

## ARTICLE 16 - CONTRACTING OUT

- A. 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 where ineligibility would result in a loss of federal funds to the University of California.
- B. Except as provided below, the University of California will not contract out services that result in the layoff of bargaining unit employees.
  - 1. 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.
  - 2. Where financial necessity is the reason for the exception, before contracting for work which is fully or partially supported from state funds, the University shall first seek funding from the Legislature to address the financial necessity.
  - 3. 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. 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 position for which the employee is qualified. Where the provisions in this article are inconsistent with the provisions of Article 30, Layoff/Reduction in Time/Recall, 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, 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 or limited employees who refuse an offered position at the same base rate of pay shall be released.