

PROVINCIAL MEMORANDUM OF AGREEMENT

BETWEEN:

B. C. GOVERNMENT AND SERVICE EMPLOYEES' UNION

("BCGEU")

AND:

B.C. ROAD BUILDER'S AND HEAVY CONSTRUCTION ASSOCIATION

("BCRB")

FEBRUARY 27, 2012

1. WAGE AND EXTENDED TERM COUNTER PROPOSAL

New Collective Agreement expiry date to coincide with the new expiry date of the Provincial Maintenance Agreement Extended Term for each specific Service Area (an approximate 8 year extension to the current Collective Agreement). The new Collective Agreement will include an express commitment of no strike or lockout for the entire length of the Extended Collective Agreement Term.

To take advantage of the known factor of the 2011 Labour Index (1.18%), the first year will be set retroactively to each individual Maintenance Contract Anniversary Date (MCAD) in 2011⁽¹⁾ and the Ministry of Transportation and Infrastructure (MOTI) will make a retroactive adjustment.

Effective MCAD 2011	-	0%
Effective MCAD 2012	-	0%
Effective MCAD 2013	-	Wage Bonus as Follows:
		Regular Employees - \$1,200.00
		FTE Aux. Employees - \$1,200.00
		Auxiliary Employees (501 hrs – < FTE hrs) - \$500.00
		Auxiliary Employees (150 hrs – < 500) hrs - \$250.00
Effective MCAD 2014	-	the Labour Component of the Annual Price Adjustment (COLA)*
Effective MCAD 2015	-	the Labour Component of the Annual Price Adjustment (COLA)*
Effective MCAD 2016	-	the Labour Component of the Annual Price Adjustment (COLA)*
Effective MCAD 2017	-	the Labour Component of the Annual Price Adjustment (COLA)*
Effective MCAD 2018	-	the Labour Component of the Annual Price Adjustment (COLA)* ⁽²⁾

⁽¹⁾ Service Area 6 may require local negotiations due to timing of 2011 increase

⁽²⁾ Does not apply to Service Areas 2, 3, 4, 9, 12, 15 and 24

* The Labour Component of the Annual Price Adjustment (COLA), as described in MOU XX or 0%, whichever is higher.

** Service Areas 11 and 20 to be dealt with later in bargaining.

NOTE: Wage Bonus will be calculated based on earned Auxiliary Seniority Hours in the 365 (three hundred and sixty five) days prior to signing of the Provincial Memorandum.

Collective Agreement Re-opener

The parties agree the Collective Agreement will be re-opened on October 1, 2016 to negotiate changes to the following articles:

Article XX	-	Bargaining Unit
Article 24	-	Contracting Out/Contracting In
Article 25	-	Health and Welfare Benefit Changes

Additional Articles may only be re-opened and negotiated subject to mutual agreement by the Parties.

The Parties shall have sixty (60) calendar days commencing October 1, 2016 to reach an agreement.

The Parties agree that the continuation of the labour efficiencies negotiated and settled in 2002 that remain in the previous Collective Agreements, are secured in place for the length of the Extended Term.

All unresolved issues shall be sent to Mediator Vince Ready, or an alternate Mediator mutually agreed to by the Parties, who will make recommendations within ten (10) calendar days.

2. DOLLAR SENSITIVE LANGUAGE

The following dollar sensitive provisions, listed below, will be increased by 10% in Year 3 on the anniversary date of the Collective Agreement. In years 4, 5, 6, 7 and 8* these same provisions will be increased by the Labour Component of the Annual Price Adjustment on the anniversary date of the Collective Agreement:

Vision, Hearing Aid, Isolation Allowance⁽¹⁾, Tool Allowance, Boot Allowance, Meal Allowances, Overtime Meal Allowance, Abnormal Working Condition Allowances, Training Allowance, Apprentice Allowances, Special Certificate Allowances, and Vehicle Allowances**

*Year 8 will not apply to Service Areas 2, 3, 4, 9, 12, 15 and 24

**Subject to the limits established by CRA

⁽¹⁾To be negotiated locally in SA 28

3. AGE 65 & OVER HEALTH AND WELFARE BENEFITS

Effective on the date of ratification, all employees age 65 and over will receive the Health and Welfare in-lieu allowances identified in Article XX, including the \$.10/hr increase, and it will be paid directly into a Health Spending Account.

Effective on the date of ratification all employees age 65 and over, currently receiving a superior benefit (including EHC, Dental, STIIP, LTD, Group Life and AD&D), will be grandfathered and continue to receive those benefits.

This proposal is not withstanding any superior benefit provisions contained in local Collective Agreement(s).

4. ARTICLE 25 – HEALTH AND WELFARE BENEFITS

The Maintenance Contractors will implement Health Spending Accounts (HSA) for Auxiliary employees. Health and Welfare in-lieu allowances will be increased by \$.10/hour effective on the date of ratification and be paid directly in to the HSA. Maintenance Contractors have different circumstances and the specific HSA details will be established at the local level. Details include the frequency of withdrawals, transfers to RRSP's, frequency of claims, co-insurance issues, and pay out or retention of funds upon lay off etc.

All administration costs associated with the HSA will be borne by the Employer.

All Auxiliary employees will be covered under the HSA.

Health Spending Account balances will be shown on the employee's pay statement.

Benefit payments will be limited to benefits outlined in Appendix 1 (CRA approved).

This proposal is notwithstanding any superior benefit provisions contained in local Collective Agreement(s).

5. DATE SENSITIVE LANGUAGE

The expiry dates for Core Group, Modified Successorship and Severance Provisions will be amended to coincide with the expiration of the Extended Maintenance Contract Term. Specific dates will be identified and amended at the local tables. Severance Provisions will be amended so that the intent of the current language and the integrity of the "notice periods" remain through the Extended Term.

6. FAMILY DAY

Family Day (upon proclamation) will be inserted into all Collective Agreements starting 2013.

7. SUCCESSORSHIP CONTINUATION

The Employers will join the Union and the MOTI in a consultative process to explore how successorship might be extended into the next round of maintenance agreements. The parties will begin discussions no later than February 1, 2016, and will report out no later than 24 months prior to the expiry of the maintenance agreements.

8. TRAINING

The Maintenance Contractors will agree to jointly, with the BCGEU, to update the 2002 Operator Training Guide for road maintenance equipment.

All Maintenance Contractors will agree to use the updated Operator Training Guide as the measure for competency in training and assessment for new hires.

The Operator Training Guide will be implemented prior to September 30, 2012.

Local bargaining tables will negotiate who, in each service area/yard, will determine competency.

A Provincial Operator Training Committee will be struck between the B.C. Road Builders and Heavy Construction Association and the BCGEU to oversee the Operator Training Guide implementation and ongoing training issues as may arise from time to time. This Committee shall meet on an annual basis.

9. **TRANSPORTATION CAREER DEVELOPMENT ASSOCIATION**
(transCDA)

REPRESENTATIVE

The Maintenance Contractors will have a BCGEU Representative appointed as a member of transCDA and appointed to a seat on the Road Building Committee. transCDA is the Industry Training Organization which oversees transportation industry trades and programs for the British Columbia Industry Training Authority (ITA), including Heavy Duty Mechanic, Commercial Transport Mechanic, Heavy Equipment Operator and Asphalt Paving Laydown Technician.

"REVISED"

COLLECTIVE BARGAINING PROTOCOL AGREEMENT

BETWEEN:

B.C. GOVERNMENT AND SERVICE EMPLOYEES' UNION

("BCGEU")

AND:

B.C. ROAD BUILDER'S AND HEAVY CONSTRUCTION ASSOCIATION

("BCRB")

Introduction:

The Maintenance Sector of the B.C. Road Builder's and Heavy Construction Association and the B.C. Government and Service Employees' Union have reviewed a formal letter addressed to the Chair of the Maintenance Sector from Grant Lachmuth, Project Director in charge of Highways Maintenance Renewal for the Ministry of Transportation and Infrastructure (MoTI).

The contents of such letter provide that the Province will be offering, subject to certain requirements, five (5) year extensions to the existing Highways Maintenance Agreements (three (3) year extensions for Service Areas 11 and 20); such extensions would, by the nature of the Collective Agreements currently in place, provide five (5) years of continued succession rights to BCGEU members (three (3) years for Service Areas 11 and 20). Without extensions, existing contracts with the MoTI will not be renewed therefore creating significant uncertainty within the maintenance contractor industry and labour succession conditions of tender, as previously mandated by the Province, will not be renewed at the end of the existing Maintenance Agreements.

The requirements the Province has placed on the extension offers will require written Memoranda of Agreement. All but one (1) Collective Agreement in the Industry is with the BCGEU. There is one (1) local agreement with the Operating Engineers.

The Owners, representing all Highways Maintenance Contractors in the Province, have unanimously voted in favour of the following:

"that a Sub-committee, consisting of Sandi Paulson (Argo), Doug Bjornson (Mainroad), Joe Wrobel (HMC), Robert Hasell (EAM), and Kevin Higgins (YRB), convene a meeting with the BCGEU for the purpose of presenting a proposal on a Collective Bargaining Protocol and a Provincial Memorandum of Agreement."

The BCGEU, representing all Highways Maintenance Employees in the Province, have unanimously agreed in favour of the following:

"that a Provincial Bargaining Committee, consisting of Jim Manson (Bargaining Council Chairperson), Mike Nuyens (Component 10 Chairperson), Aidan Carroll (LDM), Mike Prystae (Emcon), John Cantlon (YRB), Dave Maki (Mainroad), Dan O'Hanley (Argo), Rory Smith (Emil Anderson), Lloyd Glibbery (BCGEU) and Gary Bennett (BCGEU, Negotiator), convene provincial Bargaining meetings with the B.C. Road Builder's for the purpose of creating a Collective Bargaining Protocol and a Provincial Memorandum of Agreement."

Collective Bargaining Protocol:

A Bargaining Committee of Highways Maintenance Contractors will meet with the Bargaining Committee of the BCGEU, including the President of the BCGEU (or his designate), to conclude a Provincial Memorandum of Agreement which would be binding on, and form part of, each Collective Agreement in the Province. The Highways Maintenance Contractors Provincial Bargaining Group would be given the authority to sign a Provincial Memorandum of Agreement.

The BCGEU Bargaining Committee, for the Provincial Memorandum of Agreement, will also have full authority to sign the Provincial Agreement on behalf of all BCGEU Collective Agreements. Upon signing by both Bargaining Groups, the Memorandum of Agreement shall be a part of, and incorporated in, each individually negotiated renewed Collective Agreement.

After the Provincial Memorandum of Agreement is negotiated, each Contractor Company shall meet forthwith with their BCGEU Local Bargaining Committees with a view to concluding a Collective Agreement. This "Local Collective Bargaining" shall be for the sole purpose of addressing specific terms and conditions applicable to that local Collective Agreement and shall, in no way, impact the force and effect of the Provincial Memorandum of Agreement or fail to meet the MoTI requirements. The Parties shall not be able to negotiate or table any provisions which change or modify the terms of the Provincial Memorandum of Agreement.

It is understood that Collective Bargaining will be subject to ratification by the BCGEU membership, and the individual Contractor, in the usual manner, and upon ratification the individual renewed Collective Agreement, which includes the Provincial Memorandum of Agreement, shall be in full force and effect.

The Province has placed a time limit on the length of time the Offers of Extension will be open and both Parties accept that time is of the essence. To be clear, the Contractors and the BCGEU have a limited amount of time to negotiate a complete Collective Agreement, and demonstrate compliance with all the MoTI requirements through a submission of executed Memoranda of Agreements and other documents. The MoTI has stated they will be scrutinizing each Contractor's submission to ensure complete compliance with the requirements.

If the Collective Bargaining is not concluded and ratified by the date set by the Province, then any new Collective Agreement negotiated after that date shall not contain the Provincial Memorandum of Agreement. The Contractor for that Service Area will not comply with the Extension Requirements and extensions will no longer be considered a possibility by the MoTI.

1. Negotiations will be held at dates, times and locations mutually agreed to by the Parties. Any costs associated with the location (room rental, food, beverages) will be shared equally by the Parties.
2. Caucus meetings may be called at any time by each Party.
3. The employers will be responsible for the lost time expenses for all Union Bargaining Committee members for all days wherein face to face bargaining takes place. Should bargaining occur on a Bargaining Committee members' day of rest, the Employers will credit one (1) lieu day for use at a later date. All leaves (including the days in lieu) will be processed by the BCGEU as Union Paid, and invoiced to the BCRB. The days off in lieu will be scheduled by mutual agreement at the local level.
4. At the commencement of negotiations there will be a full exchange of all proposals. It is understood that these proposals may not include all detailed monetary items.
5. Local Memoranda will be addressed by individual Contract Area Bargaining Committees.
6. As proposals are agreed to they shall be signed off by the Parties.
7. Each Bargaining Committee reserves the right to communicate directly with its constituency. Each Bargaining Committee agrees not to communicate directly with the constituency of the other Party.
8. Neither Party will discuss the status of negotiations with the media until a tentative agreement or impasse has been reached.
9. Administrative matters will be dealt with at the beginning and conclusion of each negotiation session and before or after extended breaks as required.
10. Both Parties will make their best effort to ensure that no new proposals will be tabled or previously agreed to proposals resurrected unless there is valid reason to do so.
11. Should either of these Provincial Memorandum negotiations or the linked Local Memorandum negotiations be unsuccessful no protocol, proposals or agreements, created herein, will prejudice any subsequent Collective Bargaining. Furthermore, if the Provincial Memoranda is ratified in a Service Area and subsequently if an Extension is not secured, the Memoranda will be null and void, the Collective Agreement will be deemed to have expired, and within 30 days normal negotiations will commence pursuant to the Labour Relations Code.



January 19, 2012

Kevin Higgins, Chair Maintenance Sector
9A – 1750 Quinn Street
Prince George, BC V2N 1X3

By Email

Attention: Mr. Higgins

Re: Highway Maintenance Agreements – Possible Implementation of Extension-Negotiations Process

This letter is in response to the proposal submitted by the BC Roadbuilders and Heavy Construction Association [the "Roadbuilders Association"] dated August 8th, 2011 and serves to confirm a number of matters relating to the possibility of the Ministry implementing an extension negotiations process, as described in this letter.

This confirms that the Ministry will provide an opportunity to the highway maintenance contractors to participate in a negotiation to extend the provincial highway maintenance agreements, providing the matters outlined in this letter are satisfactorily addressed. The extension period currently under consideration is a possible 5-year extension to the highway maintenance agreements in all Service Areas, with the exception of Service Areas 11 and 20 with the exception of a possible 3-year extension to the highway maintenance agreements in Service Areas 11 and 20 (collectively the "Extended Term").

The Ministry's considerations in this matter include securing:

- the public interest in maintaining highways that are reasonably safe for public passage;
- the interests of taxpayers in the achievement of fiscal savings to the Province;
- the provincial interest in ensuring that the highway maintenance agreements are fully performed in accordance with their terms, including the achievement of contracted service levels, response times and specifications; and
- the provincial interest in ensuring the uninterrupted provision of maintenance services under the highway maintenance agreements.

Given the above considerations, a condition to the Ministry moving forward with an opportunity to negotiate an extension is that the Roadbuilders Association demonstrate to the satisfaction of the Ministry that each of the highway maintenance contractors who wish to negotiate an extension and any trade union that is certified to the highway maintenance contractors has delivered an ***unqualified written commitment ensuring that the following matters are achieved:***

- As may be applicable to each highway maintenance contractor, that labour certainty, including the continuation of the labour efficiencies negotiated and settled in 2002 that remain in the previous collective agreements, are secured in place for the length of the Extended Term.
- There will be no net labour increases to the Province over the next three years, with the labour inflationary adjustment savings being retained by government. This must not negatively impact service levels, responsiveness or the achievement or full performance, as the case may be, of highway maintenance agreement specifications and requirements.
- As may be applicable to each highway maintenance contractor, a no strike / no lockout commitment for the duration of the highway maintenance agreement, including any Extended Term.


This further confirms that, subject to obtaining the appropriate governmental approvals and authorizations, the Ministry intends as part of the extension negotiations to amend the existing terms of the highway maintenance agreements; such as modifying the Annual Adjustment Process to ensure that overall labour costs do not escalate over a period of three years (36 months) starting as at the commencement of each collective agreement.

To enable the Ministry to proceed with the opportunity to negotiate an extension, the unqualified written commitment must be delivered to the Ministry by not later than March 31, 2012.

The Ministry anticipates that if this documentation is not delivered by such date, implementation of an extension negotiations process will no longer be considered as a possibility. Rather it is anticipated that upon expiry or termination of the highway maintenance agreements in accordance with their terms, the Ministry will implement procurement processes for new highway maintenance agreements without inclusion of any language requiring new contractors to take the employees and collective bargaining obligations, including collective agreement, of the incumbent or predecessor contractor.

Neither this letter nor anything in this letter is intended to be or should be interpreted or taken as a representation, offer, counter-offer or commitment and is not intended to and does not create legal obligations between the provincial government, including the Ministry, and the Roadbuilders Association, any trade union or any of their respective members. The Ministry will have no legal obligations of any kind save as set out and then only to the extent expressly set out in any extension agreement that subject to all necessary governmental approvals and authorizations may be duly executed on behalf of the provincial government.

Sincerely



Grant A. Lachmuth, ASCT, RTMgr
Project Director
Highway Maintenance Renewal



February 24, 2012

Mr. Kevin Higgins,
Maintenance Sector
BC Roadbuilders and Heavy Construction Association

By Email:

&

Mr. Gary Bennett
BC Government & Service Employees' Union

Attention: Mr. Higgins and Mr. Bennett

Re: Highway Maintenance Agreements – Implementation of Extension-Negotiations Process

This letter is further to my previous correspondence to the BC Roadbuilders and Heavy Construction Association, dated January 19, 2012 and a follow-up to the telephone conversation you both had with Dave Duncan, ADM, Highways Department, held on February 23, 2012.

As confirmation to the points discussed regarding a potential invitation to negotiate an extension to the current maintenance agreements, please be advised that the Ministry of Transportation and Infrastructure is prepared to accept agreements ratified between the BCGEU and the BC Roadbuilders, "subject to" the successful negotiation of the aforementioned individual service area extension agreements.

Once your two parties have reached provincial agreement as outlined in my January 19th letter, the Ministry is prepared to review that agreement for compliance with the conditions conveyed in the January 19, 2012 letter as quickly as possible, and provide feedback to you both within two to three weeks of its receipt.

Upon receipt of the ratified collective agreements, by the March 31, 2012 deadline, Ministry team will undertake an assessment of those agreements and anticipate sending out the individual invitation letters to each Service Area by mid-April. Assuming that all the appropriate documentation is provided in response to the separate

invitation letters, it would be the Ministry's objective to complete the extension process with fully signed and approved agreements by mid-Summer.

I hope that assists to clarify the Ministry's anticipated process of reviewing and responding to documentation that your two parties may submit to us in response to a proposed negotiated-extension agreement.

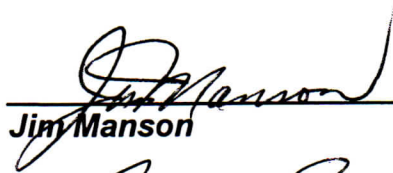
Sincerely




Grant A. Lachmuth, ASCT, RTMgr
Project Director
Highway Maintenance Renewal

On behalf of:

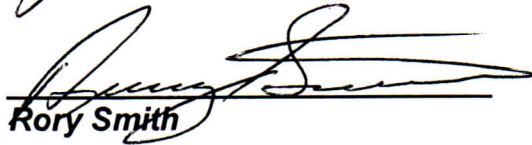
The B.C. Government and Service Employees' Union:



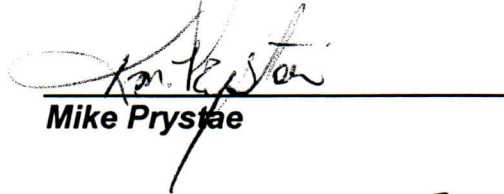
Jim Manson



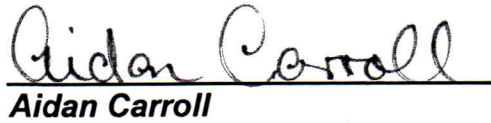
Mike Nuyens



Rory Smith



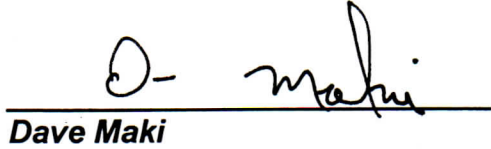
Mike Prystae



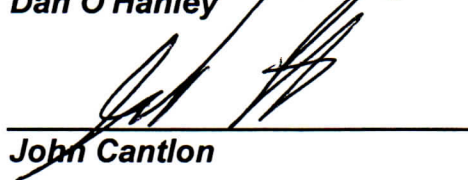
Aidan Carroll



Dan O'Hanley



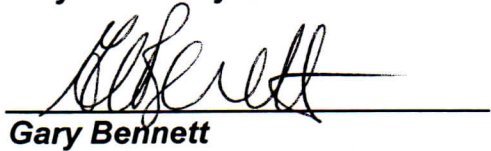
Dave Maki



John Cantlon



Lloyd Glibbery

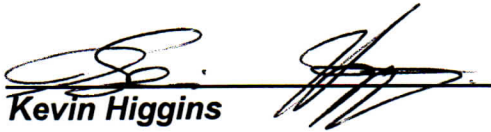


Gary Bennett

DATED: February 27 2012.

On behalf of:

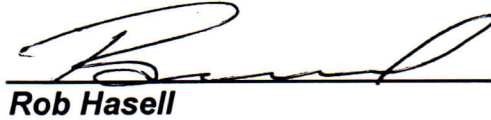
B.C. Road Builder's Heavy Construction Association:


Kevin Higgins


Sandi Paulson


Doug Bjornson


Joe Wrobel


Rob Hasell

DATED: Feb 27/12 @ 4:30 am.