

SPECIAL EDITION

July, 2008

Volume 2, Issue 3

MCA-KC Review

Mechanical Contractors Association of Kansas City / 816-523-3341



Bob Looman
Executive Director
MCA-KC

Special Interest

Topics:

- Overview
- UA Standard for Excellence
- Daytime Training
- Industry Development Fund
- Travel & Subsistence
- Substance-Abuse Testing
- Delinquency Bond
- Direct Deposit
- Pre-Apprentice Program
- Vacations/Savings Fund
- Lead Foreman

MCA-KC 2008 Collective Bargaining Update **O v e r v i e w**

Significant changes to MCA-KCs contracts with both Local 533 Pipe Fitters and Local 8 Plumbers were achieved in the 2008 collective bargaining negotiations. This special edition of the *MCA-KC Review* will highlight these improvements. Although everyone pays attention to the \$2/\$2/\$2 increases on wages and the stipulated education increases to pay for daytime training of apprentices, far more important issues were negotiated this spring.

- First and foremost, the **UA Standard for Excellence** has been adopted and is the first section in our agreements. We will talk about the implications for both the contractors and the UA journey workers.
- The conversion to **daytime training** is a major issue for our industry; we will review the expectations and the need to fill our first-year class to meet the needs of the industry.
- The MCA-KC board has approved an increase to the **industry development fund** to improve services and educational offerings for our contractors.
- Everyone is feeling the impact of the **cost-of-living increases**, and changes in our contract have been structured to address these rising costs.
- We negotiated improvements to our already industry-leading **substance abuse program**, as we stay ahead in our commitment to present a drug-free workforce.
- Increases have been made to the **delinquency bond** that better match the cost of late payment and risk of non-payment by contractors.
- And finally, **LU 533** has agreed to **direct deposit**, while **LU 8** is making contributions to the **vacation/savings fund** optional as well as an individual's contribution to the **defined contribution retirement fund**. Additionally, LU 8 has modified the **pre-apprentice program requirements** and has agreed to **Lead Foreman** in the Utility/Small Commercial and Residential work classifications to help contractors be more competitive in this tough market sector.

This special edition of the MCA-KC Review will provide the highlights and many of the details of the collective bargaining agreement changes, but you should become familiar with the actual contract documents for complete information.

UA Standard for Excellence Sets UA Apart from Non-Union Competition

The **UA Standard for Excellence** was formulated in an effort to set the United Association apart from its non-union competition. One of the reasons prompting this action is the trend in the marketplace. Another is the need to refocus members and leadership on why clients choose union mechanical contractors and UA journey workers. Three components sum up the message of the **Standard for Excellence**:

- A declaration about who we are.
- A commitment about what we do.
- A promise that clients can count on.

These components set forth the fundamental principles underlying all that is done in the UA. They also reflect a new emphasis of a performance standard for bargaining units as a whole rather than individual representation. In addition, they spell out the obligations of signatory contractors so that all parties — including UA members, signatory contractors, and construction owners — clearly recognize we are dedicated to doing the best job possible. It sends a strong message that “We do it right the first time.”

Three major sections within the Standard are the following:

- Member and Local Union Responsibilities
- Employer and Management Responsibilities
- Problem Resolution

All are included in our collective bargaining agreements. As contractors, we need to understand these sections completely and support our union leadership plus membership in performing these standards on every job every day. We should also post the **UA Standard for Excellence** in our offices and on our jobsites.

Policy Committee – A policy committee is made up of a UA member, an MCA-KC member, and a neutral party. This team is responsible to fairly administer the Standard for Excellence and ultimately address significant issues and problem resolution resulting from repeat actions by a UA member or signatory contractor that are inconsistent with the Standards.

Standards for Contractors – The UA Standard for Excellence addresses employer and management responsibilities. Signatory contractors need to manage their jobs effectively and have the following responsibilities:

- Replace and return to the referral hall all ineffective workers.
- Provide worker recognition for a job well done.
- Assure all necessary tools and equipment are readily available to employees.
- Minimize downtime by ensuring blueprints, specifications, job layout instructions and materials are available when needed.
- Provide proper storage for contractor and employee tools.
- Provide necessary leadership and problem-solving skills to jobsite foremen.
- Ensure jobsite leadership takes necessary ownership of mistakes created by management decisions.
- Encourage employees, and if necessary be fair and consistent with discipline.
- Create and maintain a safe workplace by providing site specific training and proper equipment. Assure occupational health and safety guidelines are followed.
- Promote and support continuing education and training for employees.
- Employ an adequate number of properly trained employees.
- Treat all employees in a respectful and dignified manner and acknowledge their contributions to a successful job.
- Cooperate and communicate with the job steward.

As signatory contractors, we must live up to our responsibilities if we expect our UA employees to live up to theirs. Your employees will expect this from you. If they are not satisfied, they can refer you to the policy committee.

Standards for Employees – The UA Standard for Excellence provides a powerful vehicle to assist in gaining market share. Each member has a critical role in the implementation and ongoing efforts of the Standard for Excellence. In general, the duties of each member of the UA are the following:

- Show up on time
- Stay off cell phones while working
- Have the proper tools
- Adhere to the ZERO tolerance for drug and alcohol use
- Obey safety rules
- Respect customer property
- Dress appropriately
- Follow client rules
- Put in a fair days work for a fair days pay

If we have an employee who is not living up to these responsibilities or who is ineffective in performance because of a need for more training, we, as contractors, need to provide a separation notice that identifies the issue accurately and appropriately. We should no longer return a journey worker to the hall stating “work force reduction” when, in fact, there is a performance issue. If a worker is deficient in a required skill, this should be identified so that the individual can work with the training department to obtain the necessary requirements of the job. It is a collective responsibility of our union leadership and signatory contractors to be consistent, fair, honest, and open so that we can deliver the best workforce possible and gain back lost market share.

Conversion to Daytime Training for Apprentices Is Landmark Decision

A landmark decision has been made by both the Plumber and Pipe Fitter Joint Apprentice Committees (JAC) to transition our training to daytime. Both contractors and labor unions believe that this switch will allow us not only to improve the overall effectiveness of our training program, but also allow us to attract a better candidate into the trades. The current design that is supported by both JAC’s includes one full day of class per week for 42 weeks during the first three years of apprenticeship. In 2008/2009, the first-year apprentices will start daytime training. In 2009/2010, second-year apprentices will be added. In 2010/2011, third-year apprentices will be included. The remaining apprentice training requirements will be met by one class a night. This lets the contractor utilize a better trained apprentice full time during his or her fourth and fifth year. The secondary benefit of this transition is that we will be able to host continuing education classes for journey workers during the evening. Today the training center is packed just serving the apprentice program. Going forward, we will see a better utilization of our training space and better educational opportunities for all our UA workers.

Incremental costs for implementation — Some incremental costs are included in the conversion to daytime training, primarily due to the hiring of full-time instructors. Also we must purchase property next to the training center because we are bursting at the seams with the current training and parking needs. The JAC’s are heavily engaged in working with our training directors to make sure we manage our costs effectively and get our full-time instructors hired in June in order for them to be ready with the new curriculum by the time school starts September 2. The incremental education fund increases for the Pipe Fitters during the next three years are \$.20/\$.20/\$.18 per hour. The increases for the Plumbers are \$.20/\$.15/\$.10 per hour.

Wage differential – Apprentices will not be paid while they are in school, thereby creating a 5-percent increase to their wage multiplier for the first four years to help compensate. This means two wage grids are in place. One is for apprentices in night school, and one is for apprentices in daytime training. Please make sure that your payroll understands the two separate rate schedules.

Maximizing class size – Both the MCA-KC and our UA labor partners are expecting to maximize the class sizes for apprenticeship going forward. We have an aging UA workforce in Kansas City and we must build our future with apprentices today. In 2008/2009, the Pipe Fitters can support a class size of 80. The Plumbers can support a class size of 45. To date, 45 are signed up for the Pipe Fitter class and only 7 for the Plumber class. Please call Duane Douglas for the number of pipe fitter apprentices or Fred Jonas for the number of plumber apprentices that you are eligible to hire.

16 Hours of Continuing Education for Journey workers – Effective June 1, 2008, contractors can now require journey workers to provide proof of attaining 16 hours of continuing education during the past year. This program was outlined and defined by the joint JAC's this past year and qualifications for continuing education requirements are defined. A new responsibility for our contractors is to provide verification of training attendance for contractor provided training. This could include safety training, foreman training, or any special training that is available to help the journey worker be more effective in their job. It is the responsibility of journey workers to keep their own training file, but we, as contractors, need to give them certificates of training participation.

Increase in Industry Development Fund to Provide Greater Contract or Services

The MCA-KC Board of Directors approved a \$0.05 increase to the industry development fund to improve and increase the services offered by the MCA-KC. An agreement also was made to shift the substance-abuse Employee Assistance Program to the respective Health and Welfare Trusts and have this paid by shifting \$0.01 from the Industry Development Fund to the Health and Welfare Trust Fund. These actions create a net industry-fund contribution increase of \$0.04.

Primarily, the industry-fund increase is for the addition of an assistant director to support the education and committee activities that have been ramping up during the past year and a half. In addition, this frees our Executive Director to increase the Association's visibility with owner- and government-user groups. Additional local training sessions also will be implemented to address more of our contractor development needs.

All these changes are in alignment with the MCA-KC strategic plan developed in August 2007.

Increases for Travel and Subsistence Align with Rising Meals, Gas Costs

Our contracts define amounts for travel and subsistence pay when serving remote counties in our territory. Travel, when using a personal vehicle, is increased over the next three years to \$20.00, effective June 1, 2008; \$21.00, effective June 1, 2009; and \$22.00, effective June 1, 2010. In addition, subsistence pay for journey workers' meals that are required to work out-of-town is raised to \$40.00, effective June 1, 2008; \$41.00, effective June 1, 2009; and \$42.00, effective June 1, 2010. These increases are in alignment with the increases in the cost of meals and gas. Reasonable and actual lodging costs are paid by agreement between the contractor and employee. In addition, daily parking fees for downtown work will be increased to \$6.00 per day effective June 1, 2008. Shift premiums were also increased to \$0.50 premium for second shift and \$1.00 for third shift. The shift-premium increase does not supersede projects delivered under the national maintenance agreement.

Substance-Abuse Testing Now Includes Periodic Testing

The MCA-KC and our labor partners are proud of the substance abuse program that we have in place under our collective bargaining agreement. However, a few improvements have been made to our plan. First, we have added a periodic test to the agreement, which states that if an employee has not been tested within the last 24 months, his or her name will be selected for testing. We also have dropped the test for Methaou-lone (Qualuuds – which have not been manufactured in the US in more than 20 years and have not shown up in drug screens in many years) and increased the opiate testing level to 2000, which will eliminate the false positive test if someone has eaten a bagel or bread with poppy seeds. We also will be working with our testing agency, CorporateCare, to provide a password protected database for test results and eliminating the card system once in place.

Delinquency-Bond Increase Protects Local Trust Funds

The delinquency bond requirement in our previous collective bargaining agreement did not effectively protect our local trust funds and increased the risk for contractors who are paying their dues on time. To resolve these issues a delinquency bond will be required for any contractor who is delinquent in payment for a period of two months in any quarter or for a period of two consecutive months. The cash or surety bond will be in an amount equal to six times the amount of the delinquent payment, but not less than the following scale:

An employer employing 1 to 5 employee(s)	\$10,000 surety bond
An employer employing 6 to 10 employees	\$25,000 surety bond
An employer employing 11 to 20 employees	\$50,000 surety bond
An employer employing 21 to 40 employees	\$100,000 surety bond
An employer employing 41 to 60 employees	\$150,000 surety bond
An employer employing more than 61 employees	\$200,000 surety bond

The bond will be released when the contractor remains non-delinquent for a period of twelve (12) months. Surety bonds also will be required from any new signatory contractor or from any contractor working in the union's jurisdiction under a national agreement. New time extensions are in place for each of these categories, which protects our local contractors from out-of-town contractors not completing their contractual payment requirements and leaving town without full payment to the fund balances.

LU 533 Approves Plan for Direct Deposit

MCA-KC and LU 533 came to an agreement that allows for wages due to be paid by cash, check, or direct deposit at the contractor's option. For most contractors, this is already how they are paying their own employees, so this becomes a natural extension of that process.

LU 8 Agrees to Lead Foreman on Utility/Small Commercial & Residential Classifications

In an effort to help increase our competitive position on smaller plumbing installations, MCA-KC and LU 8 agreed to the creation of lead foreman for small crew sizes in the utility/small commercial and residential work classifications. Crew sizes in these classifications from 2-3 plumbers will include one (1) lead foreman. Crew sizes from 4-7 plumbers will include one (1) lead foreman and one (1) foreman. The lead foreman is paid base journeyman wages plus 4 percent.

LU 8 Creates Options for Vacations/Savings Fund & Defined Contributions

MCA-KC and LU 8 also agreed to two optional programs that will take effect on January 1, 2009. First, the 10-percent vacation/savings fund contribution may be paid as direct wage at the employee's direction. Second, the local Defined Contribution Fund is being modified. Currently an automatic contribution of \$2.00 per hour is placed into the fund. On January 1, 2009, that amount will be reduced to \$1.00 per hour and the employee can direct up to \$7.00 per hour into the fund. The employee election amount can be changed only once annually in the month of June (to be effective July 1) or upon change of contractor. These two options create new ways for our plumber journey workers to manage their own money based on their own circumstances.

LU 8 Modifies Pre-Apprentice Program

MCA-KC and LU 8 agreed to changes in the pre-apprentice program that makes the offering more usable for our plumbing contractors. It is a true pre-apprentice program that offers contractors a full year to determine whether the individual is to be granted admission to the apprentice program. If not, the individual is dropped from the program. Contractors now can hire one (1) pre-apprentice for every two (2) building trades apprentices shop wide, but they must meet their full allotment of apprentices, including women and minorities, to qualify. Pre-apprentices can be replaced by out of work building trades apprentices under the authority of LU 8. The wage rate also has been adjusted to be 40 percent of a building-trades journeyman.

The great news about this program is that plumbing contractors now can use pre-apprentices to help reduce their over-all crew costs. No restrictions are in place on what a pre-apprentice can do, but they must be under the direct supervision of a Building Trades Journeyman Plumber.

Mechanical Contractors Assn of Kansas City

9229 Ward Parkway
Suite 270
Kansas City, MO 64114

PHONE:
816-523-3341

FAX:
816-333-4603

E-MAIL:
ralooman@mcakc.org

We're on the Web!
See us at:
www.mcakc.org

The MCA-KC negotiating committees believe that the 2008-2011 collective bargaining agreements are fair for all parties, and, if managed effectively, can contribute to our competitiveness and success in the industry. We must utilize all the offerings that these new contracts present. Again, this publication has provided the highlights of changes due to our collective bargaining negotiations. It does not take the place of actual review of the new contract documents. Please call the MCA-KC office if you need assistance or have questions regarding these agreements.

Negotiating Team Acknowledgment

Many thanks to the following individuals who contributed their time, energy, and commitment to the industry during the negotiating process:

LU 533 Contract Negotiation Team

MCA-KC: Charles Brandon, Chairman • Tim Moormeier, Vice Chair • Bill Adams • Don Vaughan • Ken Hageman • Bob Looman, Administrator.

LU 533: Neil Willis, Chairman • Jim Lanning • Tommy Brothers • Steve Rock • David Bodine • Ronnie See • Duane Douglas, Alternate • Scott Forbes, Alternate • Pat Julio, Observer • Bob Welch, Observer.

LU 8 Contract Negotiation Team

MCA-KC: Charles Brandon, Chairman • Mike Kotubey, Vice Chair • Steve Hancock • Paul Rodriguez • Bill Alexander • Bob Looman, Administrator.

KU 8: Frank Jackson, Chairman • Chuck Tarpley • Todd Gerstner • Ron Cole • Craig Mullins • Steve Nickel, Alternate • Fred Jonas, Alternate.