

## **LETTER OF UNDERSTANDING #110**

### Stabilization Program

**Purpose:** To stabilize the insulation industry for employees and employers with a cost competitive package against non-union competition during the tender stage of a project for construction, maintenance or asbestos removal.

**Methods:** The method of cost reductions may be derived from any of the following or any combination of:

- 1) Site specific changes to the collective agreement concerning wage rates, living allowance & travel, apprentice ratios, overtime rates, hours of work, or any other changes that local 95 may be willing to provide.
- 2) Subsidization from the Market Recovery Fund.
- 3) Subsidization from the Living Allowance Fund.

**Criteria:** The extent of subsidization will be determined by local 95 based on the following parameters:

- 1) All contractors with at least 5,000 man hours in the preceding calendar year will be eligible for any method or any combination of methods of cost reductions that local 95 may be willing to provide.
- 2) All contractors with less than 5,000 man hours in the preceding calendar year, will also be eligible for any method or any combination of methods of cost reductions that local 95 may be willing to provide, providing that they hire a minimum of one mechanic to work on the subsidized project for the duration of the job.
- 3) All contractors with less than 5,000 man hours in the preceding calendar year and who do not hire a minimum of one mechanic to work on the subsidized project, for the duration of the job will be eligible for certain methods of cost reductions, that local 95 may be willing to provide.

**Limitations:**

- 1) Stabilization from the Living Allowance Fund shall only apply where room and board and/or travel expense eligibility exists. Stabilization from this fund will be made directly to the employee on application.
- 2) Contractors not using a formal Bid Deposit System or an informal Bid Deposit System, that is in place for tender closing for a stabilized project, will not be eligible to utilize any form of stabilization benefits provided for on that particular stabilized project.

**Procedures:**

- 1) An Employer who has valid reason to believe they are competing against a non-union company may apply for competitive assistance from the Stabilization Program by submitting, by facsimile, a completed Schedule "A" to Local 95. A copy shall also be sent, with hours blanked out, by facsimile to the MIA office.
- 2) It is agreed by all parties that post tender stabilization shall not occur under any circumstances.
- 3)
  - i) The completed Schedule "A" should be received by Local 95 and the MIA office no later than 72 hours prior to the tender closing time of record to be considered.
  - ii) If due to circumstances beyond the Employers control, there is a request for Stabilization received less than 72 hours before closing then Local 95 may still opt to review the project for Stabilization.
  - iii) Under no circumstances will Stabilization be considered less than 24 hours prior to the tender closing of record.
- 4) Local 95 shall provide details of the Stabilization by facsimile to the MIA office no less than 24 hours prior to the tender closing of record, numbered for reference, on a Schedule "E". Schedule E's and or stabilization details that are sent directly to Employers from the Union shall not be valid without expressed permission from the MIA office or MIA President.
- 5) A copy of Schedule "E" indicating the details of the Stabilization will be circulated by facsimile to all Employers who provided a completed Schedule "A" or have requested a Schedule "E" prior to tender closing.
- 6) When an Employer is successful in procuring a Stabilized project they shall complete the Employer portion of a Schedule "F" and along with a copy of a Purchase Order or Subcontract with monetary referenced blanked out, they shall send both documents by mail or courier to the MIA office.

- 7) The MIA shall then check that the Schedule "F" conforms to procedures as set out in this document. The MIA Manager or other designated MIA employee shall sign and forward to Local 95 along with the Purchase Order copy.
- 8) Local 95 shall, upon agreeing to its validity, sign and send a copy of the completed Schedule "F" to the Employer, and the Benefit Plan Administrators whenever "LATF" is used as stabilization assistance. Invoices for subsidy fund portions of Stabilization shall be remitted to Local 95.
- 9) Stabilization assistance may be revoked at any time if it has been found that the Employer has knowingly provided false information on their Schedule "A".

**Disclaimer:**

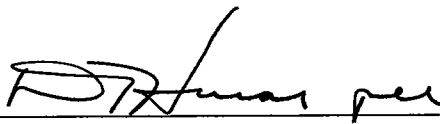
The MIA and Local 95 will make every effort to process requests for Stabilization in a fair and equitable fashion in accordance with the procedures as set forth herein. However, it is incumbent on all Employers to ensure that they inform the MIA and Local 95 of their intention to bid a project and that they remit and receive the relevant forms for Stabilization. The MIA and Local 95 accept no responsibility for any inadvertent omissions.

IN WITNESS WHEREOF the duly authorized officers of the Association, and of the Union have executed this letter of understanding, on the 27<sup>th</sup> day of September, 2004.


This Letter of Understanding has subsequently been renewed by current authorized officers of the Association and of the Union, on the 12<sup>th</sup> day of June, 2007.


The Master Insulators' Association  
Of Ontario Inc.

International Association of Heat and  
Frost Insulators and Asbestos  
Workers, Local 95

  
Signed by: Walter Keating

  
Signed by: Joe Ellacott

  
Signed by: Pat Desmarais

  
Signed by: Jim Bowman