

AMENDMENT #3 TO THE AREA AGREEMENT

The Mechanical Contractors Association and the Pipe Fitters Association, Local 597 U.A. hereby amend the Area Agreement effective January 1, 2006 by restating Article IX in its entirety to state as follows:

ARTICLE IX

HIRING AND NOTICE

Section 1 – Responsibility

The Employer shall have the sole and exclusive responsibility for hiring bargaining unit employees subject only to the following:

- (a) 25% of all bargaining unit employees hired (“New Hires”) by Employers in any calendar quarter must be hired from the Local 597 Referral Hall except as follows:
 - i. Apprentices and Probationary Service/Appliance Technicians will not be counted as New Hires,
 - ii. A journeyman Pipe Fitter who worked for the Employer in the current or preceding two calendar months and is rehired will not be counted as a New Hire,
 - iii. This percentage requirement shall apply only to Employers with at least 4 New Hires in any calendar quarter, and
 - iv. In the event that an Employer request is made but is unable to be filled from the Referral Hall within a reasonable period of time, any individual employed to fulfill that request will not be counted as a New Hire. This includes, but is not limited to, requests made based on skills required and/or on contractually imposed requirements.
- (b) There shall be no discrimination in hiring for any reason proscribed by statutory law.

Section 2 – Procedure for Submitting a Request for Pipefitters to the Referral Hall

- (a) Employer personnel requests shall be transmitted to the Referral Hall by facsimile or other approved electronic means and the request shall be acknowledged by return facsimile or other approved electronic means from the Referral Hall.
- (b) The personnel request shall be transmitted on such forms as shall be agreed upon by the Referral Hall Committee which shall specify the job vacancy(ies), the experience, training, skills and other qualifications required by the Employer, including, if required by the Employer, contractually imposed requirements, and such other matters as shall be determined by the Referral Hall Committee from time to time.

Section 3 - Enforcement of 25% requirement

The provisions of this Section shall apply in the event an Employer fails to comply with Section 1(a) above. Initial instances of non-compliance with the 25% rule in any calendar quarter will result in a written warning. For any Employer who has received a written warning in the prior twelve months, additional non-compliance during that time will result in probation for the next twelve months. Non-compliance while on probation will result in a fine – unless a dispute is referred to the Referral Hall Committee within 30 days of receipt – shall be final and payable to the Training Fund based on the following schedule:

- 1st violation = 1 hour at current journeyman’s hourly base wage rate x number of employees that should have been hired through Referral Hall during the quarter.
Example: contractor employs 20 “New Hires”
Required Referrals: 25% = 5
Actual Referrals: 0
Penalty Hours: 5
Penalty \$/Hr: \$36.10 [as of 9/1/06]
Penalty Cost: 5 x \$36.10 = \$180.50
- 2nd violation = 4 hours at current journeyman’s hourly base wage rate x number of employees that should have been hired through Referral Hall during the quarter.
- 3rd and subsequent violations = 8 hours at current journeyman’s hourly base wage rate x number of employees that should have been hired through Referral Hall during the quarter.

Once an Employer experiences (12) consecutive months of compliance with this 25% requirement, any prior probationary or warning period will automatically terminate.

Section 4 – Reporting of New Hires and Terminations

Employers must report every hire and every termination to the Union within eight business days of the event; termination reports will not require a reason for termination but will allow the Employer to indicate that the Pipe Fitter is not for re-hire. If an Employer indicates that a Pipe Fitter is not for re-hire, that Pipe Fitter will no longer be eligible for referrals to that Employer. Employers will use forms approved by the Referral Hall Committee. Initial instances of non-compliance with these reporting requirements will result in a written warning. For any Employer who has received a written warning in the prior twelve months, additional non-compliance during that time will result in probation. Additional instances of non-compliance while on probation will result in a fine that – unless referred to the Referral Hall Committee within 30 days of receipt – shall be final and payable to the Training Fund based on the following schedule:

\$1.00 per employee, per day fine payable in the form of a contribution to the Training Fund.

For example, , if an Employer on probation hired 10 employees and was 15 days late in reporting those hires, the Employer would be assessed \$150.00 fine payable in contributions to the Training Fund.

Once an Employer experiences (12) consecutive months of compliance with these reporting requirements, any prior probationary or warning period will automatically terminate.

Section 5 - Referral Hall Committee

- a. The Union and the MCA shall maintain a Referral Hall Committee (“Committee”).
- b. The Committee shall consist of two persons appointed by the Union and two persons appointed by the MCA. The Committee will make decisions by majority vote, however at least one Committee member appointed by the Union and one Committee member appointed by the MCA must approve any resolution in order for it to carry. In the event of a deadlock, the matter shall be referred to the Joint Arbitration Board. Further, the Joint Arbitration Board shall have the power to override any action taken by the Committee. Expenses of the Committee shall be paid in the same manner expenses of the JAB. A quorum shall be any three members of the Committee. On issues requiring a vote, written proxies shall be acceptable.
- c. The Committee shall only have those powers specifically granted to it by this Article IX. The Committee does not determine eligibility for the Referral Hall nor is it responsible for the operation of the Referral Hall.

THE MECHANICAL CONTRACTORS ASSOCIATION

Kathleen H. McCauley
By: Kathleen H. McCauley
Title: President

12/22/05
Date

THE PIPE FITTERS ASSOCIATION, LOCAL 597

James Buchanan
By: James Buchanan
Title: Business Manager

12/30/05
Date