

Standard Operating Procedure: PO001-170326

Title: Unit 6 Contracting Out Notification

Philosophy

The University strives to ensure work is completed on campus in a timely and fiscally responsible manner. While some projects and work efforts are done “In-House” through strategic budgeting of human resources, others may require contracts with entities outside of Facilities Management (FM). Such contracts may be proposed for three types of work:

- 1) General maintenance work not requiring a building permit or covered by the annual building permit issued for such.
- 2) Projects not requiring a building permit.
- 3) Projects requiring a building permit.

The decision process for designating work to be contracted out differs slightly between these three work types, and is outlined below. However, once management has agreed that contracting out facilitates the best use of University resources (see CBA Section 4.3 referenced in Background, below), the communication procedures between FM management, SETC union representatives, and FM Business Services Unit staff outlined herein apply to all types of work.

Decision to Contract Out

The primary difference between the two types of work enumerated above with regard to SETC union notification lies in the identification of which FM employees may suggest a potential outside contract and when that suggestion is typically made:

- 1) **General maintenance work not requiring a building permit.** Work of this nature often involves the FM Building Maintenance Unit, FM Energy, Sustainability & Grounds Division, or FM Auto Shop Unit. Any Manager or Supervisor may flag work intended for their shop as a potential outside contract. This designation is most commonly done approximately 2-4 weeks before the work is scheduled to begin, and follows the communication procedures outlined herein.
- 2) **Projects not requiring a building permit.** Work of this nature often involves the FM Building Maintenance Unit, FM Energy, Sustainability & Grounds Division, and the FM Construction Management Unit. At times, efforts may also involve the FM Planning & Design Unit should projects be directly managed during the construction stage by this Unit. The Project Manager may flag work as a potential outside contract. This designation will be made immediately after the scope of work has been approved by but not prior to agreement regarding

the delivery method with the Construction Administrator. At this point, the Project Manager and Construction Administrator will consider all potential delivery methods, including in-house delivery. Following such consideration, the Construction Administrator will provide approval of the intended delivery method. Only after the scope and delivery method has been approved will the Project Manager flag such to SETC using the communication procedures outlined herein. Notification will most commonly be achieved approximately 6 weeks before the work is scheduled to begin.

- 3) **Projects requiring a building permit.** Work of this nature always involves the FM Planning & Design Unit (P&D). Any P&D Design Manager or Project Manager may flag work as a potential outside contract. This designation will be made immediately after the level of design has completed the preliminary design stage but not prior to agreement regarding the delivery method with the Construction Administrator. At this point, the project management team and Construction Administrator will consider all potential delivery methods, including in-house delivery. Following such consideration, the Construction Administrator will provide approval of the intended delivery method. Only after the scope and delivery method has been approved will the assigned Design or Project Manager flag such to SETC using the communication procedures outlined herein.

Communication Procedures

- 1) If there is some indication that work may be contracted out, the FM Manager will search for the appropriate AiM work order and generate a new phase describing the scope of work to be contracted out. The phrase ****Potential Contract**** will prepend this phase description, and the phase status will be set to SETC PRE-AUTHORIZE. If no such work order exists, the manager or supervisor will submit a work request to FM Business Services, making sure to include a request for a supervisory phase to initiate the work order. Once this supervisory phase is generated and the Manager is added as a shop person to the supervisory phase, the Manager will generate the ****Potential Contract**** phase, as described below in step 4.
- 2) The Facilities Maintenance Manager or designee will review the potential contract suggestion in AiM within 7 calendar days of the SETC PRE-AUTHORIZE phase status change. This review will include discussions with the Construction Administrator and/or all managers of impacted shops to further determine whether contracting the work out is in the best interest of the organization. NOTE: Resource availability and prioritization rests with the FM Manager whose unit is primarily responsible for executing work categorized as non-cost recovery. So, while the project team and Construction Administrator may have determined the best delivery method associated with the project scope, this step allows for further input by the FM Manager under whose shop(s) the work may otherwise fall.
- 3) If the FM Manager or designee does not agree that the work should be contracted out, he/she will set the phase status to OPEN and give a short explanation of this decision

in the phase extra description. Processing on this phase will then proceed in-house as a normal open work order/phase.

- 4) If the FM Manager or designee, agrees that the work should be contracted out, the Facilities Maintenance Manager will add an explanation of why the work should be contracted out in the extra description field of that phase in the AiM work order. This explanation must contain at least one specific factor outlined in CBA Section 4.3 supporting a decision to contract out the work. The FMM will then set the Estimated Start field of the phase to the date 7 calendar days later than the current date. Finally the FMM will set the phase status for this work to SETC NOTIFY and press SAVE. This status change will trigger an automatic email to the Unit 6 Shop Stewards which contains the following information regarding the proposed contract:
 - a) Description of the phase in AiM starting with phrase ****Potential Contract****
 - b) Shop that would normally be assigned this work if it were not a contract
 - c) Reason for proposing contract, including CBA Section 4.3 justification
 - d) "Reply To" email addresses - both FMM and FM Customer Service Center
 - e) "Reply By" date – taken from the "Estimated Start" of the phase in question.
- 5) If FM Customer Service Center **does not receive a reply email** from the Unit 6 Shop Stewards requesting further discussion on the proposed contract by the "Reply By" date, FM Customer Service Center staff will record such in the phase "Extra Description". FM Customer Service Center staff will then replace the word "Potential" with "Confirmed" in the phase description, add the Manager or Supervisor leading the phase as a shop person, and set the phase status to "CONTRACT APPROVED". This phase status change will trigger the contract process by notifying the Manager or Supervisor that documents must be submitted via a Purchase Request for this contract.
- 6) If FM Customer Service Center staff **does receive a reply email** from the Unit 6 Shop Stewards requesting further discussion on the proposed contract by the "Reply By" date, FM Customer Service Center staff will download and save this email in the "Related Documents" of the phase in question. FM Customer Service Center staff will then set the phase status to "SETC HOLD", and the FMM will be notified via AiM Workdesk that a meeting is needed to discuss the issue with the Unit 6 Shop Stewards.
- 7) After this meeting, the FMM will write a memorandum that details the decision made, the reasons for making this decision, and a brief summary of the process. This memorandum will be added to the end of the Extra Description of the phase. The FMM will then set the phase status of the contested contract to either "CONTRACT APPROVED", or "OPEN", depending on the decision made. An "OPEN" phase status indicates that the work will be done "in-house" instead of as a contract.
 - o An AiM report (**HSU - SETC Contract Report**) is available to all FM Managers and Customer Service Center Specialist on their AiM workdesks. This report pulls all phases in all work orders for a given time period that contain a SETC_NOTIFY phase status in the status history. This report will include the full status history with dates, the phase description, and the phase extra description, which should contain the full record of what was decided.

- 8) An AiM query is also located on the AiM workdesk for Unit 6 Shop Stewards and all Unit 6 Supervisors. This query lists all work orders containing phases currently set to a SETC-related phase status (**SETC Contract Process Query**).
- 9) The FMM will meet monthly with Unit 6 Shop Stewards to review the current Contract Queries, as well as other future projects/work orders forecasted as necessitating contracted work but not for which official notification has yet been provided. The purpose of this meeting is to establish opportunity for conversation associated with contracted work as well as provide a longer range view shed on potential future work.
- 10) Should Unit 6 Shop Stewards desire additional discussion regarding work reviewed at the monthly meeting, such shall be requested within five days of said meeting.

Background: SETC Collective Bargaining Agreement

- The University's ability to contract out is governed by Article 4 of the Unit 6 SETC Collective Bargaining Agreement (CBA). Section 4.3 states:
"The University shall have the prerogative to contract work. The university shall make every reasonable effort to perform normal bargaining unit work in-house, within the limitations and requirements imposed by law...."
- **Normal bargaining work** is defined in Section 4.1 as:
"Normal bargaining unit work may include maintenance, repair, remodel, minor renovations and minor construction of University facilities, where the Union represents employees who do the work, and does not include Major Capital Outlay projects or work performed by or for separate, independent corporations or auxiliaries."
- Additional work that may be assigned to bargaining unit employees is defined in Section 4.2 as:
 - a) *"Charge-back work;*
 - b) *Work funded from the following sources: 1) Minor capital projects, 2) Minor capital—deferred maintenance projects, 3) Minor capital—renewal projects, 4) Minor capital – energy savings projects; and*
 - c) *Any other projects approved by campus facilities manager."*
- The factors outlined in CBA Section 4.3 will be considered before a decision is made to contract out normal bargaining unit work are defined as follows:
 - a) *"The availability for Bargaining Unit employees to perform the work to be contracted out;*
 - b) *Whether the available Bargaining Unit employees have the special skills and licensures to perform the project;*
 - c) *Whether or not the work could be completed within time constraints applicable to the project;*

- d) *The availability of required materials and/or equipment necessary to complete the project; and/or*
- e) *The cost involved in performing the work in-house versus contracting out that work.”*

REFERENCES

- Unit 6 Collective Bargaining Agreement (January 26, 2016, 2016- June 30, 2019)