

Memorandum of Settlement ("MOS") – Summary
Without Prejudice – November 22, 2011

An Adjustment Plan subject to Section 54 of the Labour Relations Code of British Columbia between ABSBC and COPE 378 in order to settle all matters regarding the Collective Agreement and the Adjustment Plan. This Plan was developed in order to assist affected employees with their upcoming transition from employment with ABSBC and to provide a level of certainty to employees remaining in the employ of ABSBC.

The Collective Agreement:

- Renew the Collective Agreement with a new expiry date of August 31, 2013.
- Add all new articles/amendments agreed to and signed during negotiations conducted between May and August 2009.
- Eliminate *blue circling*. Employees who have been *blue circled* for one year or more are grandfathered until September 1, 2013.
- For clarity:
 - no renewal of MOU # 55 (STIP) & MOU # 72 (Tempworks), both expired March 31, 2009.
 - no economic salary increases – except step increases.

The Adjustment Plan:

Signing Bonus

- ABSBC will pay out up to \$3.5 million in bonuses to all current employees based on their employee status, service and time worked during the two reference years (Average of about \$3,000 per employee).
- ABSBC will endeavour to pay out the bonus by December 15, 2011.

Transfer to RRSP

- Subject to income tax regulations of the Canada Revenue Agency, facilitate the transfer of severance payments to an employee's RRSP.

Bridging

- On a case by case basis, ABSBC may allow employees who are leaving ABSBC to use their time banks (overtime, vacation and/or Y-days) and/or to use their severance pay as salary continuance to qualify for (or bridge to) Early Retirement, Post Retirement Benefits and/or full Pension. Employees on salary continuance will not be eligible for benefits or earn service other than for the purpose of qualifying for pension during this period.

Assigned Steward Resource

- Grant temporary leave for union business to one steward to support employees and the COPE with the Article 9 process.

Expedited Grievance Process

- All disputes about the interpretation, application or operation of the MOS and/or the Article 9 process will be referred expedited resolution by arbitration patterned after the Alternative Dispute Resolution process agreed to by the Parties during the 2009 negotiations.

Memorandum of Settlement ("MOS")
Proposed without prejudice on November 22, 2011

- Between:** The Canadian Office and Professional Employees Union, Local 378
(herein the "COPE")
- And:** Accenture Business Services of British Columbia Limited Partnership
(herein "ABSBC" or "Accenture")
- Regarding:** An Adjustment Plan subject to Section 54 of the Labour Relations Code of British Columbia

Preamble:

1. Bargaining History
 - a. The Parties have been in collective bargaining since December 2008.
 - b. The Parties have resolved – negotiated and signed – a number of issues between May and August 2009.
 - c. The Parties attempted mediation in June 2011.
 - d. The Parties resolved a bad faith bargaining complaint in front of the Labour Relations Board in September 2011.
2. Section 54 requirements under the Labour Relations Code were triggered by:
 - a. Long Term Sourcing Strategy ("LTSS") and Impacts
 - i. In or around January 2011, ABSBC and COPE were informed of BC Hydro's LTSS process.
 - ii. In or around August of 2011, ABSBC was informed that it was selected as the provider for Business Process Outsourcing (BPO) services to BC Hydro, up to March 31, 2018.
 - iii. In or around August 2011, ABSBC was informed that ABSBC was not selected as the Information Technology ("IT") services provider beyond March 2013. As a result, between November 2011 and April 2013, it is projected that approximately 400 IT employees, represented by COPE, will be displaced.
 - b. Smart Metering Initiative (SMI)
 - i. Under a separate initiative, BC Hydro will undertake the installation of Smart Meters which will impact its outsourcing agreement with ABSBC regarding its meter reading services.
 - ii. As a result, by April 2013 (at the date of signing), it is projected that approximately 400 employees, represented by COPE, assigned to meter reading and ancillary functions will be displaced.

Purpose:

3. In consideration of the above, the Parties have met and, in good faith, developed an Adjustment Plan in order to assist affected employees with their upcoming transition from employment with ABSBC and to provide a level of certainty to employees remaining in the employ of ABSBC.

4. For this purpose the Parties agree on the following terms and conditions to settle all matters regarding:
 - a. The Collective Agreement,
and
 - b. the Adjustment Plan.

The Collective Agreement:

5. The Parties agree to renew the Collective Agreement (currently effective from April 1, 2005 to March 31, 2009), with the following amendments:
 - a. Include/insert all new articles and amendments agreed to and signed during negotiations conducted between May and August 2009;
 - b. For clarity, and without prejudice to ABSBC's position that the following Memoranda of Understanding ("MOU") have expired on their face, the following will not be renewed:
 - i. MOU # 55 re. Short Term Incentive Pay (STIP) Program for September 1, 2005 to August 31, 2009,
 - ii. MOU # 72 re. Tempworks and External Personnel Agency Employees (ending March 31, 2009);
 - c. Eliminate all references to and application of *blue circling*
 - i. Currently in, but not limited to, the following articles: 2.05, 7.03 (a) (6) and (8), 9.05, 9.16 (a) and (b);
 - ii. For employees who chose to bump or take a vacancy during an Article 9 process, the impact on pay rates will be as follows:
 - (1) An employee with 1 or more years' service in the higher grouped job will retain his/her rate if it is not beyond the maximum of the lower grouped job. If an employee's rate is beyond the maximum of the lower grouped job, the employee's rate will be reduced to maximum.
 - (2) An employee with less than 1 year's service in the higher grouped job will assume the salary the employee would have attained had he/she moved to the lower grouped job on the same date he/she moved to the higher grouped job.
 - iii. Save and except for employees who have been *blue circled* for one year or more at the date of signing of this MOS who will be subject to this amendment as of September 1, 2013.
 - d. Change the expiry date of the Collective Agreement to August 31, 2013.

The Adjustment Plan:

6. SUBJECT TO (5) ABOVE, ABSBC WILL:

Signing Bonus

7. Pay out up to \$3.5 million in bonuses to all current employees in a manner determined by the Parties which takes into consideration employee status, service and time worked during the two reference years (Average of about \$3,000 per employee);
8. Subject to the timely agreement of this MOS, endeavour to pay out the bonus by December 15, 2011;

Transfer to RRSP

9. Subject to income tax regulations of the Canada Revenue Agency and the employee's confirmed selection, facilitate the transfer of severance payments to an employee's RRSP;

Bridging

10. On a case by case basis and subject to all applicable legislation and income tax regulations of the Canada Revenue Agency, for the purpose of qualifying for (or bridge to) Early Retirement, Post Retirement Benefits and/or full Pension, ABSBC may, at its sole discretion:
 - a. allow some of the affected employees who elect to leave ABSBC to use their time banks (overtime, vacation and/or Y-days) in a manner appropriate to his/her circumstances to allow the employee to bridge;
 - b. allow some of the affected employees who elect to leave ABSBC to use their severance pay as salary continuance in a manner appropriate to his/her circumstances to allow the employee to bridge;
11. Employees who elect (a) and (b) in (11) above will not:
 - a. accrue service for any purpose except to bridge as stated above but for clarity will not accrue service for additional gains such as vacation, accredited service, RWWL days (Y-Days), seniority or further severance;
 - b. be covered by health benefits, dental benefits, Long Term Disability benefits and/or Short Term Disability benefits (105 sick days) during the bridging period.

Assigned Steward Resource

12. Grant temporary leave for union business to one steward to support employees and the COPE with the Article 9 process;
13. In order to minimize disruption to ABSBC operations, to ensure consistency of the process and to enhance the service to affected employees;
14. The selection of the steward will be subject to ABSBC approval, preference will be given to employees who can serve the process until March 2013;
15. The Parties recognize that time spent for this assignment will be subject to the ebb and flow of displacement activities within ABSBC.
 - a. The steward will likely be assigned 100% to this project at the time notice is provided to the employees but time spent on the assignment will diminish as employees finalize their options.
 - b. The selected steward will manage his own time but the Parties agree that overtime is not authorized.
 - c. This assignment will be the subject of frequent and open discussions between the Parties in order to address time spent, workload and effectiveness of the assignment.
 - d. ABSBC may cancel the assignment at any time.

Expedited Grievance Process

16. All disputes about the interpretation, application or operation of this MOS and/or the Article 9 process will be referred to _____ for expedited resolution by arbitration and, where feasible and applicable, will be patterned after the Alternative Dispute Resolution process (as appended) agreed to by the Parties during the 2009 negotiations.

17. If _____ is not available, the Parties to the arbitration may appoint another mutually agreeable arbitrator. The arbitrator may provide a "ruling from the bench" and, regardless, will render his/her written decision, within ten days of the hearing.
18. The costs of arbitration proceedings shall be shared equally between the Parties to the arbitration.

Duration:

19. The amendments to the Collective Agreement are in effect from the date of signing.
20. The Adjustment Plan provisions of this MOS are in effect from the date of signing until August 31, 2013.

On behalf of COPE 378:

Gwenne Farrell

Brad Bastien

On behalf of ABSBC:

Binny van Bergen

Pierre Choquette

APPENDIX 1 - Alternative Dispute Resolution Process (as a reference)

The parties recognize that ~~there are times when~~ an expedited arbitration may be desirable, and therefore, agree that the following process may be used as a substitute for the formal grievance procedure outlined in Article 3 of the Collective Agreement.

- a) ~~The process can only be used by mutual agreement between the parties who are signatory to this Collective Agreement.~~
- b) ~~The parties will decide in advance of initiating the process whether the outcome will be a binding or non-binding recommendation.~~
- c) Each party to the arbitration will be responsible for its own costs and will share equally the cost associated with the Arbitrator.
- d) The offices of ~~COPE 378 or~~ Accenture Business Services will be used for the process ~~on an alternating basis.~~
- e) No legal counsel will be used by either party. The Union will designate and use an elected officer or Union representative. The Company will use employees of their Labour Relations Department. Legal counsel will not be used during the hearing by either party.
- f) The parties will create a schedule for the process in advance, based on a mutual assessment of the length of time needed to present each case.
- g) The parties and the arbitrator will have a brief file management conference call prior to setting the agenda for any hearing dates. This will be to ensure the agenda is kept to a manageable length.
- h) Within one week of the hearing, the parties will provide an agreed statement of facts to the arbitrator.
- i) Wherever possible the arbitrator will attempt to mediate a settlement between the parties. The arbitrator shall have no authority to amend or alter the terms of the collective agreement.
- j) In such case that the arbitrator must write a decision, such decision shall be 1 to 5 pages long and to the point.
- k) Any decisions arising from this process shall be without precedent or prejudice to any position either party may take in the future with regard to same or similar matters. The arbitrator will remain seized with respect to implementation, interpretation and application of the decision.
- l) Procedure Guidelines:
 - 1) The Opening Statement: This should basically set out the case from each party's perspective. The arbitrator will seek at this point to define the issue and to determine what evidence is agreed to and what is not.

- 2) The Hearing: Sufficient witnesses should be called to ensure the "story" is properly told. Where it is an issue of credibility or conflicting evidence, the key individuals must testify. There shall be no grievors, managers, witnesses or supervisors to the greatest extent possible.
 - 3) The Argument: The parties will not cite legal precedents but may refer to Brown and Beatty, Palmer, etc. However, it is imperative that the relevant provisions of the Collective Agreement be canvassed by each party to ensure that all relevant clauses are put before the arbitrator.
 - 4) The Decision: If mediation fails or is not appropriate and if the decision can be rendered after a short deliberation, the arbitrator will do so. By meeting first with the parties to explain the framework of the arbitrator's decision, the parties are provided with an opportunity to influence the exact terms of resolution. Within the framework of settlement as outlined by the arbitrator, the parties can work out exact terms which best suit the specifics of the case. Such an opportunity should not be wasted by continuing to argue the merits of the case.
- m) The Mediator/Arbitrator will be Wayne Moore. Each of the parties reserves the right to require both parties to jointly terminate the relationship with the Mediator/Arbitrator. In order to exercise this right, 30 days written notice must be provided to the other party. Such termination shall be done by a letter addressed to Mr. Moore and jointly signed by the parties' representatives. The parties will attempt to find a suitable replacement as expeditiously as possible.
- n) This agreement is without prejudice to the parties' application and interpretation of Article 3.
- o) ~~The parties will attempt to pre-schedule 1-day hearings quarterly.~~

