# ARTICLE 37
# SUBCONTRACTING

## A. GENERAL PROVISIONS

1. The University retains the right to subcontract all or any portion of operations. When the University decides to subcontract, and such subcontract will result in the layoff of employees in the bargaining unit, the University will provide UPTE with a copy of the Request for Proposals (RFP) seven (7) calendar days after it is issued. In the event no RFP is issued and the subcontract will result in bargaining unit employee layoffs, the University will give at least sixty (60) calendar days notice prior to the commencement of work by the contractor.

2. Prior to the commencement of the work that has been subcontracted and following receipt of a timely request from UPTE, the University shall meet with UPTE to discuss the effects of subcontracting upon bargaining unit employees who may be laid off. Failure to conclude such discussions, if any, prior to the date on which the subcontracted work begins, shall not preclude the University from implementing the subcontracting on the date agreed upon by the University and the subcontractor or the layoff of employees pursuant to Article 13 - Layoff and Reduction in Time.

## B. DISPLACEMENT OF EMPLOYEES

1. Except as provided below, the University of California will not contract out services that result in the layoff of non-probationary career bargaining unit employees.

2. 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.

3. Where financial necessity is the reason for the exception, before contracting for work which is fully or partially supported from state funds, including those at the teaching hospitals, the University shall first seek funding from the Legislature to address the financial necessity.

4. When the University has determined to contract for services, it will provide UPTE with a copy of any RFP within 7 calendar days after it is issued pursuant to A.2., above. Such notice shall demonstrate the appropriateness for the contract, in accordance with section B., above.

    a. If UPTE 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 UPTE 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. EFFECT OF CONTRACT ON EMPLOYEES

To minimize the effects of layoff, when a non-probationary career bargaining unit employee is notified of layoff because the University entered into a contract for services that the employee performed, the University will make available another bargaining unit position for which the employee is qualified. The position will be at the same campus/hospital/laboratory from which the employee was laid off. Where the provisions in this article are inconsistent with the provisions of Article 13 - Layoff and Reduction in Time, 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 displaced.

2. The available position shall be offered at the same base rate of pay earned by the employee when displaced.

3. The right to be offered a position pursuant to this section shall begin on the date an employee is notified of layoff (displacement).

4. The right of the displaced non-probationary career employee to be offered a position pursuant to his section shall terminate upon acceptance or refusal of the offered position at the same base rate of pay.

5. A displaced non-probationary career employee who refuses an offered position at the same base rate of pay shall be placed in layoff status.

**D.** 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 – including the contract requirements contained in the agreement between the University and the Department of Energy – where ineligibility would result in a loss of federal funds to the University of California.