</td>
<td>380,577</td>
<td>137,119</td>
</tr>
<tr>
<td>25%</td>
<td>28</td>
<td>444,296</td>
<td>168,312</td>
</tr>
<tr>
<td>30%</td>
<td>30</td>
<td>317,521</td>
<td>156,724</td>
</tr>
<tr>
<td>TOTAL</td>
<td>84</td>
<td>1,142,394</td>
<td>462,155</td>
</tr>
</tbody>
</table>
CityBuild Services

- **CityBuild Pre-apprentice Training Academy**
  - 18-week curriculum in partnership with City College, unions and local CBOs, including up to 10 industry-specific certifications upon completion
  - MOUs and Direct Entry Agreements with trade unions, enhanced entry/partnership

- **Additional Regional Pre-Apprentice Training programs to provide local residents**

- **Employment Networking Services**
  - Employment services offered to assist San Franciscans & SFPUC Service Territory residents in construction
  - Assist contractors in meeting workforce needs
Local Hiring
HETCHY System Improvement Program

Office of Economic and Workforce Development

CityBuild

Website: workforcedevelopmentsf.org
Email: Local.hire.ordinance@sfgov.org
415-701-4848
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How to be our own advocate

1. Read every contract that you sign - you need to know what the terms are and if you agree to those terms. If you don’t understand the language – ask – due diligence.

2. Terms in contracts that you need to be aware of:
   
   a. Scope of work has added items that you did not bid.
   
   b. Subcontracts ties the prime contract terms (contract between owner and GC) to your agreement. (If this happens you need to ask for a copy of the prime contract terms).
   
   c. Insurance – do you have the amount and type of insurance coverage that the GC is asking for? If you sign and they require it, that could be an added expense.
   
   d. Indemnification Clause – look for terms like sole cause to indemnify the GC.
   
   e. Payment terms – On a public works job, once the GC gets paid you must be paid within 7 days – that is the law. The terms may state otherwise on the subcontract. However, the 3-day payment provision provided with Chapter 14B.7(H)(9) for LBEs remains in full force and effect.
f. Terms that make you take liability for items that the Architect/Engineers forgot.

Example: Omissions from the drawings or specifications or misdescriptions of details of work shall not relieve subcontractor from preforming omitted work/misdescribed work without adjustment to the subcontract sum.

g. Liquidated Damages: Be aware of and understand the consequences of having liquidated damages clauses in your contract with the Prime Contractor. Liquidated damages are generally useful where measuring the actual damages for contract breach is difficult or impossible to determine. In most situations, damages for contract breach can be calculated and compensated.

3. **Negotiate the subcontract terms with the GC.** What is acceptable to you and set policies.

4. **Seek legal help,** especially on larger contacts; An ounce of prevention cost less than an ounce of cure.

5. **Seek out educational classes on contract law,** the more you know the stronger your Company will be.
Q & A

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