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Progistix Solutions Inc.

Bargaining Bulletin #1

Your bargaining team met with the company on October 7th and 8th to begin contract talks.

We exchanged proposals and, after two days of negotiations, have almost completed the non-monetary items.

We resume discussions on October 20, 21, and 23rd.

Your Bargaining Committee

Felix Adegboruwa
Denise Hazel
Al Uprichard

Ray Mortimer, Local President
Howard Law, National Representative

October 10, 2014
HL:amcope343

Progistix Solutions Inc.

And

Unifor

Union Proposals to Renew the Collective Agreement

October 7, 2014

The union reserves the right to add, delete or modify proposals. Any proposal submitted by the union that impacts existing provisions of the collective agreement in no way, expressly or implicitly, conveys the union's interpretation of the collective agreement and are without prejudice to any legal position the union may take in the future.



1) Article 5 - NEW

5.07 The company shall permit a representative of the union to provide orientation to new employees regarding the collective agreement and employee rights and responsibilities. This orientation shall be conducted as part of the company orientation for new employees, however the union orientation shall be held in private without the attendance of management. The union orientation shall be during working hours and up to 30 minutes at the discretion of the union representative and shall be without loss of pay.

2) Article 11- NEW

In the event of a layoff of a regular employee, the company shall first notify all regular employees at the work location affected of an opportunity to accept a voluntary lay-off with severance pay as provided in article 11.14. The number of voluntary layoffs shall equal the number of involuntary layoffs indicated by the company and shall displace involuntary layoff notices. Volunteers for layoffs shall be accepted by the company in order of highest seniority.

3) Article 12.05 - Safety Boot Allowances

Increase to \$150 and \$170 effective January 1, 2015

4) Article 12.07 - Committee

The union wishes to discuss and implement a joint sub-committee responsible for ergonomic assessments and inspections; and for return to work or accommodation meetings with employees. We further wish to discuss the allocation of training funds for this sub-committee.

5) Article 13.09 - Discipline

Reduce 24 months to 12 months.

6) Article 15 - NEW - Arbitrator's Remedial Jurisdiction

15.14 - Without limiting the scope of the arbitrator's remedial jurisdiction, the arbitrator shall have jurisdiction to order deterrent damages against the company for a violation of the collective agreement that cannot be adequately addressed through other measures.

7) Article 18.03 (c) - Part Time Hours

Increase to 6 hours pay.

8) Article 18.09 - Tour of Duty

The union proposes that starting times in the cable department shall always be separate from starting times in the remainder of the warehouse.

9) Article 19.13 - Overtime Payment - Part Time Employees

A part time employee who works in excess of 40 paid hours (including but not limited to holiday pay, vacation pay, and unscheduled time worked) shall be paid on a time and one-half basis for time worked in excess of those paid hours.

10) Article 21.02 (c) - Vacation for Part Time Employees

Delete reference to biweekly pay. Vacation payments shall be made at the time of vacation leave.

11) Article 24 - Lead Hands

The union proposes to create a new lead hand classification and going forward post all vacancies.

12) MOA re Four Day Work Week

Make this an option for all employees.

13) MOA Re Performance Incentive

Increase quarterly payout threshold from 80 to 90%.

Include bonus as pensionable earnings.

14) MOA Re Productivity - Quantity of Work

To be discussed.

15) LOI re Overtime Distribution

Make this an MOA.

16) NEW - Unifor Paid Education Leave

The Employer agrees to pay into a special fund an amount of three cents (\$.03) per hour for all compensated hours to provide for a Unifor Paid Education Leave (PEL) program. Such payment will be remitted on a quarterly basis into a trust fund established by the Unifor National Union effective from the date of ratification. Payments will be sent by the Employer to the following address:

Unifor Paid Education Leave Program, 205 Placer Court, Toronto ON M2H 3H9

The Employer shall approve Education Leave for the members of a bargaining unit at the request of the Union. Candidates for PEL shall be selected by the Union to attend. The Union will provide written confirmation to the Employer of such selection. Employees on PEL leave of absence will continue to accrue seniority and service.

The Employer shall approve Education Leave for the members of a bargaining unit at the request of the Union. Candidates for PEL shall be selected by the Union to attend. The Union will provide written confirmation to the Employer of such selection. Employees on PEL leave of absence will continue to accrue seniority and service.

17) Reclassification of Part Time Employees

Without prejudice to the union's position regarding the current status of employees who regularly work 40 hours per week, the union proposes the immediate conversion to full time status of all part time employees working approximately 40 hours per week.

18) Group Benefits and Pension

The union proposes that employees with less than five years' service shall be eligible for all sick pay, group benefit and pension entitlements.

The union proposes to improve the group benefit plan.

19) Wages and Compensation

The union proposes annual general percentage increases to all wage rates, premiums and allowances.

Interests & Issues
 Progitix-Solutions Inc. & UNIFOR
 2014 Collective Bargaining

<p>Interests</p> <p>There are four main pillars of interest:</p> <ol style="list-style-type: none"> 1. Client focus <ul style="list-style-type: none"> • <i>Retain our existing customer, while ensuring Company profitability</i> • <i>Demonstrate that PSI is the industry leader in service delivery, cost reductions, efficiency & innovation</i> 2. Employee Engagement <ul style="list-style-type: none"> • <i>Ensure our employees are engaged in delivering best in class quality & efficient service</i> 3. Business Partnership <ul style="list-style-type: none"> • <i>Continued partnership in focusing on best in class client service and delivery that exceeds our client's expectations</i> 4. Business Growth <ul style="list-style-type: none"> • <i>Obtain new business opportunities that support continued growth</i> 	<p>Issues</p> <p>A. Based on <i>comparable market data and industry benchmarks</i>, it is critical that Progitix's quality and service levels strive to remain best in class. This analysis indicates that in order to attract new business and retain our current clients we need to improve our operating efficiencies.</p> <p>Furthermore, we need to demonstrate to our client that we can offer greater savings through operating efficiencies that they could potentially achieve, compared to the level of savings that competitors would offer them through the RFP process.</p> <ul style="list-style-type: none"> • <i>What can we do to ensure that we are exceeding our client's expectations?</i> • <i>What can we do to ensure that our operating costs are not entitlement driven and what can we do to reduce costs?</i> • <i>What can we do to ensure quality is inherent in our work?</i> • <i>What can we do to ensure that we are among the industry leaders in service delivery?</i> • <i>How can we establish a sustainable productivity improvement system that allows us to be competitive in the market?</i> <p>Our ability to change and adapt with our client's needs is critical to our success and longevity.</p> <ul style="list-style-type: none"> • <i>How can we improve our ability to respond and adapt quickly to the changing needs of our client?</i> <p>B. Continued focus on a <i>Safety 1st culture</i>.</p> <ul style="list-style-type: none"> • <i>What can we do to support this culture to reduce workplace accidents to ensure a safe and productive work environment?</i>
<p>Possible Solutions</p> <ul style="list-style-type: none"> • Efficiency improvement initiatives that reduce the amount of unproductive time: <ul style="list-style-type: none"> ○ Eliminate 4 day work week ○ Article 19.09 – remove the requirement to pay additional one hour's pay if 48 hours' notice is not given for voluntary OT ○ Article 19.10 - When calling an employee in on overtime prior to shift, the overtime shall begin when the employee commences work – not when called. • To ensure client satisfaction and confidence, QA roles to be performed by non-bargaining unit employees • Elimination of stale language and legacy terminology to support greater understanding of the collective agreement for employees/ members 	<ul style="list-style-type: none"> • Eliminate trainer availability and bargaining unit conflict and accountability issues for MHE training by having MHE training performed by non-bargaining unit employees

<p>C. Our current vacation scheduling process is ineffective and administratively challenging.</p> <ul style="list-style-type: none"> • <i>What can we do to simplify the process?</i> 	<ul style="list-style-type: none"> • Establish simplified vacation selection language and categories
<p>D. How can we improve the existing <i>Performance Incentive Program</i> to reflect greater pay-for-performance principles that is founded on a positive PDP rating?</p>	<ul style="list-style-type: none"> • Replace existing language with an incentive plan based on performance, tied to year-end productivity, quality, attendance & results, that are linked to the PDP • Payment should be made in current calendar year based on previous year's results
<p>E. How do we demonstrate to clients and potential clients that there is no risk of service interruption?</p> <ul style="list-style-type: none"> • <i>Ensuring a solid partnership and long term contract is critical to the client contract and employment stability</i> 	<ul style="list-style-type: none"> • Labour certainty through a long term agreement demonstrating to Bell that we are a reliable long-term partner
<p>F. Generally what else and where else should we look to reduce administration inefficiencies, ensure we achieve our Client's expected operating efficiencies founded on quality, service and innovation?</p>	<ul style="list-style-type: none"> • To increase employee comprehension, perhaps simplified language with examples could assist • Alternative language to legacy language to provide greater clarity (i.e. 'tour' replaced with 'shift') • Discussion around sick days and alternatives to improve attendance
<p>G. What <i>Memorandums or Letters of Intent</i> are no longer meaningful, relevant or add value and should be deleted?</p>	<ul style="list-style-type: none"> • Visual Display Terminal • Four Day Work Week • Changes to Operational Network • Income Stability • Lump Sum Payments • Vacation Entitlement • Re-Classification of PT employees • Company Pension Plan • Guidelines of the Defined Contribution Pension Plan • Post-Retirement Benefits • Partial Voluntary Separation Package • Relocation of Service • Wage Administration • Hours of work • Productivity – Quality of work • Supplementary Premium

Letter of Intent:

- **Contracting Out**
- **Time Out for union Business**
- **Training programs outside the country**
- **External Training**
- **Internal Training**
- **Employee Savings Plan**
- **Transitional Support**
- **Pension Plan/ Actuarial Valuation**
- **Overtime Distribution**

Benefit Summary Table