

LETTER OF UNDERSTANDING

BETWEEN

THE CORPORATION OF THE CITY OF VERNON

AND

THE CANADIAN UNION OF PUBLIC EMPLOYEES LOCAL 626
VERNON CIVIC EMPLOYEES' UNION

RE: CORPORATION'S OBLIGATION TO EMPLOYEES

In recognition of the Corporation's right to contract out work to bona fide contractors, and in recognition of the Corporation's obligation to the employees, and to promote the morale, well-being and security of all members of the bargaining unit, the parties agree as follows:

- (a) The Corporation agrees not to contract out any bargaining unit work that will affect the job security of any member of the bargaining unit, unless such work is a genuine and legitimate need, undertaken in good faith by bona fide contractors, based on sound business reasons, subject to all the provisions below.
- (b) The Corporation will advise the Union in advance of any proposal to contract out work which will affect the job security of bargaining unit employees, and will provide the Union with a breakdown of existing and/or proposed costs for the service or work referred to.

The Corporation will invite Union input and review of the information with a view to providing at least the same level of service at a cost and/or efficiency saving to the taxpayer.

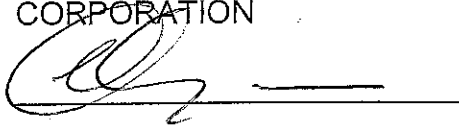
If it is mutually agreed that the work can be performed as efficiently in-house as by contract, the work will continue to be performed by bargaining unit employees.

If it is mutually agreed that the work can be performed on a cost/or efficiency savings to the taxpayer by a bona fide contractor, the parties agree that such work may be contracted out.

The Corporation will ensure that the level of service to be provided will be the same as that discussed with the Union. Further, such level of service will form part of the condition of awarding such contract.

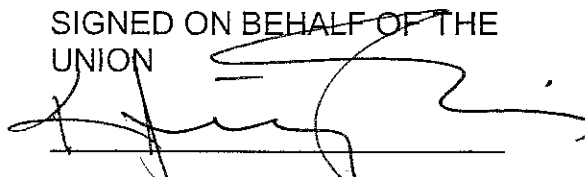
- (c) Employees displaced as a direct result of their jobs being contracted out shall have the option of re-training and will not be denied any rights under the Collective Agreement, and the following conditions will apply:
- (i) Such training will be mutually agreed to, and such agreement will not be unreasonably withheld.
 - (ii) If training is made available, the procedure under Article 9.02 shall apply.
 - (iii) The training will have to be successfully completed within three (3) months. The training time can be extended up to a further three (3) months by mutual agreement.
 - (iv) Once the employee has been retrained and has successfully passed the employee's probationary period in the employee's new position, the employee will not have any recall rights if the employee's former position is to be filled after one (1) year has elapsed.
 - (v) The directly affected employee will be provided the retraining for either a Schedule "A" or "B" position at the choice of the employee.
 - (vi) The training provided in (v) above will only be provided for the first position that the directly affected employee chooses and only one additional position if the employee is unsuccessful in completing the probationary period for the first position.
- (d) If any employee chooses not to seek retraining, or if retraining cannot be mutually agreed to, the employee will receive, in addition to any other severance pay provision in the Collective Agreement, one (1) week's pay for each complete year of seniority to a maximum of ten (10) weeks pay. Upon the exercising of this option, the employee loses all of the employee's seniority rights.
- (e) The Union will be given the opportunity to address the Corporation on the feasibility of bringing work presently contracted out, back in-house on a cost, quality, and efficiency basis only.

SIGNED ON BEHALF OF THE
CORPORATION



M. Bailey

SIGNED ON BEHALF OF THE
UNION



PRESIDENT CUPE 626