

Low Union Density Addendum

ADDENDUM TO THE NCA

The parties to the National Construction Agreement have agreed to use their best efforts to market this Agreement in low union density areas of the country. To achieve this goal, the parties adopt the following Addendum to the Agreement. The terms of the National Construction Agreement shall apply to all projects except as modified by this Addendum.

ARTICLE 1

SCOPE OF ADDENDUM

Section 1-1. It is the intent of the parties that this Addendum be utilized in low-union density areas.

Section 1-2. An area may be considered a low-union density area if three or more of the following conditions exist:

- a) low levels of membership in the local unions
- b) low volume of unionized projects
- c) a "right-to-work" state
- d) owner has a history of contracting construction work non-union or this Addendum is required for a development project in a low union density area
- e) non-union contractors competing for the majority of work.

ARTICLE 2

APPLICATION AND ADMINISTRATION OF ADDENDUM

Section 2-1. Employer requests for utilization of the Addendum will be submitted by electronic means to the office of the BCTD on a form that will include the regular information required by the Agreement plus the additional information set forth in Section 1-2 of this Addendum. Copies of the form shall also be submitted to the International Unions.

Section 2-2. The BCTD shall have three weeks to process the Addendum application. If circumstances warrant, the Employer may request expedited approval and the BCTD will consider such requests on a case by case basis.

Section 2-3. When the Addendum for the project is approved, the BCTD will promptly convene a meeting of the Employer and the International Unions for the purpose of confirming which of the conditions in Article 3 are applicable to the project.

ARTICLE 3

CONDITIONS

Section 3-1. Contained in this Article are a series of competitive conditions applicable to low union density areas.

Section 3-2. To meet the staffing needs of the project, the parties may agree to the following provisions:

- a) If sufficient numbers of skilled journeymen and registered apprentices are expected to be unavailable through the Local Union referral procedures, the applicable International Union(s) will develop a comprehensive staffing plan in concert with the Employer. If necessary, an International Union will be responsible for referring workers to the project, and drawing qualified journeymen and apprentices from multiple sources;
- b) The Employer and the Union shall establish the number of core employees the Employer may transfer to the project from other locations;
- c) On private sector projects and where permitted by applicable law, the Employer may employ helpers and other non-journeymen to supplement registered apprentices for all crafts. If a Union is unable to refer such individuals, the Employer may hire helpers and other non-journeymen from any source, including hiring them from gate applicants. The Employer shall notify the applicable Local Union of the names of such non-journeymen. They may be assigned by the Employer to perform any work which is performed by their crafts and which is within their capability. These non-journeymen classifications, with the exception of registered apprentices, shall receive health and welfare benefits only unless they are required by law to be covered by other benefit plans. This health and welfare coverage can come from existing Union benefit funds and/or if the Unions can't provide the employees, the benefits may come from Employer provided benefits. The rate of pay for such classifications shall be established by the Employer and the International Union for the project and set forth in Appendix A to this Addendum. The ratio of apprentices and other non-journeymen classifications permitted by this subsection shall be determined by the Employer and the International Union, and shall not exceed 50% of the craft workforce;

- d) If there is a shortage of available skilled U.S. workers, not including non-journeymen classifications, the International Union will assist the Employer in seeking approval through the H2B visa program to allow foreign workers to work on the project. Such workers shall work under the terms and conditions of the Agreement and this Addendum;
- e) An International Union with available workers that shares comparable skills with another Union that is unable to refer workers, may supplement the latter Union's workforce. The International Unions will promote the establishment of reciprocity agreements between applicable fringe benefit trust funds from the different crafts in order to allow the workers' fringe benefit contribution to be returned to the home fund;
- f) To ensure successful staffing of subcontract packages, the Employer and the International Unions will agree on a subcontracting approach for the project. The approach may include a predetermined identification of work to be bid merit shop, or if the Employer and the International Unions are unable to locate qualified and competitive subcontractors, the Employer may utilize non-union subcontractors to perform the work;

Non-union subcontractors in this section are not required to become stipulated to the National Construction Agreement, and subcontractor wages and fringe benefit packages will be determined on a project by project basis.

Section 3-3. To meet the competitive economic conditions typically found in low-union density areas, the parties may utilize the following provisions:

- a) The Employer and the Unions shall establish the economic package for the project, which will include wages, fringe benefits and other applicable economic conditions, and innovative craft incentivizing programs and union subsidizing programs if appropriate;
- b) The Employer and International may agree to establish other classifications than those currently identified in the Agreement or this Addendum. The wage rates for such classifications shall be set forth in Appendix A to this Addendum;
- c) Overtime after eight hours per day or 40 hours per week will be at a minimum of time and one half per applicable state and federal laws;
- d) Through pre-job meetings, the Employer and the International Unions will seek to maximize the productivity of the onsite craft workforce, including implementing flexible and innovative approaches to craft jurisdiction and composition of work crews.

Section 3-4. The parties may agree to the following additional provisions in order to assure the success of the project:

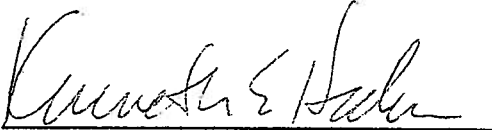
- a) In addition to the remedies available to the Employer under Article 20 of the Agreement in the event of a work stoppage, the International Unions agree that if a work stoppage does occur on an Addendum project, and the Arbitrator in Article 20 has found the local Union violated the Article, the applicable International Union(s) shall assume exclusive jurisdiction over the project for the remainder of the project;
- b) The BCTD will assign a job-site representative for the project. The job-site representative shall be a qualified working craftsman, but shall be allowed a reasonable amount of time during the workday to conduct union business. The Employer and the International Unions shall establish a jobsite plan to minimize turnover, absenteeism and other actions disruptive to the project. The parties will agree to jobsite rules to address these and other applicable issues and such rules will be made known to new employees during craft orientation sessions;
- c) Workers will be responsible for having the proper certifications necessary for the job prior to being hired. The Employer shall not be responsible for compensating workers for pre-employment skills training and certifications, safety training, and drug and alcohol screening before the Employer hires the craft worker. All craft employees will be subject to and comply with owner and/or regulatory mandated site access requirements including drug and alcohol testing or security screening.

Section 3.5. The parties may mutually agree to other competitive terms and conditions, such as flexibility in the purchase of prefabricated items, shift arrangements, and work schedules. Section 3.5 is all inclusive, allowing the Employer and International Unions total flexibility in establishing project terms of employment.

ADDENDUM TO THE NATIONAL CONSTRUCTION AGREEMENT

Signed and subscribed to this first day of August, 2003.

**North American Contractors
Association**



Kenneth E. Hedman, Chairman

**Building and Construction
Trades Department, AFL-CIO**



Edward Sullivan, President