

AGREEMENT

APRIL 1, 2022 TO MARCH 31, 2025

BETWEEN

**HOUSTON SHEET METAL
CONTRACTORS ASSOCIATION
MULTI-EMPLOYER BARGAINING UNIT**

AND

**SHEET METAL WORKERS' LOCAL UNION
NO. 54**

WORKING RULES

OF

SHEET METAL WORKERS'

LOCAL UNION NO. 54

HOUSTON, TEXAS

BASIC UNION AGREEMENT
Sheet Metal, Roofing, Ventilating and Air Conditioning
Contracting Division of the Construction Industry

April 1, 2022 through March 31, 2025

Agreement entered into this first day of April, 2022, by and between HOUSTON SHEET METAL CONTRACTORS ASSOCIATION MULTI-EMPLOYER BARGAINING UNIT and each business establishment individually, whether represented by a contractor association or not, hereinafter referred to as the Employer, and Local Union No. 54 of the International Association of Sheet Metal Air Rail and Transportation Workers, hereinafter referred to as the Union for the jurisdiction of Local 54.

RECOGNITION AGREEMENT

The Union has requested that the Employer recognize it as the Section 9(a) representative of all employees in the Houston Sheet Metal Contractors Association Multi-Employer Bargaining Unit (MEBU). The Union has produced evidence of majority support among all MEBU employees and has provided proof of same. The Employer acknowledges and agrees that a majority of the MEBU employees have authorized the Union as the exclusive collective bargaining representative under Section 9(a) of the National Labor Relations Act for all employees the work described in Article I, Section 1 of the collective bargaining agreement on all present and future job sites within the jurisdiction of the Union.

Agreed to this 1st day of April, 2022.

**Houston Sheet Metal Contractors Association
Multi-Employer Bargaining Unit
Chairman**

**International Association of Sheet Metal Air
Rail and Transportation Workers
Local Union No. 54
Chairman**

Rick Beeler

Edward Gonzalez

This agreement covers rates of pay and conditions of employment for all Sheet Metal Journeymen, Apprentices, Classified Workers, Pre-Apprentices and other labor performing bargaining unit work who may be employed by Employers party to this agreement, in the following counties:

**Austin
Brazoria
Brazos
Burleson
Chambers (portion covering Houston Ship Channel)
Colorado
Fayette
Fort Bend**

**Galveston
Grimes
Harris
Houston Lee
Leon
Liberty
Matagorda
Madison**

**Montgomery
Polk
San Jacinto
Trinity
Walker
Waller
Washington
Wharton**

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**ARTICLE I.
Jurisdiction of Work**

Section 1. This agreement covers the rates of pay and conditions of employment of employees of the Employer engaged in but not limited to the: (a) manufacture, fabrication, assembling, handling, erection, installation, dismantling, conditioning, adjustment, alteration, repairing and servicing of all ferrous or nonferrous metal work and all other materials used in lieu thereof and of all HVAC systems, air veyor systems, exhaust systems and air-handling systems regardless of material used including the setting of all equipment and all reinforcements in connection therewith; (b) all lagging over insulation and all duct lining; (c) testing and balancing of all air-handling equipment and duct work; (d) the preparation of all shop and field sketches whether manually drawn or computer assisted used in fabrication and erection, including those taken from original architectural and engineering drawings or sketches; (e) metal roofing; and (f) all other work included in the jurisdictional claims of the International Association of Sheet Metal Air and Rail Transportation Workers.

**ARTICLE II.
Subcontracting of Work**

Section 1.

(a) No Employer shall subcontract or assign any of the work described herein which is to be performed at a job site to any contractor, subcontractor or other person or party who fails to agree in writing to comply with the conditions of employment contained herein including, without limitations, those relating to union security, rates of pay and working conditions, hiring and other matters covered hereby for the duration of the project.

(b) Subject to other applicable provisions of this Agreement, the Employer agrees that when subcontracting for prefabrication of materials covered herein, such prefabrication shall be subcontracted to fabricators who pay their employees engaged in such fabrication not less than the prevailing wage for comparable sheet metal fabrication, as established under provisions of this Agreement.

**ARTICLE III.
Work Protection**

Section 1. The Employer agrees that none but Journeymen, Apprentice, Classified Worker and PreApprentice sheet metal workers shall be employed on any work described in Article I and, further, for the purpose of proving jurisdiction, agrees to provide the Union with written evidence of assignment on the employer's letterhead for certain specified items of work to be performed at a jobsite upon written request.

ARTICLE IV.
Hiring Hall, Referral Rules and Procedures

Section 1. The Union agrees to furnish upon request by the Employer duly qualified Journeymen, Apprentice, Classified Worker and PreApprentice sheet metal workers in sufficient numbers as may be necessary to properly execute work contracted for by the Employer in the manner and under the conditions specified in this Agreement.

Section 2.

(a) In the interest of maintaining an efficient system of production in the industry, providing for an orderly procedure of referral of applicants for employment, preserving the legitimate interests of employees in their employment status within the area, and of eliminating discrimination in employment because of membership or non-membership in the Union, the parties hereto agree to the following system of referral of applicants for employment.

(b) The Union shall be the sole and exclusive source of referral of applicants for employment.

(c) The Employer shall have the right to refuse any applicant for employment.

(d) The Union agrees that the Employer or his Representative shall be the sole judge of hiring or rejecting any job applicant. The Employer agrees to exercise his right to hire or to reject any job applicants without regard to union membership, non-membership, race, color, religion, national origin, age, sex, or disability.

(e) The Union shall maintain a register of applicants (out of work list) for employment to be considered by the Employer in filling such positions.

(f) In the event the Union fails to comply with a request for applicants within forty-eight hours, the Employer may directly hire such applicants and refer them to the Union within seven (7) days.

Section 3. "Journeyman" means a person who (1) has successfully completed a sheet metal apprenticeship program registered with the U. S. Dept. of Labor Bureau of Apprenticeship and Training or (2) has successfully completed a skill identification examination demonstrating a sufficient degree of skill and training to be a journeyman sheet metal worker and have at least five (5) years actual practical working experience at the sheet metal trade.

Section 4.

(a) The Union shall maintain an "out of work list" which shall list the applicants available for employment in each classification.

(b) Applicants shall remain on the "out of work list", so long as they initial the list at least every sixty (60) days, or until they accept employment within the sheet metal craft that is for a period of seven (7) days or more for each work referral. If applicants for work fail to initial the "out of work list" for a period of sixty (60) days, their name will be dropped from the "out of work list" until they re-sign the "out of work list".

(c) The Joint Labor Chairmen may review these hiring hall rules and regulations from time to time and make changes that are necessary to better serve the members.

Section 5.

(a) Employers shall advise the Business Manager of the Local Union of the number of applicants needed. The Business Manager shall refer applicants to the Employer as named by the Employer from the out of work list.

(b) Registered applicants for employment may solicit their own job, provided that upon securing a job they obtain a referral from the union prior to employment.

(c) Applicants, after being hired by the Company, shall report to the Steward and give his referral to the Steward for return to the Union Hall at the next regular meeting.

(d) Employer agrees to furnish each employee with a termination slip at the time of termination and provide a copy to the Union within 24 hours. The termination slip shall provide the employees name, the last four (4) digits of the employee's Social Security Number, reason for termination, location of discharge and signature of a company representative.

- 1. In the case of a termination with a discharge for cause (not a layoff or voluntary quit) for unsafe practices, the Local 54 member shall be disqualified for a referral to any other employer, until such time as they have appeared before a joint committee, which would review their deficiencies and recommend remedial training. Once the joint committee review has been performed and any applicable remedial training has been satisfactorily completed, the Local 54 member would be judged by the joint committee to have become re-qualified and eligible for future job referrals.**
- 2. In the case of 2 terminations within a twelve (12) month period, with a discharge for cause (not a layoff or voluntary quit) for any reason other than unsafe practices, the Local 54 member shall be disqualified for a referral to any other employer, until such time as they have appeared before a joint committee, which would review their deficiencies and recommend remedial training. Once the joint committee review has been performed and any applicable remedial training has been satisfactorily completed, the Local 54 member would be judged by the joint committee to have become re-qualified and eligible for future job referrals.**

Section 6. An Appeals Committee is hereby established, composed of one (1) member appointed by the Union, one (1) member appointed by the Houston Sheet Metal Contractors Association, and a public member appointed by both of these members. In the event the Union member and the Association member cannot agree upon such public member, the public member shall be selected by the other two (2) committee members from a list of five (5) Labor Arbitrators furnished by Federal Mediation Conciliation Services. It shall be the function of the Appeals Committee to consider any complaint of any employee or applicant for employment arising out of the Administration by the Local Union of Section 1 through 8 of this Article. The Committee shall be convened upon approval of a two-thirds majority of the members in attendance at the Regular Executive Board meeting when the complaint is presented. The Appeals Committee shall have the power to make a final and binding decision on any such complaint, which shall be complied with by the Local Union. The Appeals Committee is authorized to issue procedural rules for the conduct of its business, but it is not authorized to add to, subtract from, or modify any of the provisions of this Article and its decision shall be in accord with this Article.

Section 7. A copy of the referral procedures set forth in this Agreement shall be posted on the bulletin board at the office of the Local Union and in the office of the Employers who are parties to this Agreement.

Section 8. Apprentices shall be hired and transferred in accordance with the Apprenticeship provisions as established by the Apprenticeship Standards for the Sheet Metal Contracting Industry in this area upon the approval of the Business Manager.

ARTICLE V.

Union Membership Requirements

Section 1. The Employer agrees to require membership in the Union, as condition of continued employment of all employees performing work specified in Article I of this agreement, within eight (8) days following the beginning of such employment or the effective date of this Agreement, whichever is the later, provided the Employer has reasonable ground for believing that membership is available to such employees on the same terms and conditions generally applicable to other members and that membership is not denied or terminated for reasons other than the failure of the employee to tender the periodic dues and initiation fee uniformly required as a condition of acquiring or retaining membership.

Section 2. If during the term of this Agreement the Labor-Management Relations Act of 1947 shall be amended by Congress in such manner as to reduce the time within which an employee may be required to acquire union membership, such reduced time limit shall become immediately effective instead of and without regard to the time limit specified in Section 1 of this Article.

Section 3. The provisions of this Article shall be deemed to be of no force and effect in any state to the extent to which the making or enforcement of such provision is contrary to law. In any state where the making and enforcement of such provisions is lawful only after compliance with certain conditions precedent, this Article shall be deemed to take effect as to involved employees immediately upon compliance with such conditions.

Section 4. The Employer agrees that upon receipt of an authorization signed by an Employee, each Employer shall deduct, on a cents per hour basis, from the Employees pay check each week, Dues and/or a working assessment or equivalent, in the amount certified by Local 54. Employer agrees to remit all moneys collected to the Financial Secretary/Treasurer of Local Union 54, P. O. Box 920636, Houston, Texas 77292-0636, on a monthly basis. All moneys collected for the previous month must be remitted to the address above within five (5) days of the next month following the month in which the moneys were collected, along with a list of employee names, social security numbers, and amount remitted for each. **(BOTH PARTIES AGREE TO AN INDEMNIFICATION CLAUSE RELIEVING EMPLOYER OF LIABILITY FOR USE/MISUSE OF FUNDS AND HOLD HARMLESS EMPLOYER FROM ANY AND ALL LEGAL ACTION.)**

ARTICLE VI.

Hours of Work, Overtime, Shift Work and Holidays

Section 1.

(a) The regular working day shall consist of eight (8) hours in the shop or on the job between six (6:00 a.m.) and five (5:00 p.m.) and the regular work week shall consist of five (5) consecutive eight (8) hour days (except as provided for in Article VI,-Section 5) labor in the shop or on the job, beginning with Monday and ending with Friday of each week. All full-time or part-time labor performed during such hours shall be recognized as regular working hours and paid for at the regular hourly rates, except as otherwise provided pursuant to Section 4 of this Article. All work performed outside the regular working hours and performed during the regular workweek, shall be at one and one-half (1-1/2) times the regular rate for all hours worked.

(b) Work performed on Saturday in the shop or on the jobsite shall be paid at one and one-half (1-1/2) times the regular rate, and all hours worked on Sundays and holidays shall be paid at two (2) times the regular rate. The regular working hours may be changed to meet conditions on the job or in the shop by mutual agreement between the Employer and Business Manager. It is agreed that obtaining competitively bid projects which requires hours to be performed on Saturdays and Sundays under this subsection is highly unlikely. When projects of this nature are bid, the employer has the right to request and the union has the right to award concessions should they be deemed necessary to be competitive.

(c) All hours worked in excess of forty (40) hours per week shall be paid at the rate of one and one-half (1 ½) times the regular rate, provided the Employee had the opportunity to have worked the initial forty (40) hours, Monday through Friday. If working four ten (4-10) hour days, the same shall apply.

If an employee is hired, terminated, has an excused absence as defined in (1), (2) or (3) below or a holiday falls in the middle of the week, the employee will not be penalized overtime already accumulated.

- (1) Absences due to medical reasons are excused when documented by a letter from the doctor;

- (2) Absences due to a death in the immediate family, defined as parents, spouses, siblings and children, are excused when documented;**
- (3) Jury duty is an excused absence when documented.**

(d) Workers shall be at their place of work at the starting time. Place of work shall be the location or floor where the physical work is performed on a new construction job site, as well as on a tenant build out, remodeling or repair job. Workers shall be at their place of work until quitting time unless another location has been established by the foreman or superintendent.

Section 2.

(a) New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day and Friday after Thanksgiving Day, and Christmas Day or days locally observed as such, and Sundays, shall be recognized as holidays. All work performed on holidays shall be paid at two (2) times the regular rate. PreApprentices shall not be paid in excess of one and one-half (1-1/2) times their rate of pay. PreApprentice must exceed 40 hours per week before overtime applies.

(b) If a recognized holiday falls on Sunday, the following Monday will be observed. If a recognized holiday falls on Saturday, the preceding Friday will be observed.

(c) Any employee who is called out to work, outside of the employee's established normal work period or on Saturday, Sunday or a holiday, such employee shall receive at least two (2) hours pay, plus travel time to and from at the applicable overtime rate and if more than two (2) hours are worked, employee will be paid for the actual hours worked at the applicable overtime rate. This provision does not apply to make-up days.

Section 3. It is agreed that all work performed outside of regular working hours during the regular workweek and on holidays shall be performed only upon notification by the Employer to the Local Union in advance of scheduling such work.

Section 4. Shift work and the pay and conditions therefore shall be only as follows:

(a) The union agrees that Employers may establish a second and third shift for shop or field work, provided that the second and third shift, when established, shall continue for at least one regular week including the weekend, unless work is prevented or interrupted by acts over which the Employer has no control. Any job less than five (5) consecutive days must be approved by Local Union.

(b) Shift work provisions apply to all Foremen, Journeymen, Apprentices, Classified Workers and PreApprentice who perform any full time or part time work on second or third shift except the PreApprentice will receive 35% of the journeyman shift differential.

(c) Shift work begins at the end of first or second shift and can be worked on a five - eight hour, or four - ten hour day basis. Shift work, in the shop or on the job site, Monday through Friday, may be performed when necessary as determined by the Employer. Second shift is hours worked outside the normal working hours that end between 5 PM and Midnight, thus requiring second shift premium as noted below. Third shift is work outside the normal working hours and concluding past midnight, thus requiring third shift premium as noted below. Shifts working into Saturday and Sunday shall be paid at the appropriate overtime rate, based on hourly wage plus shift differential.

(d) Shift differential pay shall be paid in addition to employees regular basic wage rate as follows:

Second Shift	\$1.50 per hour.
Third Shift	\$2.00 per hour.

(e) Overtime shall be paid at the appropriate one and one-half (1-1/2) or two (2) times the applicable regular basic wage rate of employees for all hours worked in excess of eight (8) or ten (10) hours on second or third shift.

(f) Apprentices may be allowed to work on any shift, which is not in conflict with their obligations to attend the Sheet Metal Workers' Local Union 54 Joint Apprenticeship and Training classes.

(g) No Foremen, Journeymen, Apprentices, Classified Workers or PreApprentice may be employed on both the first shift and the second or third shift in the shop or at the jobsite.

(h) In the event that an employee is required to start work before the regular starting time on either the second or third shift, then his shift differential pay would begin at that time.

Section 5. Four - Ten Hour Day Provision.

(a) At the option of the Employer, the standard work day shall be an established consecutive ten (10) hour period between the hours of six (6:00) a.m. and six (6:00) p.m., exclusive of a thirty (30) minute lunch period. Forty (40) hours per week shall constitute a week's work, Monday through Thursday, inclusive. In the event the job is down eight (8) hours or more because of inclement weather at the jobsite, then Friday can, at the option of the Employer, be worked as a make-up day at straight time not to exceed ten (10) hours or forty (40) hours for the week.

(b) In the shop only the Employer may split the crews between Monday and Friday. Straight time will be designated by the Employer and the Union.

Section 6. After completion of sixteen (16) hours of work, employees shall have eight (8) hours off.

Section 7. When employees are required to work more than two (2) or more hours beyond the regularly scheduled work day, employees will receive a fifteen (15) minute paid break.

Section 8.

(A) Parking shall be furnished by the employer. Designated parking shall be paid for by the employer where free parking is not available or provided. Employee must present ticket or receipt to employer for reimbursement weekly.

(B) When offsite parking is furnished, workers shall be at their place of work at the starting time and shall remain at the place of work until quitting time, and workers shall be paid travel time (straight time wages with no fringe benefits contributions) to return to the designated parking area, at the end of the day. The amount of travel time reimbursed may not exceed 15 minutes. If an employee leaves the job site before the end of the established work day, he will not be eligible for travel time to the designated parking area. Further, offsite parking shall be understood to mean a parking lot that is beyond a 5 minute walk from the entrance to the construction job site, and onsite parking shall be understood to be within a 5 minute walk from the entrance to the construction job site.

Section 9.

(a) If work cannot be performed during the regular scheduled work week due to inclement weather or other acts of God, the Employer may establish a week day or Saturday as a makeup day, at the regular rate of pay, not to exceed ten (10) hours per day or forty (40) hours for the week.

(b) Employer may schedule ten (10) hour work days Monday through Friday at straight time to compensate for time lost due to Holidays recognized in this Agreement during the week of the Holiday or the week prior to the Holiday not to exceed forty (40) hours of either week.

**ARTICLE VII.
Travel and Transportation**

Section 1. When employed in a shop within the jurisdiction of Local Union 54 as stated in this agreement, employees shall be governed by the regular working hours specified herein and shall provide for themselves necessary transportation from home to shop at starting time, and from shop to home at quitting time. The Employer shall provide, or pay at the federal rate per mile, for all necessary additional transportation during working hours, except for one (1) move per day within fifteen (15) miles.

Section 2.

(a) When Journeymen Sheet Metal Workers are required to perform work outside the geographical jurisdiction covered by this Agreement they shall receive reimbursement for documented and IRS approved costs. However, the employer may provide for board and lodging as agreed to by both parties in writing. If an employer sends an employee to perform work outside the territorial jurisdiction of the United States of America or Canada, travel pay and/or subsistence agreements shall be negotiated locally.

- (b) Employees shall not incur any loss of income due to delays or waiting on arrival of materials or equipment.**
- (c) Employers shall pay the owner of the vehicle used for transportation the federal rate per mile as vehicle expense.**
- (d) All travel time shall be paid at the regular hourly rate of wages as specified in this Agreement when spent in travel time during the regular work day. Any time spent in travel outside the regular working hours, that is before or after the regular work day, shall be paid at a reduced rate of 2/3 the regular minimum, hourly rate provided in this Agreement but, shall receive time and one-half (1-1/2) of the reduced hourly rate.**
- (e) The parties intend travel pay to fairly compensate employees for travel, not to place contractors at a competitive disadvantage due to geographic location or to create artificial barriers against out-of-area contractors.**

ARTICLE VIII.

Provisions

Section 1. The minimum rate of wages for Journeymen sheet metal workers, Apprentices, Classified Workers and/or PreApprentice covered by this Agreement when employed in a shop or on a job within the jurisdiction of the Union to perform any work specified in Article I of this Agreement shall be; (see all Addenda), except as herein after specified in Section 2 of this Article.

Section 2. On all work specified in Article I of this Agreement, fabricated and/or assembled by Journeymen sheet metal workers, Apprentices, Classified Workers and/or PreApprentice within the jurisdiction of this Union, or elsewhere, for erection and/or installation within the jurisdiction of any other collective bargaining areas or Local Union affiliated with International Association of Sheet Metal Air Rail and Transportation Workers, whose established wage scale is higher than the wage scale specified in this Agreement and Addenda. The higher wage scale of the jobsite Union shall be paid to the employees employed on such work in the home shop or sent to the jobsite.

Section 3. The provisions of Section 2 of this Article, Section 1 (b) of Article II, and Section 1 of Article III shall not be applicable to the manufacture for sale to the trade or purchases of the following items:

1. Ventilators
2. Louvers
3. Automatic and Fire Dampers
4. Radiator and air conditioning unit enclosure
5. Fabricated pipe and fittings for residential installation and light commercial work as defined in the locality
6. Mixing (attenuation) boxes
7. Plastic skylights
8. Air diffusers, grilles, registers
9. Sound attenuators
10. Chutes
11. Double wall panel plenums
12. Angle rings

Section 4. The provisions of Section 2 of this Article shall not be applicable to AIR POLLUTION CONTROL SYSTEMS fabricated for the purpose of removing air pollutants, excluding air conditioning, heating and ventilating systems. In addition, the provisions of Section 2 of this Article will not be applicable to the manufacture of spiral pipe and fittings.

Section 5. Except as provided in Section 2 and 6 of this Article, the Employer agrees that Journeymen sheet metal workers hired outside of the territorial jurisdiction of this Agreement shall receive the wage scale and working conditions of the Local Agreement covering the territory in which such work is performed or supervised.

Section 6.

(a) When the Employer has any work specified in Article I of this Agreement to be performed outside of the area covered by this Agreement and within the area covered by another Agreement with another union affiliated with the International Association of Sheet Metal Air Rail and Transportation Workers, and qualified sheet metal workers are available in such area, he may send no more than two (2) sheet metal workers per job into such area to perform any work which the Employer deems necessary, both of whom shall be from the Employer's home jurisdiction. All additional sheet metal workers shall come from the area in which the work is to be performed. Journeymen sheet metal workers covered by this Agreement who are sent outside of the area covered by this Agreement shall be paid at least the established minimum wage scale specified in Section 1 of this Article, but in no case less than the established wage scale of the local Agreement covering the territory in which such work is performed or supervised, plus all necessary transportation, travel time, board and expenses while employed in that area, and the Employer shall be otherwise governed by the established working conditions of that Local Agreement.

(b) If employees are sent into an area where there is no local Agreement of the International Association of Sheet Metal Air Rail and Transportation Workers covering the area then the minimum conditions of the home local shall apply.

Section 7. In applying the provisions of Section 2, 5, and 6 of this Article VIII, the term "wage scale" shall include the value of all applicable hourly contractual benefits in addition to the hourly wage rate provided in said Sections.

Section 8.

(a) Welfare Benefits contributions shall not be duplicated. When sheet metal workers are employed temporarily outside the jurisdiction of their home local union, the parties signatory to this Agreement agree to arrange through the Sheet Metal Workers' National Health Fund to transmit health and welfare contributions made on behalf of the employee to the Health and Welfare Fund in the employee's home local union.

(b) The parties to this Agreement agree to establish a system for continuing health and welfare coverage for employees working temporarily outside the jurisdiction of the local collective bargaining agreement when health and welfare contributions are transmitted on their behalf by trust funds from other areas.

(c) When sheet metal workers are temporarily employed outside the jurisdiction of their home local union, the parties signatory to this agreement shall arrange to transmit any 401(k) contributions required to be made to a 401(k) plan where the work is performed to a 401(k) plan established for the employee's home local union and/or to the National Supplemental Savings Fund. This obligation is conditioned upon a suitable reciprocity arrangement being agreed to by the trustees of such plans.

Section 9. Wages at the established rates specified herein shall be paid weekly in the shop, at the job, by direct deposit, or by other approved means at or before quitting time of each week, and no more than four (4) days pay will be withheld from the end of the employer's payroll period. However, employees, when discharged, shall be paid in full. In the event the employee is not paid his wages, the Employer and the Union shall be notified immediately, and waiting time at the regular straight time rate of pay shall be charged until payment is made. Waiting time shall not exceed eight (8) hours per day, seven (7) days per week. Minor discrepancies and payroll errors will be excused.

For those employers that utilize electronic deposits for their payroll who discharge an employee, the employer will have complied with this section of the agreement, and shall not be subject to any of the waiting time provisions, when:

- (1) the employer has sent instructions to its bank to make an electronic deposit to the account of an employee discharged on the day of the discharge, and**
- (2) the employer has provided evidence of the electronic deposit to the employee on the day of the discharge.**

Section 10. Journeymen sheet metal workers, apprentices, classified workers and pre-apprentice with the required skills who report for work at the request of the Employer and are not placed at work shall be entitled to two (2) hours pay at the established rate. This provision, however, shall not apply under conditions over which the Employer has no control. The Union will inform the applicant that it is necessary to complete the I-9 Form and that he must have the proper identification with him before placement.

Section 11. Each Employer covered by this Agreement shall employ at least one (1) journeyman sheet metal worker who is not a member of the firm on all work specified in Article I of this Agreement. However, it will be permissible for an owner-member to be the journeyman sheet metal worker.

Section 12.

(a) Contributions provided for in this Section will be used to promote programs of industry education, training, negotiation and administration of collective bargaining agreement, research and promotion, such programs serving to expand the market for the services of the Sheet Metal Industry, improve the technical and business skills of employers, stabilize and improve Employer-Union relations, and promote, support and improve the employment opportunities for employees. No part of any such payments, however, shall be used for any other purpose except as expressly specified above. The Employer shall pay to the Sheet Metal Industry Fund of Houston (hereinafter referred to as the local industry fund) at the rate specified in Addendum #1 for each hour worked on or after the effective date of this Agreement by Journeymen, Apprentices, Classified Workers and Pre-Apprentices covered by this Agreement with the exception of temporary employees, probationary employees, and all employees performing work for multi-craft. Payment shall be made monthly on or before the 20th day of the succeeding month.

(b) The fund shall furnish to the Business Manager of the Union, not less often than semiannually, written reports describing in reasonable detail the nature of activities in which it is engaged or which it supports directly or indirectly with any of its funds. One time per year, the Fund shall include in such written report, a statement attested to by a certified public accountant and containing its balance sheet and detailed statement of receipts and disbursements. Further specific detailed information in regard to Fund activities or its receipts and/or disbursements shall be furnished to the Business Manager of the Union upon his written request.

(c) Grievances concerning use of local industry fund moneys to which an employer shall contribute for purposes prohibited under Section 12 (a) or for violations of other subsections of this Section shall be handled under the provisions of Article X of this Agreement. The National Joint Adjustment Board shall be authorized to impose any remedial order for violation of this Section, including termination of the employer's obligation to contribute to the local industry fund.

Section 13. The Union and Employer recognize that the contributions provided in Sections 12 of this Article support activities that benefit the entire sheet metal industry. It is essential that the Employer support these activities, even though it may be performing sheet metal work under the provisions of a separate project agreement or maintenance agreement.

Therefore, hours worked for purposes of determining the contributions required under Section 12 of this Article shall include all hours worked by each employee of the Employer under any project agreement or maintenance agreement, unless specifically excluded by the terms of a written addendum that is negotiated by the Contractors' Association and the Local Union that are parties to this agreement.

Section 14.

(a) Effective as of the date of this Agreement the employers will contribute to the International Training Institute for the Sheet Metal and Air Conditioning Industry (see Addendum #1 for cents per hour) for each hour worked by Journeymen, Apprentices and Classified Workers covered by this Agreement. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the Trustees of the Fund, or for purposes of collection and transmittal through the National Benefits Fund Office, 8403 Arlington Blvd, Suite 300, Fairfax, Virginia 22031.

(b) Effective as of the date of this Agreement the employers will contribute to the National Energy Management Institute Committee, a jointly administered trust fund, (see Addendum #1 for cents per hour) for each hour worked by Journeymen, Apprentices and Classified Workers covered by this Agreement. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the National Benefits Fund Office, 8403 Arlington Blvd, Suite 300, Fairfax, Virginia 22031.

(c) Effective as of the date of this Agreement the employers will contribute to the Sheet Metal Occupational Health Institute Trust (see Addendum #1 for cents per hour) for each hour worked by Journeymen, Apprentices and Classified Workers covered by this Agreement until the Institute Trustees determine that the Trust is financially self-sufficient. Payment shall be made on or before the 20th day of the succeeding month and shall be remitted as designated by the Trustees of the Trust, or for purposes of collection and transmittal through the National Benefits Fund Office, 8403 Arlington Blvd, Suite 300, Fairfax, Virginia 22031.

(d) The parties agree to be bound by the separate Agreements and Declarations of Trusts establishing the International Training Institute for the Sheet Metal and Air Conditioning Industry, the National Energy Management Institute Committee, the Sheet Metal Occupational Health Institute Trust, and the separate agreements and declaration of trust of all other local or national programs to which it has been agreed that contributions will be made. In addition, the parties agree to be bound by any amendments to said trust agreements. Any amendment to these funds which affects the rate of contributions will be negotiated between the signatory parties to this agreement. It is agreed that the contract will be opened for this purpose and this purpose only.

(e) The parties authorize the trustees of all national funds to cooperatively establish uniform collection procedures to provide for efficient and effective operation of the various national trusts.

Section 15. In the event that the Employer becomes delinquent in making contributions to any national or local Fund, the Union may withdraw all employees from the service of the Employer with notice of such delinquency by the trustees. The withdrawal of such employees from the service of the Employer shall not constitute a violation of any provision of this Agreement.

Section 16.

(a) The Employer shall comply with any bonding provisions governing Local Funds that may be negotiated by the local parties and set forth in Addendum #2 to this Agreement. The Employer shall likewise comply with bonding requirements by the Trustees of the National Funds.

(b) When an Employer is performing any work specified in Article I of this Agreement outside of the area covered by this Agreement, and within the area covered by another Agreement with a local union affiliated with the International Association of Sheet Metal Air Rail and Transportation Workers, the Employer shall comply with uniformly applied bonding requirements of that local area that are reasonable and necessary to ensure the timely payment of any contribution that may be required to local and national funds, but in no event shall such bonds be in excess of three (3) months estimated contributions to local and national Funds.

(c) An Employer that has been delinquent in making contributions to any national or local fund shall, upon written notification of the trustees or local union, make the specified payment to such fund at weekly intervals. Such obligation shall continue until the Employer has not been delinquent in making contributions for a period of two (2) consecutive months.

Section 17. The Employer and the Union recognize that, during the term of this Agreement, the Sheet Metal Workers' National Pension Fund (NPF) will notify the parties of the Funds' status under the Pension Protection Act of 2006. It is anticipated that the Fund will be in critical status. Consequently, the Employer and the Union further recognize that a surcharge may be imposed upon contributions to the Fund, and that the Fund may adopt a rehabilitation plan, incorporating alternative schedules of benefits and contributions, during the term of this Agreement.

The parties agree that a schedule described above will be deemed to be adopted automatically if, in accordance with this agreement, the Union allocates or reallocates a portion of the wage and fringe benefit package, or where the agreement provides for an automatic allocation or reallocation of the wage and fringe benefit package, that is sufficient to cover fully any increases in contribution rates to the NPF under that schedule.

It is undesirable to pay a surcharge upon pension contributions, with no resulting improvement in pension benefits. Accordingly, in the absence of reallocation as provided above, at such time as the Trustees of the Fund furnish the Employer and the Union with alternative schedules as provided above, either party may re-open this Agreement upon thirty days written notice to the other, for the purpose of reaching agreement upon the adoption of one of those schedules. During the negotiations, the parties shall give due recognition to the desirability of maintaining pension benefits in light of economic conditions in the local area.

The parties agree further that the schedule described above will become part of this agreement, and will be incorporated by reference herein, on the date the schedule is adopted or is deemed to have been adopted automatically in accordance with the terms above. The parties will not take any action or actions inconsistent with the NPF's Rehabilitation Plan or Funding Improvements Plan of which the schedule is a part, as modified or amended from time to time.

ARTICLE IX. Hand Tools, Trucks and Autos

Section 1. Journeymen, Apprentices, Classified Workers and PreApprentice sheet metal workers covered by this Agreement shall provide for themselves all necessary hand tools.

Section 2.

(a) Journeymen, Apprentice, Classified Worker and PreApprentice Sheet Metal Workers covered by this Agreement will not be permitted or required as a condition of employment to furnish the use of automobile or other conveyance to transport men, tools, equipment or materials from shop to job, from job to job, or from job to shop, facilities for such transportation to be provided by the Employer, except as provided in WORKING RULES, ADDENDUM #3, Section 14.

(b) This provision shall not restrict the use of an automobile or other conveyance to transport its owner and personal tools from home to shop or job at starting time or from job to home at quitting time except as provided in WORKING RULES, ADDENDUM #3, Section 14.

Section 3. The employer will provide a safe and locked place for overnight storage of the tools furnished by the employees. If the tools are stolen from the employer's lockup, it shall be reported at once to the office of the employer and to the police. In this case, when mutually agreed to between the employer and the union, the employer shall be responsible for replacing employee's tools.

ARTICLE X.
Grievance Procedure

The Union and the Employer, whether party to this Agreement independently or as a member of a multi-employer bargaining unit, agree to utilize and be bound by this Article.

Section 1.

(a) Grievances of the Employer or the Union, arising out of interpretation or enforcement of this Agreement, shall be settled between the Employer directly involved and the duly authorized representative of the Union, if possible. Both parties may participate in conferences through representatives of their choice. The Local Employer's Association or the Local Union, on its own initiative may submit grievances for determination by the Board as provided in this Section. The grievance procedure set forth in this Article applies only to Labor-Management disputes.

(b) To be valid, grievances must be raised within thirty (30) calendar days following the occurrence giving rise to the grievance, or, if the occurrence was not ascertainable, within thirty (30) calendar days of the first knowledge of the facts giving rise to the grievance.

Section 2.

(a) Grievances not settled as provided in Section 1 of this Article may be appealed by either party to the Local Joint Adjustment Board where the work was performed or in the jurisdiction of the employer's home local and such Board shall meet promptly on a date mutually agreeable to the members of the Board, but in no case more than fourteen (14) calendar days following the request for its services, unless the time is extended by mutual agreement of the parties or Local Joint Adjustment Board. The Board shall consist of representatives of the Union and of the Local Employers' Association and both sides shall cast an equal number of votes at each meeting. Except in the case of a deadlock, a decision of a Local Joint Adjustment Board shall be final and binding.

(b) Notice of appeal to the Local Joint Adjustment Board shall be given within thirty (30) days after termination of the procedures prescribed in Section 1 of this Article, unless the time is extended by a mutual agreement of the parties.

Section 3.

(a) Grievances not disposed of under the procedure prescribed in Section 2 of this Article, because of a deadlock or failure of such Board to act, may be appealed jointly or by either party to a Panel, consisting of one (1) representative appointed by the Labor Co-Chairman of the National Joint Adjustment Board and one (1) representative appointed by the Management Co-Chairman of the National Joint Adjustment Board. Appeals shall be mailed to the National Joint Adjustment Board.* Notice of appeal to the Panel shall be given within thirty (30) days after termination of the procedures prescribed in Section 2 of this Article. Such Panel shall meet promptly but in no event more than fourteen (14) calendar days following receipt of such appeal, unless such time is extended by mutual agreement of the panel members. Except in the case of a deadlock, the decision of the panel shall be final and binding.

*All correspondence to the National Joint Adjustment Board shall be sent to the following address: National Joint Adjustment Board, P. O. Box 220956, Chantilly, VA 22022-1230 or 4201 Lafayette Center Drive, Chantilly, VA 20151-1219.

(b) In establishing the grievance procedure of the Standard Form of Union Agreement, it was the intent of International Association of Sheet Metal Air Rail and Transportation Workers and the Sheet Metal and Air Conditioning Contractors' National Association, Inc., to establish a method for resolving grievances permitting appeals for out-of-area Employers from the grievance arbitration procedures established for the territory in which work is performed. An Employer who was not a party to the Labor Agreement of the area in which the work in dispute is performed may appeal the decision of the Local Joint Adjustment Board from that area, including a unanimous decision, as well as a decision of any alternative arbitration tribunal established for that area, and request a Panel hearing as set forth in Section 3 of this Article, providing such appeal is approved by the Co-Chairmen of the National Joint Adjustment Board. Such a right of appeal shall exist despite any contrary provision in the agreement covering the area in which work is performed.

(c) For the purposes of this Section, an Employer who is party to the Labor Agreement of the area in which the work in dispute is performed, but has no permanent shop within the area served by the Local Joint Adjustment Board that rendered the unanimous decision, may also be entitled to appeal a deadlocked or unanimous Local Joint Adjustment Board decision, and request a Panel hearing.

Section 4. Grievances not settled as provided in Section 3 of this Article may be appealed jointly or by either party to the National Joint Adjustment Board. Submissions shall be made and decisions rendered under such procedures as may be prescribed by such Board. Appeals to the National Joint Adjustment Board shall be submitted within (30) days after termination of the procedures described in Section 3 of this Article. The Procedural Rules of the National Joint Adjustment Board are incorporated in this Agreement as though set out in their entirety. (Copies of the procedures may be obtained from the National Joint Adjustment Board.)

Section 5. A Local Joint Adjustment Board, Panel and the National Joint Adjustment Board are empowered to render such decisions and grant such relief to either party as they deem necessary and proper, including awards of damages or other compensation.

Section 6. In the event of noncompliance within thirty (30) calendar days following the mailing of a decision of a Local Joint Adjustment Board, Panel or the National Joint Adjustment Board, a local party may enforce the award by any means including proceedings in a court of competent jurisdiction in accord with applicable state and federal law. If the party seeking to enforce the award prevails in litigation, such party shall be entitled to its costs and attorney's fees in addition to such other relief as is directed by the courts. Any party that unsuccessfully challenges the validity of an award in a legal proceeding shall also be liable for the costs and attorney's fees of the opposing parties in the legal proceedings.

Section 7. Failure to exercise the right of appeal at any step thereof within the time limit provided therefore shall void any right of appeal applicable to the facts and remedies of the grievances involved. There shall be no cessation of work by strike or lockout during the pendency of the procedures provided for in this Article. Except in the case of a deadlock, the decision of the National Joint Adjustment Board shall be final and binding.

Section 8.

(a) In addition to the settlement of grievances arising out of interpretation or enforcement of this agreement as set forth in the preceding sections of this Article, any controversy or dispute arising out of the failure of the parties to negotiate a renewal of this Agreement shall be settled as hereinafter provided.

(b) Should the negotiations for a renewal of this Agreement or negotiations regarding a wage/fringe re-opener become deadlocked in the opinion of the Union representative(s) or of the employer(s) representative, or both, notice to that effect shall be given to the National Joint Adjustment Board.

(c) If the Co-Chairmen of the National Joint Adjustment Board believe the dispute might be adjusted without going to final hearing before the National Joint Adjustment Board, each will then designate a panel representative who shall proceed to the locale where the dispute exists as soon as convenient, attempt to conciliate the differences between the parties and bring about a mutually acceptable agreement. If such panel representatives or either of them conclude that they cannot resolve the dispute, the parties thereto and the Co-Chairmen of the National Joint Adjustment Board shall be promptly so notified without recommendation from the panel representatives. Should the Co-Chairmen of the National Joint Adjustment Board fail or decline to appoint a panel member or should notice of failure of the panel representatives to resolve the dispute be given, the parties shall promptly be notified so that either party may submit the dispute to the National Joint Adjustment Board.

(d) In addition to the mediation procedure set forth above or as an alternate thereto, the Co-Chairmen of the Board may each designate a member to serve as a subcommittee and hear the dispute in the local area. Such committees shall function as arbitrators and are authorized to resolve all or part of the issues. They are not, however, authorized to deadlock and the matter shall be heard by the National Joint Adjustment Board in the event a subcommittee is unable to direct an entire resolution of the dispute.

(e) The dispute shall be submitted to the National Joint Adjustment Board pursuant to the rules as established and modified from time to time by the National Joint Adjustment Board. The unanimous decision of said Board shall be final and binding upon the parties, reduced to writing, signed and mailed to the parties as soon as possible after the decision has been reached. There shall be no cessation of work by strike or lockout unless and until said Board fails to reach a unanimous decision and the parties have received written notification of its failure.

(f) Any application to the National Joint Adjustment Board shall be upon forms prepared for that purpose subject to any changes, which may be decided by the Board from time to time. The representatives of the parties who appear at the hearing will be given the opportunity to present oral argument and to answer any questions raised by members of the Board. Any briefs filed by either party including copies of pertinent exhibits shall also be exchanged between the parties and filed with the National Joint Adjustment Board at least twenty-four (24) hours in advance of the hearing.

(g) The National Joint Adjustment Board shall have the right to establish time limits which must be met with respect to each and every step or procedure contained in this section. In addition, the Co-Chairmen of the National Joint Adjustment Board shall have the right to designate time limits which will be applicable to any particular case and any step therein which may be communicated to the parties by mail, telegram, or telephone notification.

(h) Unless a different date is agreed upon mutually between the parties or is directed by the unanimous decision of the National Joint Adjustment Board, all effective dates in the new agreement shall be retroactive to the date immediately following the expiration date of the expiring agreement.

Section 9. Employers not contributing to the Industry Fund of the United States (IFUS) will be assessed a fee to be determined periodically by the Administrator of the National Joint Adjustment Board. Proceeds will be used to reimburse IFUS for costs of arbitration under the provisions of Article X.

Section 10. In addition to the settlement of disputes provided for in Sections 1 through 8 of this Article, either party may invoke the services of the National Joint Adjustment Board to resolve disputes over the initial establishment of terms for specialty addenda, if the provisions of Article X have been adopted in their entirety, and without modification. Such a dispute may be submitted upon the request of either party any time that local negotiations for such an agreement have been unsuccessful. Such a dispute shall be submitted to the National Joint Adjustment Board pursuant to the rules as established and modified from time to time by said Board. The unanimous decision of said Board shall be final and binding upon the parties. There shall be no strike or lockout over such a dispute.

Section 11. In administering and conducting dispute resolution activities under the arbitration procedures of the Standard Form of Union Agreement, the National Joint Adjustment Board, The International Association of Sheet Metal Air Rail and Transportation Workers, the Sheet Metal and Air Conditioning Contractors' National Association, Inc. and their representatives, are functioning as arbitrators and not as the representative of any entity that is party to such dispute. Therefore, they shall enjoy all of the rights, privileges and immunities afforded to arbitrators under applicable law.

ARTICLE XI. Apprenticeship System

Section 1. All duly qualified Apprentice shall be under the supervision and control of a Joint Apprenticeship and Training Committee composed of an equal number of trustees, half of whom shall be selected jointly by the Employers and half by the Union. There shall be a minimum of 4 trustees. Said Joint Apprenticeship and Training Committee shall formulate and make operative such rules and regulations as they may deem necessary and which do not conflict with the specific terms of this Agreement, to govern eligibility, registration, education, transfer, wages, hours, working conditions of duly qualified Apprentices and the operation of an adequate Apprentice system to meet the needs and requirement of the trade. Said rules and regulations when formulated and adopted by the parties hereto shall be recognized as part of this Agreement.

Section 2.

(a) The parties will review the needs for specialized and skill-upgrade training and cooperate to establish necessary programs which will then be supervised by the Joint Apprenticeship Training Committee.

(b) The Joint Apprenticeship and Training Committee designated herein shall serve for the life of this Agreement, except that vacancies in said Joint Apprenticeship and Training Committee caused by resignation or otherwise, may be filled by either party hereto, and it is hereby mutually agreed by both parties hereto, that they will individually and collectively cooperate to the extent that duly qualified Apprentices be given every opportunity to secure proper technical and practical education experience in the trade, under the supervision of the Joint Apprenticeship and Training Committee.

Section 3. It is hereby agreed that an authorized Employer Representative shall apply to the Joint Apprenticeship and Training Committee and the Joint Apprenticeship and Training Committee shall grant Apprenticeships on the basis of one (1) Apprentice for each three (3) Journeymen regularly employed throughout the year. Provided, however, an Employer will not be entitled to a new Apprentice if the Employer has an Apprentice on layoff for lack of work.

Section 4. All applicants for apprenticeship shall be 18 years of age or older. Each apprentice shall serve an apprenticeship of up to five (5) years and such apprentices shall not be in charge of work on any job and shall work under the supervision of a journeyman until apprenticeship terms have been completed and they have qualified as journeymen.

Section 5. A graduated wage scale for Apprentices shall be established and maintained on the following percentage basis of the established basic wage rate of Journeymen sheet metal workers:

(a) The following schedule is for Apprentices effective April 1, 2016:

First Year	First Half	50%	Second Half	54%
Second Year	First Half	58%	Second Half	62%
Third Year	First Half	66%	Second Half	70%
Fourth Year	First Half	74%	Second Half	78%

Apprentices will receive a fifty cent (\$0.50) per hour Tool and Tuition Allowance, for all hours worked.

(b) Fringe benefits for these Apprentices will be on the same basis as the journeyman, except the NPF contribution will be on their percentage basis. After completion of the second half of the fourth year, the Apprentice will advance to journeyman status and receive 100% of the journeyman basic wage rate.

Section 6. It is the understanding of the parties to this Agreement that the funds contributed by signatory Employers to the International Training Institute and Local Joint Apprenticeship and Training Fund will not be used to train Apprentices, Journeymen, or Classified Workers who will be employed by employers in the Sheet Metal Industry not signatory to a collective bargaining agreement providing for contributions to the International Training Institute and a Local JATC. Therefore, the trustees of the International Training Institute and Local JATC shall adopt and implement a Scholarship Loan Agreement Program which will require Journeymen, Apprentices and Classified Workers employed by signatory Employers to repay the cost of training either by service following training within the union sector of the industry or by actual repayment of the cost of training if the individual goes to work for a non-signatory employer in the Sheet Metal Industry. The cost of training shall include the reasonable value of all International Training Institute and Local JATC materials, facilities and personnel utilized in training.

Section 7. The parties will establish on a local basis the SMART Youth-to-Youth program and the procedures to enable apprentices to participate in the program. The activities of the program that deal with organizing and other traditional union activities shall be funded by the Local Union through a checkoff in compliance with the provisions of Section 302 (c) of the Labor-Management Relations Act of 1947. Youth-to-Youth apprentices are to be volunteers. These volunteers will be from shops using an appropriate ratio and shall not be punitive to any employer.

Section 8.

(a) The parties recognize that previous experience in the industry can be considered when evaluating and placing sheet metal workers into the apprenticeship program and the JATC shall work cooperatively with the parties in establishing standards for placing employees into program.

(b) PreApprentice and Classified Workers shall not endure wage reductions when making application for apprenticeship or when successfully placed into the apprenticeship program, with the approval of the Joint Apprenticeship Training Committee.

Section 9. The parties agree that career-long skill upgrade training is necessary for an effective workforce and agree to undertake those measures available to them to encourage continuing training for sheet metal journeymen.

Section 10. A subcommittee including participants equally from the MEBU and the Local Union will quarterly assess the continuing training offered and assign Continuing Education Units (CEU) as mutually agreeable.

All workers shall complete a minimum of eight (8) CEU's annually. CEU's will be awarded on a one-to-one basis (one classroom hour equals one CEU). The guidelines for the continual education training will be established by a joint sub-committee. All CEU's will be awarded only after successful completion of a pre-qualified course. Courses will be pre-qualified by the sub-committee, Training Director, or a company representative.

Beginning April 1, 2018 workers will only be eligible for the next contractual raise in wage rates upon completion of their CEU's.

Article XII OSHA 30 Safety Training

Section 1.

Sheet metal workers, not including pre-apprentices, shall complete OSHA 30 training, as well as any mandatory refresher course, as a condition of employment in the sheet metal industry. Such training shall be completed on the employee's time. The parties to this Agreement shall take appropriate steps to provide that the cost of any materials used in such training, as well as the costs associated with providing instruction, shall be paid for by the Local Joint Apprenticeship and Training Fund.

ARTICLE XIII (see ADDENDUM #4 also) PreApprentice

Section 1.

(a) It is hereby agreed that the Employer may apply to the Local Union and the Local Union shall grant PreApprentice on the basis of one (1) PreApprentice for each Apprentice employed by the Employer as per schedule in Article XIII Section 1 (a), provided, however, that an Employer who employs one or more Journeymen will be entitled to at least one (1) PreApprentice. If an Apprentice or Classified Worker is not available for hire, a PreApprentice may be employed.

(b) In the event the Employer is entitled to employ a PreApprentice and the Union fails to comply with the Employer's written request to furnish a PreApprentice within forty-eight (48) hours, the Employer may hire such employees and refer them to the Local Union for enrollment within seven (7) days.

(c) It is not the intent of this Article to eliminate or reduce the incentive for application into the Apprenticeship program. PreApprentices may be enrolled as applicants for future openings in the Apprenticeship program. The Joint Apprenticeship and Training Committee shall evaluate the qualifications of PreApprentices for such openings.

(d) Health and Welfare will be provided for the individual Pre-Apprentice effective January 1, 2012 by making hourly contributions, for all hours worked, to the Sheet Metal Workers National Health Fund (Fund) on the same forms as the journeymen and apprentices. The hourly rate for the employee only shall be as designated in Addendum #1. An Employee may choose to have a payroll deduction for family coverage at the equivalent journeyman rate.

All PreApprentices for whom a December 2011 premium remittance was paid will be grandfathered into the Fund plan on the same basis of their existing coverage (single, dependent, or family) when hourly contributions are made starting the first work day after January 1, 2012.

All current and future PreApprentices who were not on the December 2011 premium remittance will have hourly contributions made, as described above, beginning January 1, 2012, however, they will not become eligible for coverage until they have met all the requirements of the Fund plan.

All benefits will be determined by the Trustees of the Fund plan.

(e) The wage scale for Pre-Apprentice shall be thirty-five percent (35%) of the wage rate of Journeymen sheet metal workers as designated in Addendum #1. In no case, will the wage rate of a Pre-Apprentice exceed the wage rate of the 4th year Apprentice.

It is agreed that all PreApprentices will receive annual increases, inclusive of benefits, based upon no less than thirty-five percent (35%) of the Journeyman annual increase. Interim merit increases will be cumulative when determining annual increases.

(f) Pension contributions will be paid on all hours worked beginning with the first payroll period after 90 days probation in the amount of five percent (5%) of the journeyman pension fund contribution, excluding the 55/30 rate, to the next whole cent, for each hour worked on or after April 1, 2013 (as designated in Addendum #1).

(g) No PreApprentice employed by an Employer signatory to this Agreement will be sent to work at a job site outside the jurisdiction of this Local Union (except for truck drivers and related duties [i.e. loading, unloading, moving and transporting of materials]). By approval of the Business Manager of the effected Local Unions the PreApprentice may work outside the Local 54 jurisdiction.

(h) PreApprentice shall work under the direct supervision of a Journeyman on the job site or in the shop.

Section 2.

It is hereby agreed the Employer will contribute an amount as designated in Addendum #1 to the Local Apprentice Fund for each Pre-Apprentice hour worked. The Joint Apprentice Committee (JAC) will develop a program to address training in areas of safety awareness and to introduce them to the skills required in the sheet metal industry. These programs shall be offered multiple times per year.

A basic training program for PreApprentice covering safety, hazard communication, first aid and introduction to the industry will be established and maintained by the Local Union.

It is recommended that the PreApprentice complete this program during his probationary period. The union and the employers agree to develop a pre-hire safety program equivalent to "Basic Plus" for all Pre-Apprentices to be administered by the JATC before the Pre-Apprentice is eligible for referral.

The Employer may train PreApprentice in the shop or on the job outside the normal working hours. Any Journeyman volunteering to instruct these employees will be paid at the appropriate hourly rate. The trainee will not be compensated for training time.

**ARTICLE XIV
Classified Worker**

Section 1.

(a) It is hereby agreed that the employer may apply to the Local Union and the Local Union shall grant Classified Workers as per the schedule below. No Employer will be allowed to utilize a Classified Worker until such employer hires at least one apprentice. If an apprentice is not available for hire, a Classified Worker may be employed.

Journeyman	1	2	2	2	2	2	11 - Total
Apprentice	0	2	1	2	1	2	8
Classified Worker	0	2	1	2	1	2	8
Pre-apprentices	1	2	1	2	1	2	9

(b) In the event the Employer is entitled to employ a Classified Worker and the Union fails to comply with the Employer's written request to furnish a Classified Worker within forty-eight (48) hours, the Employer may hire such employees and refer them to the Local Union within seven (7) days.

(c) Classified Workers A and B may perform any work covered by Article I of which they are capable. Classified Workers shall work under the direct supervision of a journeyman. Fringe benefits for Classified Workers A and B shall be the same as a journeyman, except for pension and health and welfare. The wage rate for Classified Worker A shall not be less than 80% of the journeyman wage rate as listed in Addendum #1. The wage rate for Classified Worker B shall not be less than forty percent (40%) or more than eighty-five percent (85%) of the journeyman wage rate as listed in Addendum #1. It is agreed that Classified Workers will receive contractual wage increases based on their percentage of the basic journeyman wage in Addendum #1.

Pension contributions will be paid at a rate as designated in Addendum #1.

(d) Health and Welfare for Classified Worker A and B will be the same as the Pre Apprentice (see Article XII Section 1d) as designated in Addendum #1.

(e) It is not the intent of this Article to eliminate or reduce the incentive for application into the Apprentice program. Classified Workers may be enrolled as applicants for future openings in the Apprenticeship program. The Joint Apprenticeship and Training Committee shall evaluate the qualifications of Classified Workers for such openings.

(f) Base Contract Shop Fabrication for HVAC Shop Ratios:

Journeyman	1	2	2	2	2	2	11
Apprentice	0	1	1	1	1	1	5
Classified A	0	0	1	1	1	1	4
Classified B	0	1	1	1	1	1	5
PreApprentices	1	1	1	1	1	1	<u>6</u>
							31

Section 2.

(a) Classified Worker A must have a minimum of three (3) years of relevant training, or equivalent, and five (5) years experience in the sheet metal trade. This worker must successfully pass a written exam that has been developed by a joint committee of contractor and local union representative and have the recommendation of their employer and a review board.

(b) Classified Worker B must have a minimum of one (1) year experience as a PreApprentice, or related experience, in the sheet metal trade. This worker must have the recommendation of their employer and a review board.

(c) For organizing purposes, a new applicant will be dispatched as a PreApprentice, at a mutually agreeable wage, and will be evaluated for ninety (90) days by the Employer and the Union. Such applicant will be allowed to demonstrate all skills he or she is capable of performing. Upon written evaluation, said applicant will appear before Classified Worker Joint Committee and be placed accordingly. The Classified Worker Joint Committee will notify the Employer and the Union of the applicant's status and pay rate. It is agreed that the Classified Worker Joint Committee will determine the amount of training and experience necessary for a Classified Worker to advance to Classified Worker A or Journeyman. No automatic advancement is part of the Classified Worker program.

Section 3.

(a) Any PreApprentice converting to Classified Worker B status must have a letter of recommendation from their employer with approval from the local union, and meet the criteria as listed in Section 2 (b) of this Article.

(b) Any Classified Worker B converting to Classified Worker A status must have a letter of recommendation from their employer with approval from the local union and meet the criteria as listed in Section 2 (a) of this Article.

(c) Current members cannot apply for either Classified Worker A or B status without signed approval from their employer and the local union.

(d) Referral by the local union to the employer constitutes the change in status.

Section 4. The local union in conjunction with the Classified Worker joint committee and JAC will provide the training opportunities required for all Classified Workers. Classified Workers will be afforded the opportunity to attend upgrade classes at the local union training center. Additional wage increases and status changes will be tied to training for Classified Workers, providing employer consent. No Classified Worker A can apply for a status change to journeyman unless they have a minimum of six (6) years actual experience as a Classified Worker unless it is mutually agreed in writing between the employer and the local union. In no case shall a Classified Worker A be permitted to change status to journeyman without one full year of employment as Classified Worker A in Local Union 54 jurisdiction. It is agreed that only through continued training can an upgrade in status be obtained. No automatic advancement is part of the Classified Worker program.

Section 5. Upon receipt of a signed individual's authorization from any Classified Worker covered under this Agreement, the company shall withhold from such Employee's earnings, payment for union dues and/or equivalent and other obligations under the terms and conditions specified in the individual's authorization. Deductions shall be made from the first pay period of each month of said employee and promptly remitted to the Financial Secretary of the Union together with a list of names of the employees to whom said monies are to be credited. Should any employee have no earnings due him on the first payday of any month, deductions shall be made from the next succeeding pay period of the employee.

Section 6. The employer may train Classified Workers in the shop or on the job outside the normal working hours. Any journeyman volunteering to instruct these employees will be paid the appropriate hourly wage rate. The trainee will not be compensated for training time.

ARTICLE XV
Labor-Management Committee

SMACNA and SMART are committed to promoting productive and cooperative labor-management relations. In furtherance of this goal, the local Employers' association and local Union agree to establish a labor-management committee which shall meet on a regular basis, but not less often than quarterly, to discuss industry issues of mutual concern. Such committees will strive to improve communications, understand and respond to industry direction and trends, and resolve common issues collaboratively.

ARTICLE XVI
Non-Discrimination

In applying the terms of this Agreement, and in fulfilling their obligations thereunder, neither the Employer nor the Union will discriminate in any manner prohibited by law.

ARTICLE XVII
Duration of Contract

Section 1. This Agreement, Article I through XVII and Addenda Numbers 1 through 11 attached hereto, shall become effective on the first day of April, 2022, and remain in full force and effect until the thirty-first day of March, 2052, and shall continue in force from year to year thereafter unless written notice of reopening is given not less than ninety (90) days prior to the expiration date. In the event such notice of reopening is served, this Agreement shall continue in force and effect until conferences relating thereto have been terminated by either party by written notice, provided, however, that, if this Agreement contains Article X, Section 8, it shall continue in full force and effect until modified by order of the National Joint Adjustment Board or until the procedures under Article X, Section 8 have been otherwise completed.

Section 2. If, pursuant to federal or state law, any provision of this Agreement shall be found by a court of competent jurisdiction to be void or unenforceable, all of the other provisions of this Agreement shall remain in full force and effect. The parties agree to meet and negotiate a substitute provision. If negotiations are unsuccessful, the issue may be submitted for resolution by either party pursuant to Article X, Section 8 of this Agreement.

Section 3. Notwithstanding any other provision of this Article, or any other Article of this Agreement, whenever an amendment to the Standard Form of Union Agreement shall be adopted by the sponsoring national associations any party to this Agreement, upon the service of notice to all other parties hereto, shall have this Agreement reopened thirty (30) days thereafter, for the sole and only purpose of attempting to negotiate such amendment or amendments into this Agreement for the duration of the term hereof. There shall be no strike or lockout over this issue.

Section 4. The Union agrees that during the life of this Agreement, if the Union negotiates a construction and/or erection Agreement with an Employer not a party to this Agreement covering the same type or character of work in the same territory at a wage scale less than those stipulated in this Agreement, then in such event, such lower wage scale or conditions and terms shall accrue to the benefit of Employers party to this Agreement, and shall automatically become part of this Agreement, providing the Union does not correct such conditions within thirty (30) days from the time of notice of such in writing by the Association or one of its members.

Section 5. Each employer hereby waives any right it may have to repudiate this Agreement during the term of the Agreement or during the term of any extension, modification or amendment to this Agreement.

Section 6.

(a) By execution of the Agreement the Employer authorizes HOUSTON SHEET METAL CONTRACTORS ASSOCIATION MULTI-EMPLOYER BARGAINING UNIT to act as its collective bargaining representative for all matters relating to this agreement. The parties agree that the Employer will hereafter be a member of the multi-employer bargaining unit unless this authorization is withdrawn by written notice to the multi-employer bargaining unit and the Union at least 150 days prior to the then current expiration date of the Agreement.

(b) In witness whereof, the parties hereto affix their signatures and seal this first day of April, 2022.

(c) THIS BASIC UNION AGREEMENT HAS PROVIDED FOR THE INCLUSION OF CLASSIFIED WORKERS AND PREAPPRENTICES. THE PURPOSE OF THIS IS TO MAKE CONTRACTORS MORE COMPETITIVE WITH NONUNION COMPETITION. TO ACHIEVE THAT OBJECTIVE EMPLOYERS AGREE TO MINIMIZE MULTIPLE MARKUPS.

Houston Sheet Metal Contractors Association
Multi-Employer Bargaining Unit
Chairman

International Association of Sheet Metal
Air Rail and Transportation Workers
Local Union No. 54
Chairman

Rick Beeler

Edward Gonzalez

The Standard Form of Union Agreement is a recommended contract form that is revised from time to time by the International Association of Sheet Metal Air Rail and Transportation Workers and the Sheet Metal and Air Conditioning Contractors' National Association, Inc. In establishing such a recommended contract form, neither the International Association of Sheet Metal Air Rail and Transportation Workers, nor the Sheet Metal and Air Conditioning Contractors' National Association, Inc. has acted as the bargaining representative of any entity that may adopt all or part of the language of the Standard Form of Union Agreement. Furthermore, neither the International Association of Sheet Metal Air Rail and Transportation Workers nor the Sheet Metal and Air Conditioning Contractors' National Association, Inc. shall be deemed to be a party to any such collective bargaining agreement including such language.

**ADDENDUM #1 to ARTICLE VIII
Basic Wage Rates**

Section 1.

(a) Effective date: First Full Pay Period after April 1, 2022

Journeyman

Basic Wage	\$29.31
Deductions from Taxable Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.75)
Working Dues Assessment	(\$0.18)
Basic Wage After Deductions	\$27.88
Fringe Benefits Contributions:	
National Pension	\$9.01
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	\$14.49
Total Package (Basic Wage + Fringe Benefits)	\$43.80

Reduced Fringe Benefits Rate Journeyman (Classified Journeyman)

Basic Wage	\$29.31
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.56)
Working Dues Assessment	(\$0.18)
Basic Wage after Deductions	\$28.07
Fringe Benefits Contributions:	
National Pension	\$4.71
Health & Welfare	\$2.12
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$7.71</u>
Total Package	\$37.02

First Year Apprentice 1st 6 months - 50%

Basic Wage	\$14.655
Tool and Tuition Allowance	\$0.50
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.47)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$4.51
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$9.99</u>
Total Package	\$25.15

First Year Apprentice 2nd 6 months - 54%

Basic Wage	\$15.827
Tool and Tuition Allowance	\$0.50
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.49)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions	
National Pension	\$4.87
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$10.35</u>
Total Package	\$26.68

Second Year Apprentice 1st 6 months - 58%

Basic Wage	\$17.00
Tool and Tuition Allowance	\$0.50
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.51)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions	
National Pension Fund	\$5.23
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$10.71</u>
Total Package	\$28.21

Second Year Apprentice 2nd 6 months - 62%

Basic Wage	\$18.17
Tool and Tuition Allowance	\$0.50
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.54)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$5.59
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$11.07</u>
Total Package	\$29.74

Third Year Apprentice 1st 6 months - 66%

Basic Wage	\$19.345
Tool and Tuition Allowance	\$0.50
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.56)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$5.95
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$11.43</u>
Total Package	\$31.27

Third Year Apprentice 2nd 6 months - 70%

Basic Wage	\$20.517
Tool and Tuition Allowance	\$0.50
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.58)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$6.31
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$11.79</u>
Total Package	\$32.81

Fourth Year Apprentice 1st 6 months - 74%

Basic Wage	\$21.69
Tool and Tuition Allowance	\$0.50
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.61)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$6.67
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$12.15</u>
Total Package	\$34.34

Fourth Year Apprentice 2nd 6 months - 78%

Basic Wage	\$22.86
Tool and Tuition Allowance	\$0.50
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.63)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$7.03
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$12.51</u>
Total Package	\$35.87

Pre-Apprentice - minimum of 35% and a maximum of 78% of the Journeyman Basic Wage

Basic Wage	\$10.26
Deductions from Basic Wage:	
Equality, Marketing and Organizing Funds (See Note below)	(\$0.24)
Working Dues Assessment	(\$0.18)
National Pension	\$0.45
Health & Welfare	\$2.12
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.10
Industry Fund	<u>\$0.24</u>
Total Package	\$13.34

Classified Worker "A" - minimum of 80% of Journeyman Basic Wage

Basic Wage	\$23.45
Deductions from Basic Wage:	
Equality, Marketing and Organizing Funds	(\$0.56)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$4.71
Health & Welfare	\$2.12
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal:	<u>\$7.71</u>
Total Package	\$31.16

Classified Worker "B" - minimum of 40% and a maximum of 85% of Journeyman Basic Wage

Basic Wage	\$11.72
Deductions from Basic Wage:	
Equality, Marketing and Organizing Funds	(\$0.37)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions	
National Pension	\$3.81
Health & Welfare	\$2.12
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$6.81</u>
Total Package	\$18.53

Foreman - 2 through 8 employees - Add \$2.00

Basic Wage	\$31.31
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.75)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$9.01
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.19</u>
Fringe Benefits subtotal	<u>\$0.24</u>
Total Package	\$31.55

General Foreman - 9 through 20 employees - Add \$3.00

Basic Wage	\$32.31
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.75)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$9.01
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$14.49</u>
Total Package	\$46.80

SMWIA Local 54 Wages and Fringes **Straight**
Effective: First full pay period after April 1, 2022 **Time**

General Foreman - 21 or more employees - Add \$4.50

Basic Wage	\$33.81
Deductions from Basic Wage:	
Credit Union Savings Plan	(\$0.50)
Equality, Marketing and Organizing Funds	(\$0.75)
Working Dues Assessment	(\$0.18)
Fringe Benefits Contributions:	
National Pension	\$9.01
National Health & Welfare Fund	\$4.60
International Training Institute	\$0.12
NEMI	\$0.03
SMOHIT	\$0.02
Local Training Fund	\$0.47
Industry Fund	<u>\$0.24</u>
Fringe Benefits subtotal	<u>\$14.49</u>
Total Package	\$48.30

NOTE: A foreman who does not complete the annual foreman continuing education requirement may not be designated as a foreman, and is not eligible for the differential pay.

There shall be a \$0.50 per hr. Credit Union Savings Plan Deduct from Basic Wages after taxes for journeymen and apprentices.

It is agreed by all parties signatory to this agreement that the hourly wages & fringe benefits shall be effective with the first full pay period after the effective date of the increase.

The contractors and Union jointly recognize the need for continuing education training for all foremen. Therefore, the foreman is required to complete annually a minimum of six (6) hours of foreman continuing education, as developed and administered by the Local 54 JATC, on or before

the contract anniversary date. Upon completion of the minimum continuing education, as described, a foreman shall be eligible for differential pay over the journeyman basic wage as follows:

Foreman, Two through Eight -	Basic wage plus \$2.00 per hour,
General Foreman, Nine through Twenty -	Basic wage plus \$3.00 per hour,
General Foreman, Twenty-one and above -	Basic wage plus \$4.50 per hour.

A foreman who does not complete the annual foreman continuing education requirement may not be designated as a foreman, and is not eligible for the differential pay.

(b) If, at any time during the life of this contract, the Local Joint Apprentice Committee determines that additional funds are required for the continual maintenance of the Apprentice Training facility, the Employers agree to open the contract to provide for these additional funds and for no other purpose.

(c) April 1, 2023 there shall be a \$1.00 increase to the Journeyman package, allocation to be determined.

(d) Effective April 1, 2024 there shall be a \$1.00 increase to the Journeyman package, allocation to be determined.

(f) This Agreement expires March 31, 2025.

ADDENDUM #2
(to ARTICLE VIII)
Benefit Funds and Insurance

Section 1. Employer contributions or funds withheld from employee's wages approved by this Agreement shall be transmitted to the designated Trusts and shall be stated on the forms provided by the Trusts and copies to be distributed as per form instructions. The Employer shall, on the request of any of the Trusts, make available any and all records that may be required in the sound and efficient operation of the Plans required by this Agreement.

Section 2. Effective April 1, 2022 and until termination of this Agreement, it is agreed that each Employer shall contribute and pay into the Sheet Metal Workers' National Pension Fund, Sheet Metal Workers' National Health Fund, National Energy Management Institute Fund, Sheet Metal Workers' International Training Institute, and Sheet Metal Occupational Health Institute Fund, those amounts specified in Addendum #1, for all hours worked (both straight time and overtime) by Foremen, Journeymen, Classified Workers, ~~and~~ Apprentices and Pre-Apprentices in accordance with the terms of the Agreement and Declaration of Trust establishing such Funds as amended.

Section 3. National Health Fund.

Effective on April 1, 2022 and until termination of this Agreement, it is agreed that each Employer shall contribute and pay the Sheet Metal Workers' National Health Fund an amount as specified in Addendum #1 for all hours worked (both straight time and overtime) by Foremen, Journeymen, Apprentices, Classified Workers and Pre-Apprentices in accordance with the terms of the Agreement and Declaration of Trust establishing such Fund, as amended. Amount of contribution on the Pre-Apprentice will be as specified in in Addendum #1. Amount of contributions on the Classified Worker will be specified in Addendum #1.

Section 4. Apprentice Training.

It is further agreed that for the duration of this Agreement, each Employer shall contribute and pay into the Sheet Metal Workers' Local No. 54 Joint Apprenticeship and Training Fund, an amount as specified in Addendum #1, for all hours worked (both straight time and overtime) by Foremen, Journeymen, Apprentices, Classified Workers, and Pre-Apprentices in accordance with the terms of the Trust Agreement establishing such Fund, as may be amended.

Section 5. Contributions.

(a) The Union and the Employers recognize that the Trustees of the Sheet Metal Workers' Local Union No. 54 Joint Apprenticeship and Training Fund and Local Health and Welfare Fund named in this Agreement have a fiduciary responsibility for the collection, custody and disbursement of the contributions called for in this Agreement.

(b) Collection and transmittal of the National Funds shall be as per Article VIII, Section 14 of this Agreement.

Therefore, the Trustees will establish a uniform Collection Policy, to which the parties' signatory to this Agreement will comply. Such Policy shall include, but not be limited to the following:

1. Liquidated damages and interest for late payments
2. Payroll audits to assure that all contributions required by this Agreement are being paid
3. Bonds to insure payment of the contribution due. The bonds will apply to foregoing Local and National Funds
4. New signatory Employers will prepay fringe benefits for thirty (30) days, or until Fringe Benefits Bond becomes effective.

(c) Notwithstanding any other provision of this Agreement to the contrary, including the grievance procedure and the no-strike clause, the Union may refuse to furnish labor to, and employees shall have the right to withhold services from any Employer who has failed to pay wages and/or benefits or who has failed to post the appropriate bond in accordance with this Agreement and the Collection Policy.

Section 6. Insurance.

Employers agree to carry the following insurance to protect employees, and the Employer shall file with the Union a Certificate of such insurance containing ten-(10) day notice of cancellation.

(a) Insurance under Workmen's Compensation Act. The Employer agrees to carry insurance under the Workmen's Compensation Act of Texas on each employee.

(b) Coverage Under State and Federal Unemployment Compensation Act. In order to insure all employees against the hazards of unemployment resulting through no fault of their own, it is agreed by and between the parties hereto, that Employers not already required to pay contributions under the State Employment Compensation Act, shall voluntarily elect to become subject thereto and liable for payments of contributions thereunder in the manner pursuant thereto, and shall mail certificate of coverage to Sheet Metal Workers' Local Union No. 54; said election to become effective as of the date of signing this Agreement locally.

Section 7. Credit Union Savings Plan.

(a) The employer agrees to withhold (after taxes) the amount specified in Addendum #1 and deposit into the Credit Union Savings Plan for each employee.

(b) These deductions shall be transmitted monthly and will include a list of employee names, social security numbers, and amount remitted for each, to:

UNION FIDELITY FEDERAL CREDIT UNION
1415 NORTH LOOP WEST, SUITE 110
HOUSTON, TEXAS 77008

Journeyman and Apprentices shall be considered as employees for the purpose of participating in the Credit Union Savings Plan.

(c) In addition to amounts specified in Addendum #1, upon receipt of an authorization form furnished by the Credit Union and signed by the employee, employer agrees to withhold (after taxes) any additional amount requested as stated on the form, and remit to the Credit Union Savings Plan on a weekly basis.

(d) Employee will be limited to one (1) change during twelve (12) consecutive months of employment per Employer. Voluntary cessation in the Credit Union Savings Plan will constitute a change.

(e) Employees, who have signed an authorization form for one Employer, must re-sign an authorization form for any new Employer in order to continue additional deductions.

(f) Each employee for whom a separate savings account is established, hereunder, shall execute with Credit Union the usual instruments setting forth the conditions under which savings accounts are established and controlled. Money deposited into individual interest bearing savings accounts, shall at all times, remain the exclusive property of the individual employee from whose pay the money was deducted. Each individual employee shall have the right to leave such monies on deposit or withdraw all or any part of such deposits as desired.

(g) Classified Workers and Pre-Apprentices may participate on a voluntary basis.

Section 8. 401 (k).

(a) The Union may initiate, at its option, a 401 (k) Plan, under the following conditions: (1) The

Plan will provide for pre-tax employee wage deferrals and by Employer contributions. The Employer contributions would not create additional employer liability and would come from the existing total package or from future wage increases. (2) If this provision is initiated, the parties will join a pre-existing Fund and the Employers herein will have no obligation to serve as Trustees.

(b) This Trust Fund shall be for the benefit of all participants on whose behalf Contributions are made. This Trust Fund shall be administered by a Joint Board of Labor-Management Trustees in accordance with the provisions of the Taft-Hartley Act, and all other applicable Federal and State laws, and shall be composed of an equal number of Union appointed Trustees and Employer appointed Trustees. Trustees of this Trust Fund shall determine and define the specific details and benefits to be derived by the participants of the Trust. In addition to any future, bargained mandatory Employer contributions, tax deferred Employee payroll wage deductions may be made to the Trust and shall be permitted as determined by the Trustees pursuant to Section 401(k) of the Internal Revenue Code. The Trust shall be consistent with the Internal Revenue Code and must be approved by the Internal Revenue Service.

Section 9. The employer agrees to honor political contribution deduction authorization from its employees who are union members in the following form:

**VOLUNTARY AUTHORIZATION OF CONTRIBUTION
FROM PAYROLL TO THE SHEET METAL WORKERS'
INTERNATIONAL ASSOCIATION POLITICAL ACTION LEAGUE
("SMART-PAL")**

I hereby authorize my Employer to deduct from my paycheck five cents (\$0.05) for each hour worked, and to forward that amount to SMART-PAL, and five cents (\$0.05) for each hour worked, and to forward that amount to the Sheet Metal Workers Local 54 PAC Fund. This authorization is signed voluntarily and with the understanding that my voluntary contributions to SMART-PAL and/or AFL-CIO Committee on Political Education Political Contribution Committee ("COPE-PCC") and/or the SMW Local 54 PAC Fund will be used to make political contributions and expenditures in connection with federal, state and local elections. I am aware that the contribution is subject to the prohibitions and limitations of the Federal Election Campaign Act, that the suggested five cents (\$0.05) an hour donation is only a guideline, that I am free to contribute more or less than the suggested amount without reprisal and the SMART and its affiliated local unions will not favor or disadvantage me by reason of the amount of my contribution or my decision not to contribute. This authorization may be revoked at any time by mailing notices of revocation by U.S. Registered or Certified Mail, Return Receipt Requested, to the Treasurer, SMART-PAL, 1750 New York Avenue, N.W., Washington, D.C. 20006, SMW Local 54 PAC Fund and to my employer. Contributions or gifts to SMART-PAL and the SMW Local 54 PAC Fund are not deductible as charitable contributions for federal income tax purposes.

Authorized Signature

Name (Please Print or Type)

Address

**Street
Zip**

City

State

Local Union No. _____

Social Security No. _____

The political contribution deduction shall be made on each pay period, during which an employee who has performed compensated service has in effect a voluntarily executed political contribution deduction authorization. The money shall be remitted monthly and will include a list of employee names, social security numbers, hours worked and amount remitted for each, to:

**P.A.L. VOLUNTARY CONTRIBUTION FUND
C/o UNION FIDELITY FEDERAL CREDIT UNION
1415 North Loop West, Suite 110
Houston, Texas 77008**

ADDENDUM #3
(to ARTICLE VIII)
Working Rules

Section 1. On each pay day Employer shall furnish or provide access to each employee a pay voucher showing; 1) current wage rate, 2) hours worked, 3) gross pay, 4) premium pay time, 5) itemized deductions, and 6) net pay.

Section 2. Journeymen sheet metal workers, Apprentices, Classified Workers and PreApprentices (~~a.k.a. Helper~~) covered by this Agreement will provide for themselves all necessary hand tools, but they will not be required to have as part of their tools any 2-foot square, 2 or 4-foot straight edges, hand punches longer than 10 inches, any electric drills, burring machines, emery wheels or similar tools.

Section 3. Any Employer who employs Journeymen represented by Local Union No. 54 in a shop shall designate a foreman who shall be paid foreman's wages.

Section 4. Any Employer, who employs personnel represented by Local Union No. 54 on a project, when three or more employees are employed on the project, shall designate one journeyman as foreman who will be paid foreman's wages. The Employer shall designate a general foreman when the ninth (9th) employee is hired. A working foreman will be designated when the thirteenth (13th) employee is hired, thereafter, for each additional nine (9) employees hired, one (1) will be designated as working foreman. All working foremen shall be paid no less than \$1.50 above scale. A foreman who does not complete the annual foreman continuing education requirement as identified in Addendum #1 shall not be designated as a foreman, and is not eligible for the differential pay.

Section 5. Only one Employer from each firm shall be permitted to handle tools on sheet metal work under rules governing Journeymen.

Section 6. All shops must provide clean, sanitary toilets, clean sinks or basins, soap and towels and sanitary drinking fountains with ice water during warm weather. On the job site the Employer will provide sanitary drinking water with ice during warm weather on, or as close as permitted by the job site conditions, to the level of work being performed.

Section 7. It is agreed that at each shop and/or job where eight (8) Journeymen sheet metal workers are employed, one of these eight men shall be over the age of fifty-five, if available, provided that he shall have actively been employed as a sheet metal worker in the Local No. 54 area for the previous five (5) years. This ratio of employment shall be maintained so long as Journeymen over the age of fifty-five are available, provided they are physically able to perform their assigned duties.

Section 8.

- (a) The Union may appoint a steward being paid not less than the Journeyman's scale to act as its steward, and he shall be allowed reasonable time to attend to the usual duties of the steward and such time shall be paid by the Employer at the proper rate of pay. The Union shall notify the Employer of the appointment of each steward. The steward will be the next to the last employee laid off on any reduction of force, provided the Employer agrees the steward is the best qualified for the work assigned.

(b) Before a steward can be terminated from any shop or job, the Employer shall notify Sheet Metal Workers' Local Union No. 54, and the steward, at least twenty-four (24) hours prior to said termination.

(c) Before a Steward can terminate his employment from a shop or job, the Steward shall notify Sheet Metal Workers' Local Union No. 54, and the Employer, at least twenty-four (24) hours prior to said termination. The two preceding paragraphs do not apply when termination is mutually agreed by said three parties.

Section 9. Journeymen sheet metal workers, Apprentices, Classified Workers and PreApprentices covered by this Agreement shall not be permitted or required as conditions of employment to furnish hard hats or welding gloves. Employers are to provide hard hats, welding gloves and other safety equipment as required and mutually agreed at the shop and on the job. At the conclusion of the job or his employment, the employees shall return same to said Employer.

Section 10. Employers agree that if a Foremen, Journeyman, Apprentice, Classified Worker or PreApprentice is injured in the shop or on the job during working hours and is sent home by the doctor, such employee shall be paid at least eight (8) hours straight time pay for that day.

Section 11. Employers agree that if a Foremen, Journeymen, Apprentice, Classified Worker or PreApprentice is injured in the shop or on the job during working hours and is sent to the doctor for treatment and returns to work, shall lose no pay for such visit. On any return visits as prescribed by the doctor, they shall be paid no more than two (2) hours for such visits.

Section 12. The Employer agrees that all commercial vehicles owned and/or operated by the Employer in conjunction with the performance of the work covered by this Agreement shall bear the name of the Employer in letters that are legible.

Section 13. For the purpose of increasing competitiveness in the marketplace, the employer agrees to assist the Union in maintaining the prevailing wage rates for all counties covered in the Local 54 jurisdiction. Therefore, the employer agrees to complete United States Department of Labor forms for determination of wages on work performed within the geographical jurisdiction of Local 54 on a project by project basis. The employer shall complete the attached form (to be referred to as DOL 54 Form) for field projects and forward to the union at reasonable intervals.

Section 14. Employee may be allowed to carry one (1) extension cord and one (1) 1/4" or 3/8" drill motor furnished by Employer from job to job.

Section 15. No employee may be employed by more than one (1) Employer at a time.

Section 16. No steward will be discharged for performing his duties.

ADDENDUM #4
(to ARTICLE XII)
Duties of the PreApprentice

Section 1. Duties of the PreApprentice shall not include the following:

- (a) Pattern lay-out/development
- (b) Welding (except as in ADDENDUM #8)
- (c) Drafting of sketches
- (d) Coil line operation
- (e) Plasma cutting systems

Section 2. The PreApprentice will receive Health & Welfare contributions in accordance with Addendum #1.

Section 3.

(a) PreApprentice will be allowed to use hand tools required to perform their duties.

(b) PreApprentices will be required to furnish hand tools necessary to perform their duties.

Section 4. PreApprentice shall be procured through the "out-of-work list" or by name request from Employer providing PreApprentice is available for employment.

Section 5. Dues "check off" for PreApprentice. Upon receipt of a signed individual's authorization from any employee covered under this Agreement, the company shall withhold from such employee's earnings, payment for union dues and/or equivalent and other obligations under the terms and conditions specified in the individual's authorization.

Deductions shall be made from the first pay period of each month of said employee and promptly remitted to the Financial Secretary of the Union together with a list of names of the employees to who said moneys are to be credited. Shall any employee have no earnings due him on the first payday of any month, deductions shall be made from the next succeeding pay period of the employee.

Section 6. In the event the Employer is entitled to employ a PreApprentice and the Union fails to comply with the Employer's written request to furnish a PreApprentice within forty-eight (48) hours, the Employer may hire such employees and refer them to the Local Union for enrollment within seven (7) days.

ADDENDUM #5
SUBSTANCE TESTING POLICY

Section 1.

(A) Employers and Union have a strong commitment to provide a safe workplace and to establish policies promoting high standards of employee health and safety. In keeping with this commitment, it is the Employers' and Unions' intent to maintain a drug/alcohol-free job site. The possession or use of illegal and unauthorized drugs, and other dangerous substances by employees and employers at the job site is prohibited.

(B) Employees are expected to report to work in a physical and emotional condition that will allow them to perform their assigned tasks in a competent and safe manner. The possession, use, abuse, presence in the body, or reporting to work under the influence of alcohol, illegal and unauthorized drugs, or other dangerous substances by employees limits the ability of the users to exercise good judgment, react properly to unexpected situations, perform tasks safely and efficiently and endangers not only that employee but fellow employees, contractors and members of the general public.

(C) Employers and Union each reserves the right to require employees to submit to a uniform substance abuse screen at any time to determine the use of any illegal or unauthorized drugs or other substances prohibited in this policy or to prove the Employee's satisfactory fitness for duty. The Employer may require a uniform substance abuse screen following any on-the-job injury. Failure of any uniform substance abuse screen will be grounds for immediate discharge.

(D) Every reasonable effort shall be made to prevent false positive results sometimes caused by prescribed medication. This shall include immediate employee notification, the opportunity to make known current prescribed medications and the opportunity to immediately submit to a second screening which has the ability to differentiate between prescribed and illicit drugs.

(E) The testing program shall comply with any and all federal, state and local standards. The cost of such testing programs shall be borne by the employer. Each applicant shall receive actual hours, up to four (4) hours, pay for testing unless applicant tested unfit for duty. Applicants who test unfit for duty shall not be paid for testing and shall be ineligible for another job referral until the applicant can produce a negative test. An applicant who refuses to test shall be considered as unfit for duty.

ADDENDUM #6
SPIRAL PIPE MANUFACTURING

Section 1. This Addendum covers the rates of pay and conditions of employment of all employees of the Employer engaged in the (a) manufacture and fabrication of all ferrous or non-ferrous metal work and all other materials used in lieu thereof, regardless of material used and all duct linings, (b) the preparation of all shop and field sketches whether manually drawn or computer assisted used in fabrication and erection, including those taken from original architectural and engineering drawings or sketches, for manufacturing and fabrication of spiral/round/oval pipe and fittings for sale or use in the sheet metal industry.

Section 2. The minimum rate of wages for Journeyman, Apprentice, Classified Worker and PreApprentice sheet metal workers covered by this agreement when employed in a spiral pipe shop within the jurisdiction of the Union to perform manufacturing and/or fabrication of spiral/round/oval pipe and/or spiral/round/oval fittings shall be as specified in Section 5 of this Addendum.

Section 3.

(a) All work specified in Section 1 of this Addendum, manufactured, fabricated and/or assembled by Journeymen sheet metal workers, Apprentices, Classified Workers, and/or PreApprentices within the jurisdiction of this Union, for erection and/or installation within the jurisdiction of any other Local Union affiliated with Sheet Metal Workers' International Association, shall be paid for at the established wage scale of this Agreement and Addenda.

(b) All fabrication other than the fabrication of spiral/round/oval pipe and fittings shall be paid for at the established wage scale of the Basic Union Agreement; Building Trades crew ratio, and Classified Worker and PreApprentice duties shall apply.

Section 4. Any Employer signatory to this Addendum must have a signed Basic Union Agreement with the International Association of Sheet Metal Air and Rail Transportation Workers Local Union No. 54.

Section 5.

(a) Journeymen Basic Wage and Benefits will be the same as in the Basic Building and Trades Agreement.

(b) Shop Foreman shall receive Basic Building and Trades foreman rate.

(c) Apprentice wages and benefits will be the same as in the Basic Union Agreement.

(d) Classified Worker terms and conditions are as covered in Article XIV.

(e) PreApprentice terms and conditions are as covered in Article XIII and as amended in this Addendum

(f) The ratio of Journeymen, Apprentices, Classified Workers and Pre-Apprentices material handlers, and Pre-Apprentices machine operators an employer may employ, within their company, shall be determined by that employer.

ADDENDUM #7
ARCHITECTURAL ADDENDUM

To be determined between local union and employer.

ADDENDUM #8
INDUSTRIAL FABRICATION AND MANUFACTURING ADDENDUM

Section 1. This Addendum covers the rates of pay and conditions of employment of all employees of the Employer engaged in the (a) manufacture and fabrication of all ferrous or non-ferrous metal work and all other materials used in lieu thereof, regardless of material used and all linings, (b) the preparation of all shop and field sketches whether manually drawn or computer assisted used in fabrication and erection, including those taken from original architectural and engineering drawings or sketches, for manufacturing and fabrication of industrial components and products.

Section 2. Any Employer signatory to this Addendum must have a signed Basic Union Agreement with the International Association of Sheet Metal Air and Rail Transportation Workers Local Union No. 54.

Section 3.

- (a) Shop Foreman shall receive Basic Building and Trades foreman rate.
- (b) The basic wage will be the same as the Building and Trades Agreement.
- (c) Apprentice wages and benefits will be the same as in the Basic Union Agreement.
- (d) PreApprentice terms and conditions are as covered in Article XIII and as amended in this Addendum.
- (e) Classified Workers terms and conditions are as covered in Article XIV.
- (f) The ratio of Journeymen, Apprentices, Classified Workers and PreApprentices as per schedule below.

Maximum of three (3) PreApprentice tack and stitch welders in the ratio in the welding shop. Ratios:

Journeymen	2	2	2	2	2
Apprentices	1	0	0	0	1
Classified Workers	6	6	6	6	6
PreApprentices	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
	12	23	34	45	57

Section 4. It is agreed that the basic Union Agreement will apply to all work not listed in Section 1 of this Addendum.

ADDENDUM #9
HVAC LIGHT COMMERCIAL AND TENANT WORK

Section 1. All tenant HVAC work, all construction projects that are of 250,000 square feet of "conditioned" floor space or less shall be considered "light commercial" work.

Section 2. Work crews for this Addendum will be in the order shown below:

Building Trades Journeyman	1	0	1	1	1	0
Apprentice	0	1	0	1	0	1
Classified Worker	1	0	1	0	1	0
PreApprentice	<u>2</u>	<u>0</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>0</u>
	4	5	10	14	17	18

The crew mix matrix is intended for use in the field and not manufacturing. However, the crew mix matrix may be used for the assembly of duct and fittings whether accomplished off site, at the project site, or in the shop.

Section 3. This Addendum shall apply to heating, ventilation and air conditioning work only.

Section 4. Tenant work shall be defined as the installation of diffusers, grilles, ductwork and other appurtenances located in areas subject to lease and not included in the base contract.

Section 5. A Building Trades Journeyman will receive foreman wages after the second person is placed on the project.

Section 6. The signing of the Basic Union Agreement and negotiated Addenda thereto shall be a prerequisite to becoming a party to this Addendum.

Section 7. Employer will have the option to schedule a flexible work week Monday through Saturday at straight time without shift differential pay on jobsite (only) where access has been restricted or limited or other conditions existing that are beyond the employer's control.

Employers agree to notify the Union in writing as to location and duration of any job prior to utilizing the above. Employees will be notified of these provisions prior to being assigned to job.

Section 8. It is expressly agreed and understood, that on any specific conditions not enumerated in this HVAC Light Commercial and Tenant Addendum, the Basic Union Agreement to which the Employer is a signatory party shall apply.

ADDENDUM #10
HVAC SMALL LIGHT COMMERCIAL
(Includes all School and churches)

Section 1. HVAC work, all construction projects that are of 100,000 square feet of "conditioned" floor space or less, and all schools and churches, regardless of size, shall be considered "small light commercial" work.

Section 2. Work crews for this Addendum will be in the order shown below:

Building Trades Journeyman	1	1	1	1	1	1
Apprentice	0	1	0	1	0	1
Classified Worker	1	1	1	1	1	1
PreApprentice	7	7	7	7	7	7
	9	19	28	38	47	57

The crew mix matrix is intended for use in the field and not manufacturing. However, the crew mix matrix may be used for the assembly of duct and fittings whether accomplished off site, at the project site, or in the shop.

Section 3. This Addendum shall apply to heating, ventilation and air conditioning work only.

Section 4. A Building Trades Journeyman will receive foreman wages after the second person is placed on the project.

Section 5. The signing of the Basic Union Agreement and negotiated Addenda thereto shall be a prerequisite to becoming a party to this Addendum.

Section 6. Employer will have the option to schedule a flexible work week Monday through Saturday at straight time without shift differential pay on jobsite (only) where access has been restricted or limited or other conditions existing that are beyond the employer's control.

Employers agree to notify the Union in writing as to location and duration of any job prior to utilizing the above. Employees will be notified of these provisions prior to being assigned to job.

Section 7. It is expressly agreed and understood, that on any specific conditions not enumerated in this Addendum, the Basic Union Agreement to which the Employer is a signatory party shall apply.

ADDENDUM #11
CODE OF EXCELLENCE

WHAT IS THE CODE OF EXCELLENCE POLICY

Our members demonstrate on a continuing basis skills and professionalism that are the industry standard. While we have and continue to recognize the commitment of these individuals, our Code of Excellence Program is designed for SMART local unions to promote and establish a uniform best practices format that will instill a sense of pride in the union and bring out the best from all our members. The SMART Code of Excellence Program is our action plan to establish policies designed to demonstrate and showcase the skills and professionalism of SMART members. In essence, the Code of Excellence Program is a marketing and action policy designed to develop a pride of ownership in our members that demonstrates the professional workmanship and productivity provided by SMART members every workday on every jobsite.

The basic tenets of the Code of Excellence Program shall be to provide to SMART, the employer and client:

- Members of SMART who provide the highest level of quality at the highest level of performance;**
- Who use superior craft skills; and**
- Who have proven best work practices.**

The Code of Excellence Policy is therefore a written policy of the culture of SMART designed to instill a sense of pride and professionalism in our membership. When adopted and implemented, the uniformity of this Code of Excellence Policy shall demonstrate to employers and their clients that contracting the services of SMART members is synonymous with contracting excellence.

The Code of Excellence Program is an internal SMART program and therefore not dependent on external forces. This allows the success of the Code of Excellence Program to rest solely within the control of the SMART leadership and members.

The Code of Excellence Program, therefore, must have the total support of the local union membership at all levels, and in particular the full commitment of local union leadership who must set the example in promoting the policies set forth.

With adoption and implementation at the local union level, it shall be incumbent upon the Business Manager with the assistance of their Business Representatives to participate actively in enforcement of all provisions set forth in the Code of Excellence Program.

CODE OF EXCELLENCE PROGRAM DESIGN COMPONENTS

The Code of Excellence Program is designed to be flexible and to be used in every local union within SMART. Specific issues of concern to local union leaders and memberships can be incorporated into the Code of Excellence Program; however, the key components of the Code of Excellence Program must be consistently applied if the program is to be successful.

The key components of the Code of Excellence Program and which must remain consistent are:

1. **Commitment** – The Code of Excellence Program requires a commitment by the local union at every level of leadership, with membership acceptance, to abide by the responsibilities stated within the program.
2. **Business Manager** – The Business Manager or his/her designee is empowered to address workplace issues with members and to communicate to employers the individual workplace needs requiring management involvement.
3. **Member Professionalism** – SMART members have a responsibility to their union and fellow members to present themselves and represent their local union in a professional manner. This includes meeting employer and end-user expectations about the work we perform.
4. **Member Responsibility** – It is incumbent upon each member to assist each other in meeting our Code of Excellence Standards.
5. **Consequences** – Members must clearly understand the consequences if we fail to meet the customer's needs. Our ability as a union to ensure good wages and working conditions is directly related to our ability to perform.

IMPLEMENTATION OF THE CODE OF EXCELLENCE

The Code of Excellence Program is an internal SMART program. Therefore, implementation of the program shall be accomplished at the local union level using the following steps:

1. **Presentation to all Local Union Leadership** – The program shall be presented by a SMART International Representative to the officers and leaders of the local union.
2. **Adoption by Officers** – Local union officers and leadership shall discuss the provisions of the program and develop necessary local provisions for inclusion into the document. After adoption by the Officers, the local union leadership then commits through a recommendation by the local union Executive Board that implementation of the Code of Excellence Program be adopted by the full membership.
3. **Adoption by Membership** – Following adoption by local union leadership, the program is presented to local union membership for adoption.

4. **Local Officers and Leadership Training** – Upon request of the local union, the International will assist in training local union leadership on the goals and implementation of the program.
5. **Presentation to Local Union Membership** – Presentations will be provided to the membership by the local union with assistance from the International. Through this process, the expectations necessary to achieve the acceptable level of professionalism and productivity for each SMART member will be discussed and defined.
6. **Presentation to Employer** – Once the local union adopts the Code of Excellence Program, the Business Manager or his/her designee presents the program to the Employer.

SMART MEMBERSHIP COMMITMENT

As we face unprecedented competition for the services provided by the membership of SMART, we must recognize our primary marketable qualities are our skills, productivity and professionalism. To succeed we must present to the end-user, be it contractor or end-user clients, the value in using SMART members. This requires that each member conforms to and supports the Code of Excellence Program responsibilities set forth below. As a result, our promise of professionalism and productivity is met every day by every member. The future of our membership and SMART is dependent upon our ability to establish our added value to the employers and end-users within the sheet metal industry.

SMART RESPONSIBILITIES

The Business Manager of the local union will have ultimate responsibility for implementation and administration of the Code of Excellence Program. The program structure is designed to ensure that the Business Manager or his/her designee shall be the first point to resolve Code of Excellence Program issues quickly and effectively.

Our responsibilities include the following:

Working Time

- First and foremost, our members shall adhere to our core principle of productivity, eight hours work, for eight hours pay.
- All members shall adhere to established contractual starting and quitting times and shall meet their responsibility to their fellow members and employers by arriving to work on time and ready to work.
- Break and lunch periods are limited to the time allowed by the contract, or agreement(s).
- Members shall meet their responsibility not to leave the jobsite without proper approval.
- When absent the member shall contact supervision in advance of their established starting time to confirm such absence.

- **All members shall be productive and efficient, with idle time kept to a minimum.**
 - **Personal cell phone usage shall be limited to appropriate break times or lunch periods, or emergency use as defined by the Business Manager.**
 - **Members shall meet their contractual responsibility to eliminate work disruptions on the job.**
 - **All members shall work toward the goal of completion of projects on or under the allotted time.**

Safety

- **Safety, being a primary concern for both our members and contractors, members shall meet their obligation to perform work safely and effectively, following employer and industry established rules.**
- **Members will meet their contractual and personal responsibility to utilize proper safety equipment and safety methods.**
- **Members will participate in OSHA 10/30 courses as offered by the local union when required by their collective bargaining agreements.**

Tools

- **In meeting their responsibility as highly skilled and qualified craftsmen, all members shall carry the necessary and proper tools as required by the collective bargaining agreement.**
- **Members shall meet their responsibility in taking care of the equipment and tools provided by the employer.**

Fitness for Duty

- **Members shall meet their responsibility of being fit for duty by accepting work for which they have the requisite skills and training.**
- **Members shall exhibit and maintain a level of craftsmanship recognized to be within the industry standard.**
- **Members shall meet their responsibility to be fit for duty, with zero tolerance for substance abuse.**
- **As representatives of their local union and the employer, all members will be professional in appearance.**
- **The wearing or display of inappropriate materials shall not be tolerated.**
- **The Business Manager or his/her designee and leaders on the job shall work with other members who have displayed unacceptable work habits so that each member on the job meets a standard of quality and productivity second to none.**

Labor / Management Relations

- **Members shall respect the property of the contractor and end-users, and graffiti and other forms of destruction and waste will not be tolerated.**
- **Members shall respect all legal facility rules of the client and/or end-user.**
- **Activities which cast the International Association or the local union in disrepute shall not be tolerated.**

- Any inappropriate behavior toward another member or group of members shall not be tolerated.
- Inappropriate behavior toward customer representatives or employer representatives shall not be tolerated.
- The goal of the SMART Code of Excellence Program is to promote professionalism within the total membership of SMART and a sense of pride in our membership.

EMPLOYER RESPONSIBILITIES

The ultimate responsibility of managing the work and projects falls within the control of the employer. With such responsibility, our signatory employers, and if applicable our employer associations, have a responsibility to manage their jobs effectively. Therefore, to build confidence and trust in the Code of Excellence Program, the employer must meet its responsibilities in addressing job performance issues, including the following:

- To address ineffective supervisors, including superintendents, general foremen, and foremen.
- To ensure proper job planning, supervision and layout, to minimize down time.
- To make available the proper types and quantities of tools, equipment and materials to ensure job progress.
- To ensure proper maintenance, care, storage, and security for employer-provided equipment and tools and employee-provided tools.
- To demonstrate to the customer the efficiency of our partnership, the employer will ensure there are adequate numbers of employees to perform the work efficiently and, conversely, to limit the number of employees to the work at hand.
- To provide the necessary jobsite leadership to eliminate problems and provide effective solutions.
- To instill in supervisors the necessary positive attitude that the SMART local union, their members and the employer are working together.
- To ensure that jobsite leadership takes the necessary ownership of mistakes created by management decisions.
- To eliminate unsafe work conditions and ensure that proper safety training, equipment, and methods are utilized.
- To address concerns brought forth by the Business Manager or his/her designee. If the problem is not resolved at the lowest level of management, the Business Manager or his/her designee may choose to address the issue with higher levels of management.
- If the issue is not resolved, the local union or employer may call for a labor-management meeting to resolve concerns or issues.
- To treat all employees with dignity and respect.
- To discipline fairly and reasonably.

MEMBERSHIP DISPUTE RESOLUTION CRITERIA

The success of the Code of Excellence Program is dependent upon the acceptance and understanding by each member of the scope of their responsibilities as established within the program.

It must be understood that a truly successful workplace environment can only be achieved by participation of both SMART and the Employer in meeting their responsibilities. The union's role is to address with its members any individual problems that are brought to its attention to ensure the union's obligation to live up to the promise of providing a skilled and professional workforce to the employer and the end user is maintained and improved.

UNION RESPONSIBILITIES

- **The Business Manager or his/her designee will work with members through a process of mentoring to correct and solve problems related to job performance.**
- **On a regular basis, the Business Manager or his/her designee will communicate with management on Code of Excellence Program issues. This will then be communicated to SMART members through the local union leadership.**
- **If an individual member is not meeting established responsibilities under the program and the correction of such adverse behavior cannot be achieved through mentoring between the local union leadership, member peers and the individual member, the local union Executive Board shall have the responsibility to review, evaluate, and address such problems with the individual member. If the member is unwilling or unable to meet his/her obligation under the Code of Excellence Program, the local union shall be empowered to take necessary action up to and including filing of appropriate charges under the Constitution and Ritual of SMART.**

The following is inconsistent with the conduct required under the Code of Excellence Program.

1. **Refusal of jobs or unavailable (no returned call) upon call from the dispatcher for work shall upon the third violation result in removal from the out of work list and placement in the "inactive file."**
2. **Not showing for work when dispatched, which shall be deemed to be a violation of the Constitution, and may subject the member to local union charges and trials.**
3. **Acceptance of employment or job under false pretenses, such as no adequate skills for the job, which shall also be deemed a violation of the Constitution, and may subject the member to local union charges and trials.**

- 4. Conduct resulting in termination by an employer for cause, which shall be documented upon the attached form which is to be supplied by the local union. If the employer indicates that a terminated employee is not eligible for rehire, such designation shall be honored by the dispatch office for a minimum of 180 days. Provided that, if the local union determines to process a grievance contesting such a termination, such termination shall not be considered as being for cause until a Local Joint Adjustment Board, a Panel, the National Joint Adjustment Board (or any alternative procedures negotiated by the local parties) determines that such termination was for cause, or the grievance process is otherwise completed without invalidating the termination.**

The Business Manager and/or his/her designee, as well as the employer, must endeavor to correct performance problems with individual members at the workplace, so that their performance meets the standards of the Code of Excellence Program. However, there will be instances where the local union ultimately must withhold contractual referral privileges from those members that have demonstrated that they are either unwilling, or incapable, of meeting acceptable standards of workplace behavior. In such circumstances, employers have a reciprocal obligation to terminate employees for cause, rather than merely laying them off, so that such employees are not simply referred for employment with another employer. A disciplinary action plan shall be implemented which establishes a “Three Strikes Policy” for violation of the Code of Excellence Program provisions. Such plan shall provide that, in any case where there are three separate instances within a 24-month period where the employee has been convicted of constitutional violation under points 2 or 3 or has been subject to termination under point 4, in any combination, the member’s referral privileges shall be suspended indefinitely.

The member may appeal the suspension to the Local Joint Adjustment Board, a Panel, the National Joint Adjustment Board (or any alternative procedure negotiated by the local parties), which shall have authority to reduce the period of any suspension of referral privileges, if it determines that fairness and equity require such action under the circumstances of the particular case or to terminate the suspension when it determines that the underlying causes for the suspension have changed so that the member deserves to be restored to referral privileges.

SMART CODE OF EXCELLENCE PROGRAM

SMART Local No. 54

Name: _____

Address: _____

Last 4 Digits of Social Security Number: _____ **Termination Date:** _____

Employee Classification: _____

Lay-Off

Reduction of Force

Discharge

Not Qualified

Absenteeism

Dates: _____

Not-Productive

Insubordination (Explain)

Misconduct (Explain)

Voluntary Quit

To Take Another Job

To Seek Another Job

Leaving Area

Sickness

Other (Explain)

Employer: _____

Employee Signature: _____ **Employer Signature:** _____

Date: _____ **Date:** _____

Explanation: