

Without Prejudice and Confidential
E&OE
February 7, 2004

Memorandum of Agreement

Between

**The Health Services and Support – Community Subsector Association of
Bargaining Agents**

And

The Health Employers Association of BC

Re: Consequences of Contracting Out

1. Nothing in this Memorandum of Agreement shall in any way restrict the right of Employers to contract out as provided for under the Health and Social Services Delivery Improvement Act.
2. The Memorandum of Agreement is agreed to on the assumption that there are 8263 FTEs in the Subsector and that the triggers established in this Memorandum of Agreement are based on a total of one thousand one-hundred (1100) FTEs contracted out (the "Number") during the term of this Memorandum. The actual operation of the triggers will be established in the balance of the Memorandum of Agreement.
3. Contracting out shall be defined as occurring when employees are laid off as a direct result of their Employer contracting out work presently performed by employees covered by the Collective Agreement.
4. Employees laid off as a consequence of contracting out who are re-employed under the Collective Agreement are not included in the Number.
5. Part of the Number will be allocated to each Health Authority and Affiliated Employer following the ratification of this Memorandum of Agreement. Within 60 days of ratification, HEABC on behalf of the Health Authorities and Affiliated Employers will produce a Schedule (the "Schedule") outlining the allocation of full time equivalents to each of the Health Authorities and Affiliated Employers. For the purposes of this Memorandum of Agreement, each Health Authority will be considered to be one Employer.
6. In order to track the allocation of the Number and the amount of contracting out, a quarterly report will be prepared which will contain the updated Schedule and the number of FTEs contracted out by each Health Authority and Affiliated Employer up to the allocated full-time equivalent. The Parties will meet within thirty (30) days of ratification to discuss the format of and mechanics for producing the reports. Should

the Parties be unable to agree upon the format or mechanics, then Paula Butler shall be appointed to assist the Parties.

7. During the term of this Memorandum of Agreement, the amount of full time equivalents allocated to each of the Health Authorities and Affiliated Employers within the Schedule may be amended quarterly provided that the total number of full time equivalents in the Schedule does not exceed the Number.
8. Should a Health Authority or Affiliated Employer contract out more employees than is permitted by its allocated portion of the Number then the consequences contemplated by this Memorandum of Agreement will take effect only against such Health Authority or Affiliated Employer.
9. Any consequences flowing from the terms of this Memorandum of Agreement shall not operate retroactively and will take effect in the first full pay period following the point where the Health Authority or Affiliated Employer surpasses its allocated portion of the Number.
10. The consequences contemplated by the Memorandum of Agreement are the re-instatement of the wage schedule and vacation entitlement that was in effect March 31, 2004 and the cash amount of the employer contributions that would otherwise have been remitted to the Municipal Pension Plan.
11. This Memorandum of Agreement will expire and be extinguished for all purposes on March 30, 2006.

Signed this 7th day of February, 2004.

Signed on Behalf of the Association:

Signed on Behalf of the Employer:
