

**Article 5
CONTRACTING OUT**

A. GENERAL PROVISIONS

Nothing in this article shall be interpreted as prohibiting action which must be taken to establish or maintain eligibility for any federal program, contract or grant - including the contract requirements contained in the agreement between the University and the Department of Energy- where ineligibility would result in a loss of federal funds to the University of California.

B. DISPLACEMENT OF EMPLOYEES

1. Except as provided below, the University of California will not contract out services that result in the layoff of bargaining unit employees.
2. Examples of instances in which a contract for such services may be appropriate include:
 - a. The need to obtain special services and equipment that are not available internally;
 - b. The need to obtain special expertise or efficiencies that are better provided through an outside contractor than by the University; and
 - c. Financial necessity.
3. Where financial necessity is the reason for the exception, before contracting for work which is fully or partially supported from state funds, including those at the teaching hospitals, the University shall first seek funding from the Legislature to address the financial necessity.
4. When the University has determined to contract for services it will provide AFSCME's Local 3299 Director or Designee with a copy of any RFP as soon as feasible after it is issued. Such notice shall demonstrate the appropriateness for the contract, in accordance with section B above.
 - a. If AFSCME asks to meet with the University about the proposed contract for services, such a meeting will occur as soon as practicable following the University's receipt of the request. The meeting will not delay the commencement of the contract.
 - b. If AFSCME believes that the University failed to comply with the provisions of Section B above, it can file a formal complaint with the Office of the President, Office of Labor Relations. The Office of the President shall make the final determination as to whether the contract meets the conditions in Section B. The Office of the President decision is not grievable or arbitrable.

C. EFFECT OF CONTRACT ON EMPLOYEES

When a bargaining unit employee who is notified of layoff or released because the University entered into a contract for services that s/he performed, the University will make available another bargaining unit position for which the employee is qualified. The position will be at the same campus/hospital/laboratory from which the employee was laid off or released. Where the provisions in this article are inconsistent with the provisions of Article 13, Layoff and Reduction in Time, the provisions of this Article and Section shall control.

1. The available position shall be offered at the same duration, percent time, and appointment type held by the employee when s/he was displaced (probationary, limited, per diem, or career).
2. The available position shall be offered at the same base rate of pay earned by the employee when s/he was laid off or released.
3. The right to be offered a position pursuant to this section shall begin on the date an employee is notified of her/his layoff or release.

4. The right of an employee to be offered a position pursuant to this section shall terminate upon acceptance or refusal of the offered position at the same base rate of pay.
5. A non-probationary career employee who refuses an offered position at the same base rate of pay shall be placed in layoff status. Probationary, limited, or per diem employees who refuse an offered position at the same base rate of pay shall be released.

D. NEW FUNDING TO BRING CONTRACTED WORK BACK TO UC

1. In the event the State of California provides the University of California with sufficient additional new 19900 funding specifically identified to cover the cost of establishing contracted custodial positions, the University will establish such positions. Such funding must cover all salaries, benefits, capital equipment, supervision, and capital/real estate costs, at the same staffing levels as were provided under the contract. On a case by case basis, the University may agree with AFSCME to create UC positions for work contracted out even where the new 19900 funding does not fully cover all costs referred to above.
2. AFSCME and the University will work together to secure the sufficient additional funding.