



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

CIVIL SERVICE COMMISSION REPORT TRANSMITTAL (FORM 22)

Refer to Civil Service Commission Procedure for Staff - Submission of
Written Reports for Instructions on Completing and Processing this Form

1. Civil Service Commission Register Number: _____ - _____ - _____
2. For Civil Service Commission Meeting of: February 2, 2026
3. Check One:
Ratification Agenda _____
Consent Agenda _____
Regular Agenda x _____
Human Resources Director=s Report _____
4. Subject: Review of Request for Personal Service No. DHRPSC0003662 v 1.02-Fact Finding
5. Recommendation: Adopt the Fact Finding Recommendation
6. Report prepared by: Shawndrea Hale Telephone number: 415-551-4540
7. Notifications: **(Attach a list of the person(s) to be notified in the format described in IV. Commission Report Format -A).**
8. Reviewed and approved for Civil Service Commission Agenda:

Human Resources Director: _____

Date: _____
9. Submit the original time-stamped copy of this form and person(s) to be notified
(see Item 7 above) along with the required copies of the report to:

**Executive Officer
Civil Service Commission
25 Van Ness Avenue, Suite 720
San Francisco, CA 94102**

RECEIVED
26 JAN 22 15:22:57
EXECUTIVE OFFICER
CIVIL SERVICE COMMISSION
SAN FRANCISCO

10. Receipt-stamp this form in the ACSC RECEIPT STAMP box to the right using the time-stamp in the CSC Office.

Attachment

CSC-22 (11/97)

<u>CSC RECEIPT STAMP</u>

Personal Service Contract Summary (PSC Form 1)

PSC Basic Information

Submitting Department: PUC

Submitted By: Shawndrea Hale

Department Coordinator: Shawndrea Hale,
SHale@sfgwater.org

Project Manager: Mojgan Yousefkhani

ServiceNow Number: DHRPSC0003662

Version: 1.02

Version Type: Amendment

Legacy PSC #: 45219-23/24

Brief description of proposed work: Project Scheduling and Cost Control Staff Augmentation Services

Reason for the Request for Amendment: Existing contract capacity is running, and this amendment will allow continual consultant support prior to the new contract is in place.

Amount

Previously Approved Amount: \$15,000,000

Increase Amount: \$3,000,000

Why are you requesting the PSC amount to be increased?: One of the two contracts is running out of capacity and this increase will allow the existing augmentation staff to continue to support the projects until the new contract is in place.

Total Amended Amount: \$18,000,000

Does contract include items other than services?: No

Duration

Is PSC by Duration or Continuing: Duration

Previously Approved Duration (months): 96

Duration Increase (months): 0

Total Amended Duration (months): 96

First Contract Start Date: 3/8/2024

PSC Duration End Date: 3/8/2032

Funding

Funding Source: City Funds

Special circumstances related to funding: No

Scope of Work

Are you making substantive changes to the scope of work last approved?: No

Clearly describe scope and detail the services to be performed: Original coordinator's email: shale@sfgwater.org.

The scope of work includes obtain services to augment and assist SFPUC staff with specialized program/ project scheduling, Critical Path Method (CPM) scheduling, forecasting, change control, cost controls, and cost estimating for capital improvement projects and programs, review construction change orders and evaluate cost and schedule impacts, database modifications, upload/download of data from other software systems to the Primavera suite of tools used in Program Controls Group (PCG), and other specialized services such as providing technical training to staff.

Why are these services required and what are the consequences of denial?: SFPUC is planning to deliver \$14B of Capital Improvement projects over the next 10 years. These projects are mostly bond funded. In order to successfully deliver these projects, the Program Controls Group (PCG) is building and maintaining cost and resource loaded project schedules in Primavera suite of tools. Additionally, PCG is responsible for monitoring, controlling and reporting project/ program level schedules and budgets. Manpower with expertise in scheduling, budgeting, cost control, cost estimating and database integration is required to augment SFPUC staff. Failure to meet these objectives would impact the ability of SFPUC to successfully complete major capital improvements planned to deliver over next 10 years.

Has your department contracted out these services in the last three years?: No

Board and Commission Approvals

Will any contracts under this PSC require department Commission approval: Yes

Provide details related to contracts for which dept comm approval required: Amendments over \$500,000

Will any contracts under this PSC require Board of Supervisors approval: No

Justification

Has your response to Q1 changed?: No

Q1 - Are there any regulatory or legal requirements supporting outsourcing of this work?:

No

Q2 - Does performing these services cause a conflict of interest?: No

Q3 - Are these proprietary services City is not authorized to do?: No

Q4 - Does City lack necessary facilities/equipment?: No

Q5 - Are the services required on a temporary basis or on a long-term basis?: Long-term Basis

Q5a) Are the services required on an as-needed, intermittent, or periodic basis?: No

Q5b) Do the services require specialized expertise, knowledge experience?: Yes

Q5b1) Describe the specialized skills and expertise required to perform the services: The required special skills includes Scheduling, Cost Control, Cost Estimating, Java scripts programming, Oracle/Primavera software configurations expertise, Earned Value Management

project tracking and reporting and specialize in integrating data among various databases.

Q5c) Does City have classifications with the required specialized skills or expertise?: Yes

Q5c1) Identify the classifications: 5241 - Engineer, 1052 - IS Business Analyst, 1042 - IS Engineer-Journey, 5212 - Engineer/Architect Principal, 5203 - Assistant Engineer, 5211 - Eng/Arch/Landscape Arch Sr, 5201 - Junior Engineer, 1041 - IS Engineer-Assistant, 1054 - IS Business Analyst-Principal, 5602 - Utility Specialist, 5207 - Assoc Engineer, 5174 - Administrative Engineer

Q5c2) Does the Department have employees in these classifications?: Yes

Q5c3) Why are they not able to perform the services?: The civil service classes listed above is applicable. We have employees with some of the required skills such as cost controls and scheduling. However, we do not have employees with the required expertise such as cost estimating, data management and system integration. Our existing City staff possess the technical expertise and institutional knowledge required for some of these functions, but retaining consultant support is needed to support the volume and timing of capital improvement work, the demand for which can fluctuate significantly. Consultant staffing provides the ability to respond to workload surges that are not long term and do not require long term FTEs.

Q5d) Will contractor directly supervise City employees?: No

Q5e) Will contractor train City employees?: Yes

Q5e1) Clearly describe and detail the training activities: We are planning to ask the consultant to provide training on as-needed basis. This will include training for scheduling, cost estimating, database integration and other trainings.

Q5f) Is there a plan to transition this work back to the City?: No

Q5f1) Explain why the work will not be transitioned back to the City: We will gradually expand inhouse resources to the extent our hiring requests are approved. PRO.0254 is a staff augmentation contract. We expect to continue maintaining a staff augmentation contract to provide adequate support services during peak workload periods and to obtain specialized expertise essential for the successful delivery of capital improvement projects.

Additional information to support your request (Optional):

Union Notifications

Have the Job Classes/Labor Unions changed?:

Job Class(es): 5241 - Engineer, 1052 - IS Business Analyst, 1042 - IS Engineer-Journey, 5203 - Assistant Engineer, 5211 - Eng/Arch/Landscape Arch Sr, 5201 - Junior Engineer, 1041 - IS Engineer-Assistant, 1054 - IS Business Analyst-Principal, 5602 - Utility Specialist, 5207 - Assoc Engineer, 5174 - Administrative Engineer, 5601 - Utility Analyst

Labor Unions: 021 - Prof & Tech Eng, Local 21

Labor Union Email Addresses: L21pscreview@ifpte21.org

Union Review Sent On: 11/12/2025

Union Review End Date: 11/22/2025

Union Review Duration Met On: 11/22/2025

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: PUBLIC UTILITIES COMMISSION -- PUC

Dept. Code: PUC

Type of Request: ☒ Initial ☐ Modification of an existing PSC (PSC # _____)

Type of Approval: ☐ Expedited ☒ Regular ☐ Annual ☐ Continuing ☐ (Omit Posting)

Type of Service: Project Scheduling and Cost Control Staff Augmentation Services

Funding Source: SFPUC Capital Improvement Programs

PSC Duration: 8 years

PSC Amount: \$15,000,000

1. Description of Work

A. Scope of Work/Services to be Contracted Out:

The scope of work includes obtain services to augment and assist SFPUC staff with specialized program/project scheduling, Critical Path Method (CPM) scheduling, forecasting, change control, cost controls, and cost estimating for capital improvement projects and programs, review construction change orders and evaluate cost and schedule impacts, database modifications, upload/download of data from other software systems to the Primavera suite of tools used in Program Controls Group (PCG), and other specialized services such as providing technical training to staff.

B. Explain why this service is necessary and the consequence of denial:

SFPUC planned delivering \$10B of Capital Improvement projects over next 10 years. These projects are mostly bond funded. In order to successfully deliver these projects, the Program Controls Group (PCG) is building and maintaining cost and resource loaded project schedules in Primavera suite of tools. Additionally, PCG is responsible for monitoring, controlling and reporting project/ program level schedules and budgets. Manpower with expertise in scheduling, budgeting, cost control, cost estimating and database integration is required to augment SFPUC staff. Failure to meet these objectives would impact the ability of SFPUC to successfully complete major capital improvements planned to deliver over next 10 years.

C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.

Yes, it was provided in the past. This service has been provided by SFPUC staff and Consultant under CS 369 A&B. The PSC number (for Contract CS369A&B) is 42163-13/14.

D. Will the contract(s) be renewed?

No

E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why.

The term is for 10 years due to planned capital planning over next 10 years.

2. Reason(s) for the Request

A. Indicate all that apply (be specific and attach any relevant supporting documents):

☒ Immediately needed services to address unanticipated or transitional situations, or services needed to address emergency situations.

☒ Short-term or capital projects requiring diverse skills, expertise and/or knowledge.

☒ Services required on an as-needed, intermittent, or periodic basis (e.g., peaks in workload).

☒ Cases where future funding is so uncertain that the establishment of new civil service positions, classes or programs is not feasible (including situations where there is grant funding).

B. Explain the qualifying circumstances:

SFPUC planned to deliver a significant capital improvements over next 10 years. It has been difficult to recruit city resources with the required specialized skill sets to perform scope of work listed in the section 1.B of this form. Consultants are needed to augment and assist SFPUC staff. The consultant will help us to meet peaks in workload. They will be released after completion of the work. Project funding will cover the consultant cost and no future funding is needed.

3. Description of Required Skills/Expertise

A. Specify required skills and/or expertise: The required special skills includes Scheduling, Cost Control, Cost Estimating, Java scripts programming, Oracle/Primavera software configurations expertise, Earned Value Management project tracking and reporting and specialize in integrating data among various databases.

B. Which, if any, civil service class(es) normally perform(s) this work? 1041, IS Engineer-Assistant; 1042, IS Engineer-Journey; 1052, IS Business Analyst; 1054, IS Business Analyst-Principal; 5174, Administrative Engineer; 5201, Junior Engineer; 5203, Asst Engr; 5207, Assoc Engineer; 5211, Eng/Arch/Landscape Arch Sr; 5241, Engineer; 5602, Utility Specialist;

C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain:
No

4. If applicable, what efforts has the department made to obtain these services through available resources within the City?

Consultant are needed to meet peak workload level as PUC will continue to hire a few additional City staff. Hiring consultants to augment City staff during peak workload will allow us to avoid layoffs after capital improvement projects/programs completion.

5. Why Civil Service Employees Cannot Perform the Services to be Contracted Out

A. Explain why civil service classes are not applicable.

The civil service classes listed above (Section 2.B) is applicable. We are currently using 5602 - Utility Specialist for scheduling positions. we also hired some 5201 Junior engineers in the past and provided them trainings to perform a scheduler work assignment. This usually takes many years to bring a new hire to the required level of skill sets to perform this work. It has been difficult to recruit city resources with the required specialized skill sets to perform this work. Consultants are needed to augment and assist SFPUC staff with specialized services listed in section 1.B of this form.

B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain. It is not practical to adopt a new civil service classification. This specialized work are related to delivery of the time sensitive improvements scheduled over next 10 years. It takes too long to adopt a new Civil Service position, but we need resources to perform this work now. Additionally, after implementation of these improvements, we do not need this expertise and we can training City resources to maintain the system. No consultant is needed after completion of capital improvement projects.

6. Additional Information

A. Will the contractor directly supervise City and County employee? If so, please include an explanation.
No.

- B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contract? If so, please explain what that will entail; if not, explain why not.
Yes. We are planning to ask the consultant to provide training on as- needed basis. This will include training for scheduling, cost estimating, database integration and other trainings. This should be about 10 to 20 hours per year over life of contracts. We are anticipating training of (1) 5174, (1)5211, (1) 5241, (4) 5602, (1) 5207, (1) 5203, (2) 5201, and (2) 104X IS Engineer Series
- C. Are there legal mandates requiring the use of contractual services?
No.
- D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.
No.
- E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.
No.
- F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.
No.

7. **Union Notification:** On 09/01/2023, the Department notified the following employee organizations of this PSC/RFP request:
Prof & Tech Eng, Local 21; Professional & Tech Engrs, Local 21

☒ I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: Shawndrea Hale Phone: (415) 551-4540 Email: shale@sfwater.org

Address: 525 Golden Gate Ave 8th Floor San Francisco, CA 94102

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 45219 - 23/24

DHR Analysis/Recommendation:

action date: 11/06/2023

Commission Approval Required

Approved by Civil Service Commission with conditions

11/06/2023 DHR Approved for 11/06/2023

In the Matter of a Personal Services Contract
Factfinding between

SAN FRANCISCO PUBLIC UTILITIES
COMMISSION,

Employer

-and-

INTERNATIONAL FEDERATION OF
PROFESSIONAL AND TECHNICAL
ENGINEERS LOCAL 21,

Union

**FINDINGS AND
RECOMMENDATIONS
REGARDING PSC
00003662-MOD**

BEFORE GINA M. ROCCANOVA, FACTFINDER

APPEARANCES

For the Employer

Benjamin Poole, Director of Workforce and Economic Program Services
SFPUC

For the Union

Amanda Eaton
LEONARD CARDER LLP

INTRODUCTION

The City and County of San Francisco ("City") and IFPTE Local 21 ("Local 21" or "Union") are parties to an agreement on the terms of a Pilot Program for resolving disputes over Personal Services Contracts ("PSCs"). The terms of that agreement are contained in sections 115-119 of the Memorandum of Understanding between the parties ("MOU") and a separate document entitled "Agreement Regarding Personal Services Contract Pilot Program Procedure" ("Pilot Program Agreement"). [UX 1, 2]. Those agreements provide an avenue for the Union to seek information, meet with City representatives, and submit to a factfinding process disputes over proposed PSCs for work customarily performed by bargaining unit employees. This matter arises under those agreements.

The parties agree that the procedural prerequisites have been met and that the matter is properly before the Factfinder for a determination of relevant facts and recommendations. An in-person hearing took place on January 16, 2026. The parties were represented by advocates and had an opportunity to examine and cross-examine witnesses, introduce exhibits, and present argument.

ISSUES

The parties stipulated to have the Factfinder address the following issues:

1. Whether the circumstances, as described by the City, exist as the basis for contracting out under Civil Service Commission (CSC) Policy at Section III (A) and (B); and
2. Whether the Factfinder has any recommendations about PSC MOD No. 3662 being approved, denied, or modified.

PERTINENT SECTIONS OF APPLICABLE AGREEMENTS AND POLICIES

The relevant portions of the MOU, the Pilot Program Agreement, and the Civil Service Commission's December 2023 Policy on Personal Service Contracts are contained in the attached Appendix A.

PROCEDURAL BACKGROUND

On October 23, 2025, the San Francisco Public Utilities Commission ("SFPUC") submitted a request to modify an existing eight year, \$15 million PSC by adding \$3 million to the total. [UX 11.] The Civil Service Commission ("CSC" or "Commission") previously approved the \$15 million PSC (under number 45219-23/24) on November 6, 2023 on the condition that the PUC report back to the Commission in five years and that it "look at the feasibility of a study to determine if work can be done in-house by classifications in PUC." [PUCX 2 at p. 7.]

In its submission, SFPUC identified 12 Local 21-represented classifications that perform at least some part of the services sought under the PSC:

- 5241 – Engineer

- 1052 - IS Business Analyst
- 1042 - IS Engineer-Journey
- 5203 - Assistant Engineer
- 5211 - Eng/Arch/Landscape Arch Sr
- 5201 - Junior Engineer
- 1041 – IS Engineer-Assistant,
- 1054 - IS Business Analyst-Principal
- 5602 - Utility Specialist
- 5207 – Assoc Engineer
- 5174 - Administrative Engineer
- 5601 - Utility Analyst

[UX 11.]

On November 2, 2025, the Union lodged a formal objection to the PSC modification and requested information from SFPUC. [Id.] The parties met on November 10 but did not resolve the issue. The Union requested factfinding on November 14 and an initial determination issued on November 19 indicated that the matter was appropriate for hearing. [Id.]

EVIDENCE PRESENTED

The parties submitted a set of stipulated facts. In addition, each party submitted exhibits and introduced testimony from witnesses. The full record of evidence and argument has been carefully reviewed and considered, as well as the parties' objections to the admission of certain evidence. Only those matters necessary to the findings and recommendations are discussed herein.

1. SFPUC Organization and Capital Programs

SFPUC consists of six divisions. Three - Water, Wastewater, and Power - are enterprise divisions. The remaining three - Infrastructure, Business Services, and External Affairs - provide support for SFPUC's enterprise programs. The Program

Controls Group (“PCG”) operates within the Infrastructure Division to manage SFPUC’s ongoing Capital Improvement Plan. According to the PSC Summary form submitted by SFPUC, \$14 billion of Capital Improvement Projects are planned over the next 10 years. [UX4.]

In 2020, SFPUC changed the way it plans and manages capital projects, moving from discrete capital projects to a 10-year capital plan. This change allowed for more consistent scheduling, budgeting, and workflow management.

2. Prior PSCs

SFPUC has been contracting for scheduling, cost estimating, and other services in support of the PCG since at least October 2014. [UX 11.] A prior PSC, No. 42163, permitted contracting to augment SFPUC staff in the following areas: “developing detailed, resource loaded project and program schedules with work breakdown structure and major milestones; providing construction Critical Path Method (CPM) scheduling support services, including review and recommendation for time extension entitlements; forecasting and monitoring status of project schedules and budgets at completion; implementing change control management measures; establishing and maintaining the Primavera-based Program Control System for all capital improvement projects such that San Francisco Public Utilities Commission (SFPUC)/City and County of San Francisco software systems can be utilized in conjunction with [PCG] Program Control System for scheduling and cost, and change control/management.” [UX 7, 11.] That PSC, originally approved for \$9.5 million over four years, was modified four times for a total of \$14 million over 10 years, ending on June 30, 2024. [UX 7.]

On November 6, 2023, the Commission approved the PSC that SFPUC now seeks to modify.¹ PSC 45219 permitted up to \$15 million over an eight year period, from March 8, 2024 through March 8, 2032, for outside consultants. [UX 11.] The scope of services covered by that PSC was the same or similar to that of PSC 42163. [Id.] Upon CSC approval of PSC 45219, SFPUC awarded two contracts for \$7.5 million each, one to CM Pros and the other to PMA Dabri JV LLC. [Id.] In 2024, consultants under these

¹ To avoid confusion based on changes to the numbering system for PSCs, the PSC that the CSC approved in November 2023 will be referred to as “PSC 45219.” The proposed modification will be referred to as “PSC 3662.”

contracts worked hours equivalent to 9.0 FTE (extrapolated from Q3 and Q4 data). In 2025, based on full-year data, consultant hours equaled 9.5 FTE. [UX 10.]

By late 2025, two years into the eight-year PSC, SFPUC had spent more than \$12 million of the \$15 million allocated. [UX 11.] As a result, citing an ongoing need for the services, SFPUC requested a modification of the PSC to add \$3 million to the total.

3. *PSC 3662*

SFPUC seeks a modification of PSC 45219 to support its current 10-year Capital Improvement Plan. The scope of services identified in PSC 3662 is as follows:

“[A]ugment and assist SFPUC staff with specialized program/project scheduling, Critical Path Method (CPM) scheduling, forecasting, change control, cost controls, and cost estimating for capital improvement projects and programs, review construction change orders and evaluate cost and schedule impacts, database modifications, upload/download of data from other software systems to the Primavera suite of tools used in Program Controls Group (PCG), and other specialized services such as providing technical training to staff.” [UX 4.] In the Summary form SFPUC submitted in support of its request, SFPUC made it clear that City employees have the expertise to perform the services, “but we do not have adequate staff to support the ongoing \$1 billion annual capital spending.” [Id.]

Mojgan Yousefkhani, a 5212 Principal Engineer who serves as the Program Controls Manager for the PCG, testified regarding the scope and complexity of SFPUC's Capital Improvement Plan. The Wastewater Division alone, for example, has some 150 ongoing projects, each with nine standard phases. Each project requires scheduling and cost estimating that must be monitored, updated, and reassessed regularly. Depending on the nature of the particular project, filling these roles may require more or less skill and experience. As a result of these varying needs, employees from four engineering classifications as well as Utility Specialists work in roles generally referred to as “Schedulers,” the most senior of which takes the role of Lead Program Control Engineer. Under the terms of the MOU, Schedulers working on projects larger than \$5 million in value receive a premium for their work.

Ms. Yousefkhani testified that she has hired approximately 10 schedulers since joining the PCG in 2005, including some who previously worked as consultants under a

PSC. Although there has been some turnover in the group, there are currently 11 employees performing scheduling duties alongside nine consultants. All of the Schedulers, including contractors, use a Primavera software system for their work.

Approximately 11% of the services to be performed under PSC 3662 consists of system integration work, which is handled primarily by contractors. [PUCX 3.] As Ms. Yousefkhan explained, system integrators deal with multiple complex systems, including Primavera P6, Unifier, PeopleSoft, and an in-house tool called Solis. This work requires knowledge not only of the systems themselves, but of the projects they are being used to support. Ms. Yousefkhan testified that a member of SFPUC's IT staff has provided some help with system integration, but cannot provide a consistent level of support due to his other duties. Another individual who had performed that work retired after a short time on the job. Ms. Yousefkhan testified that she has been unable to secure the support she needs from SFPUC's IT department.

Ms. Yousefkhan identified two areas in which City employees lack the specialized skills provided by the consultants: (1) administering and training City employees on the Unifier system; and (2) administering and training City employees on Power BI, a system to which the City obtained access in late 2025. Aside from that work, SFPUC intends to use PSC 3662 primarily to supplement the work of its own employees.

Sarah Perez, a Senior Information Systems Analyst who has worked for SFPUC for five years, testified that she and other City employees worked side by side with contractors and learned together to configure the Unifier system for use on SFPUC projects. She stated that City employees are capable of administering the Unifier system, but that Donna Courington, a contractor who has worked on SFPUC projects for more than 20 years, nonetheless took administrative access to the system away from City employees and became the sole administrator of Unifier. Jeanne Sum, a 5212 Principal Engineer who has worked at SFPUC since 2003, testified that employees in Construction Management had administration rights to the legacy program that preceded Unifier, but that Ms. Courington controls access to Unifier and is the point person for setting up new projects in the system.

SFPUC has added two positions in the PCG since July 1, 2025, one of which is in a classification represented by Local 21. There are no current vacancies in the classifications that perform work within the scope of PSC 3662. [UX 8]

POSITIONS OF THE PARTIES

SFPUC argues that the same compelling factors justifying PSC 45219 when the CSC approved it in November 2023 still exist. Specifically: (1) Some of the work is specialized and outside the ability of current City employees; (2) The work is on an as-needed basis, intended to augment staff during peak workloads; and (3) The work supports capital projects and requires diverse skills, expertise, and knowledge. The fact that SFPUC spent 83% of the money allocated in the first two years by itself indicates that there is a continuing need for the services. Rejecting the modification request, which adds money to the contracts but does not expand the scope of services, would effectively second-guess the Commission's prior approval of the PSC.

The Union maintains that the nature of the capital improvement work is ongoing and significant. The need for the identified services is constant and therefore should be performed by City employees. The Union argues that SFPUC has taken no action to move the work in-house. As for the allegedly specialized services, the only reason that City employees cannot perform the system integration work is that the contractor deprived them of access. Moreover, SFPUC did not adequately seek assistance from SFPUC employees outside the PCG group, such as IT services.

ANALYSIS

Under the CSC Policy, contracting out of work customarily performed by bargaining unit members is permissible when there is a "compelling reason" to do so. Departments requesting approval of PSCs have the burden of demonstrating that it is impracticable, infeasible, or economically imprudent to have City employees perform the work. SFPUC has offered three justifications for contracting out the work: specialized skills, intermittent need during peak workloads, and capital project work requiring diverse skills, expertise, and knowledge. The evidence supports these justifications in part.

By SFPUC's own description, nearly all of the services to be performed under PSC 3662 would "augment" the work of its own staff. [UX 4.] In response to questions from the Union, SFPUC stated that this "is a staff augmentation contract." [UX 5.] However,

the same submission mentions “cost estimating, data management, and system integration” as specialized skills that SFPUC cannot perform in-house. [UX 5.] Ms. Yousefkhan testified that the only work PCG employees cannot perform consists of administration and training on Unifier and the new Power BI system, which makes up 11% of the expenditures to date under PSC 45219. The evidence supports that there is some need for specialized skills, but that need is minimal and short-term given the newness of the Power BI system and the ability to train staff to administer it.

SFPUC also argues that the work is needed on an intermittent basis during peak workloads. There is no evidence that work on SFPUC’s large capital improvement projects fluctuates significantly. Contracts for the same or similar services at similar levels have been in place for more than a decade, and in at least two cases the same individuals have been performing work within the scope of the PSC side by side with City employees for most or all of that period. Consultants worked a consistent number of hours in 2024 and 2025. The nature of the work is ongoing, and as explained by SFPUC, the very purpose of moving from a project-based system to successive 10-year capital improvement plans was to smooth out the work and make it more consistent. Thus, the work cannot be said to be intermittent.

However, SFPUC did establish that the current workload exceeds the capacity of its employees. The evidence shows that 11 of the 15 employees in covered positions in the PCG are performing work within the scope of PSC 3662 full time. Of the remaining employees, one performs quality assurance, one is assigned to risk analysis, and another is on leave. SFPUC records show few vacancies in the covered classifications. [UX 8.] There is no evidence that employees in the affected classifications are being laid off, reassigned, or under-employed. Given these circumstances, the evidence indicates that there is an immediate need to augment the work of SFPUC employees, which justifies increasing the funds available under the PSC.

As for the third justification offered, it is true that the work performed under the PSC supports capital improvement projects requiring diverse skills, expertise, and knowledge. However, the work does not support individual projects so much as an ongoing, continuous capital improvement plan. A consistent scope of work over an 18-year period (from 2014 when the CSC first approved the prior PSC through the 2032 end date for the current PSC) does not comport with the spirit of the CSC policy, which

focuses on short-term and limited needs for services as exceptions to the general rule that City employees should perform the work if possible.

Ms. Yousefkhan testified that employees need a certain level of training and experience to perform the work, but did not articulate any particular difficulties in hiring qualified people into the identified classifications and training them as needed. There is no evidence to support a finding that hiring additional employees would not be feasible. Given the duration of the PSC and the capital plans, SFPUC should be able to insource this work over time.

CONCLUSIONS AND RECOMMENDATIONS

With respect to the specific issues enumerated by the parties:

1. The circumstances articulated by SFPUC as the basis for PSC 3662 do exist in part.

2. Approval of the modification request is warranted, with conditions.

3. SFPUC has not begun to examine the feasibility of hiring employees to perform the work covered by PSC 3662. There was no evidence indicating difficulty in hiring for the positions in the identified classifications.

Consultants have been working side by side with City employees for more than a decade, and work on SFPUC's multibillion dollar capital improvement program is projected to continue for years to come.

Therefore, it is recommended that SFPUC be required to report to the CSC at annual intervals regarding its progress on insourcing the work covered by PSC 3662, with the goal of bringing the non-specialized services in-house by March 2032.

DATED: January 21, 2026
San Francisco, California

GINA M. ROCCANOVA
Factfinder

Notification List

Hale, Shawndrea M. SHale@sewater.org

Kyger, Todd <TKyger@sewater.org>

Cox, Kyndra <KCox@sewater.org>;

Robinson, Stephen D <SDRobinson@sewater.org>;

Yousefkhan, Mojgan <MYousefkhan@sewater.org>;

Duhe, Helen M <HDuhe@sewater.org>;

Sanchez, Daniel <DSanchez@sewater.org>;

Ureel, Samantha M <SUreel@sewater.org>;

Yang, Helen <HYang@sewater.org>

Poole, Benjamin <BPoole@sewater.org>

