

ARTICLE 13--CONTRACTING-OUT

Section 1. The Union recognizes that the Employer has the management right, during the term of this Agreement, to decide to contract out work performed by bargaining unit members.

When contracting-out will displace bargaining unit members, such decisions shall be made only after the affected Agency has conducted a formal feasibility study to determine the potential costs, necessary expertise, FTE and other benefits which would result from contracting out the work in question. The feasibility study will include a summary of the pertinent information upon which the Employer based its decision to contract out the work. "Displaced" as used in this Article means when the work an employee is performing is contracted to another entity inside or outside state government and as result, the employee will no longer be employed. Agencies shall either use the form in Appendix H or another form, provided there is no substantive changes to the information contained in Sections F-K of the form in Appendix H.

Section 2. Upon request to an Agency, the Agency shall provide the Union with a report identifying contracts awarded to any group, individual, organization or business enterprise that could be appropriately performed by bargaining unit members in that Agency.

Section 3. The Employer shall provide the Union with no less than thirty (30) days' notice that it intends to request bids or proposals to contract out bargaining unit work where the decision would result in displacement of bargaining unit members. A copy of the feasibility study shall be sent with the notice to both SEIU Headquarters and DAS Labor Relations Unit. During this thirty (30) day period, the Employer shall not request any bids or proposals and the Union shall have the opportunity to submit an alternate proposal.

Section 4. If the Union’s proposal would result in avoiding displacement of bargaining unit employees and meets the Agency needs outlined in the feasibility study, the Parties will agree in writing to implement the Union proposal.

Section 5. Should any full-time bargaining unit member become displaced as a result of contracting-out, the Employer and the Union shall meet to discuss the effect on bargaining unit members. The Employer’s obligation to discuss the effect of such contracting does not obligate it to secure the agreement of the Union or to exhaust the dispute resolution procedure of ORS 243.712, 243.722, or 243.742, concerning the decision or the impact.

Section 6. Once an Agency makes a decision to contract out, it will either:

(a) Require the contractor to hire employees displaced by the contract at the same rate of pay for a minimum of six (6) months subject only to “just cause” terminations. In this instance, the State will continue to provide each such employee with six (6) months of health and dental insurance coverage through the Public Employee Benefits Board, if continuation of coverage is allowed by law and pertinent rules of eligibility. Pursuant to Article 70, Sections 9 through 12, an eligible employee shall be placed on the Agency layoff list and may, at the employee’s discretion, be placed on a secondary recall list for a period of two (2) years; or

(b) Place employees displaced by a contract elsewhere in state government in the following order of priority: within the Agency or within state service generally. Salaries of employees placed in lower classifications will be red-circled. To the extent this Article conflicts with Article 45--Filling of Vacancies, this Article shall prevail.

(c) An employee may exercise all applicable rights under Article 70--Layoff, including prioritizing options (1), (2), (3) or (4), as described in Article 70 Section 2, if the employee finds option (a) or (b), as selected by the Employer, is unsatisfactory. The employee must

select their Article 70 Section 2 options within five (5) calendar days pursuant to notification of (a) or (b) above.

Section 7. When determining feasibility of a procurement, Agencies shall consider employees eligible for recall on any state layoff list defined in Article 70 as part of the Agency's own personnel and resources available to perform the services being procured. Should qualified employees, including those who have received qualifying retraining following their layoff, be available for recall, Agencies shall recall them to perform the work.