

LETTER OF UNDERSTANDING
CONTRACTING-IN POLICY
NON-EMPLOYEES DOING TEAM BARGAINING UNIT WORK

Draft 5

PREAMBLE

WHEREAS THE PARTIES agree that employees covered by the TEAM CBA should exclusively perform TEAM bargaining unit work;

AND WHEREAS THE PARTIES acknowledge that in particular circumstances, for bona fide business reasons, the Company requires the use of contractors to perform TEAM bargaining unit work for a particular project and/or on a temporary basis;

AND WHEREAS THE PARTIES AGREE THAT they prefer that employees perform bargaining unit work and that before engaging contractors, the Company will determine whether the work assignment can be filled using the following articles:

- Article 8 – Postings, Promotions, Lateral Transfers and Demotions;
- Article 9 – Acting Appointments; and
- Article 7.03 – Term Employee;

AND WHEREAS THE PARTIES AGREE THAT contractors doing TEAM bargaining unit work will be engaged for a defined term to provide specialized skills, knowledge and expertise, and to supply resources for specific work assignments or initiatives.

The following shall confirm the understanding and agreement between the parties with respect to contracting-in.

1. The Union and the Company shall meet quarterly to review and discuss the use of contractors, their numbers, locations, etc., and work being contracted-in.
2. Where there is an immediate need for a contractor to perform TEAM bargaining unit work, and where there is an expectation that the work assignment will be for a duration of less than 12 months, the assignment may be filled by a contractor in accordance with this agreement.
3. Where there is an immediate need for a contractor to perform TEAM bargaining unit work, and where there is an expectation that the work assignment will be for duration of 12 months or longer, the assignment

may be filled on an interim basis by a contractor until the posting process in the TEAM CBA is complete.

4. Where a contractor work assignment was not posted at its commencement and the assignment extends beyond 12 months, the Company shall rotate qualified employees in accordance with Article 9.07. Where there is no request for a rotation on file from a qualified candidate, the existing contractor shall remain in place. When an employee displaces a contractor through rotation, all terms and conditions of Article 9 – Acting Appointments shall apply.
5. A contractor performing TEAM bargaining unit work shall not be used for a period exceeding 24 months except by mutual agreement between the parties. If an extension is necessary, the Company agrees to provide written reasons for the request.
6. The number of contractors performing TEAM bargaining unit work shall not exceed 7% of the total bargaining unit without the written approval of the Union.

UNION DUES

7. The Company shall remit the equivalent of one hour's salary for the top step of Salary Group 304, Appendix D (\$37.50) for each contractor performing TEAM bargaining unit work, paid bi-weekly, subject to the percentage increase in keeping with the negotiated salary percentage increase as set out in the Collective Agreement.

PRIOR AGREEMENT REVOKED

8. This agreement shall replace the Letter of Understanding Union Dues – Engagees Performing Bargaining Unit Work reproduced on page 88 of the CBA and with respect to all references related thereto in the CBA.

REPORTING OBLIGATIONS

9. A list of said contractors will be provided to the Union along with the bi-weekly dues amounts and shall contain the following information:
 - the total number of contractors;
 - the names of the contractors;

- the position which best matches the duties of the contractor;
- the expected duration of each contractor's work assignment;
- the applicable Vice President group designation for each contractor;
- the location of each work assignment using contractors; and,
- the reason for each work assignment using contractors i.e. specialized skills, knowledge and expertise, project/program name, workload.

GREIVANCE

10. The parties recognize that the issue of whether the Company has exceeded the cap of 7% for contractors performing TEAM bargaining unit work may be grieved and that the remedy for a breach of this requirement is set out below.

11. The parties further recognize that the issue of whether the Company has failed to provide the required information as specified in provision 9 hereof may be grieved.

REMEDY FOR BREACH OF THIS AGREEMENT

12. If the number of contractors performing TEAM bargaining unit work exceeds the 7%, unless otherwise agreed to, the Company shall pay damages to the Union, in addition to the applicable bi-weekly amounts, calculated on the basis of \$250.00 per pay period for each surplus contractor.

13. If after three months, the number of contractors performing TEAM bargaining unit work still exceeds the 7%, unless otherwise agreed to, the Company shall pay damages to the Union, in addition to the applicable bi-weekly amounts, calculated on the basis of \$500.00 per pay period for each surplus contractor.

NO AUTOMATIC RENEWAL OF THIS AGREEMENT

14. This agreement is not a settlement of a grievance. It expires February 19, 2013 unless the parties mutually agree otherwise.