

# TENTATIVE AGREEMENT

## *Engineering and Technical Units*

### ARTICLE 9

#### **NON-BOEING LABOR CONTRACT PERSONNEL**

**Section 9.1 Purpose.** The Company and the Union recognize that ~~temporary Contract Non-Boeing Labor~~ personnel are a practical source of skilled ~~temporary~~ labor that allows the Company to acquire skilled engineering and technical support in a timely manner. ~~The use of Non-Boeing Labor helps mitigate adverse effects of rapid expansion and contraction of the workforce, or the limited availability of certain critical skills (e.g. in connection with large developmental programs).~~ The parties recognize that requirements for experienced ~~Non-Boeing Labor Contract~~ personnel must be balanced with the need to develop, build, and maintain the Boeing experience base and to support ~~our a~~ mutual objective of workforce stabilization by minimizing employee layoffs.

~~The parties further acknowledge limitations in the use of Contract personnel during workforce reductions, as described in this Article 9, or when employees are on priority recall status, as described in Article 8.~~

**Section 9.2 Definitions.** ~~The term Contract personnel refers to temporary personnel provided by another business entity to perform work on Company premises under the daily control and supervision of Company management. The business entities that provide Contract personnel normally are in the business of providing temporary services (such as temporary employment agencies and staffing firms). Sources of contract personnel may also include businesses in the aerospace or related fields that make their employees available for temporary labor (so-called "industry assist" arrangements). Excluded from the definition of Contract personnel are consultants and their employees and employees of subcontractors or vendors.~~

**9.2(a) Contract Labor.** Technical or engineering personnel supplied to Boeing through third party suppliers who are in the business of recruiting and supplying contracted staffing to other companies. Contract personnel typically perform Boeing work on Boeing premises and are supervised by Boeing managers. Contract Labor personnel are employees of the supplier and remain on the supplier's payroll.

**9.2(b) Industry Assist.** Individuals or teams of employees from another firm in a business similar to that of Boeing, or industry leaders in their core competency who typically work on Boeing premises and are supervised by Boeing managers. Industry Assist firms are not in the business of recruiting and supplying contracted staffing to other companies. Industry Assist personnel are employed by the Industry Assist company and remain on the Industry Assist company's payroll.

**9.2(c) Purchased Services.** Non-Boeing Labor wherein specialized engineering or technical services are obtained from an outside company specifically to be used by or incorporated into a product or service. Generally, purchased services are contracted to complete defined statements of work.

**9.2(d) Strategic International Contractors.** Non-Boeing Labor typically engaged to meet industrial participation requirements and/or strategic work placement objectives. Examples would include international design centers and work placement in countries where offset agreements exist.

**9.2(e) Employees of Sub-Contractors, Suppliers or Partners.** Non-Boeing Labor representing other entities who, in order to fulfill a contractual obligation to deliver a product or service to Boeing must perform some work on Boeing premises that may be similar to work being performed by SPEEA-represented employees. Examples would include risk sharing partners on commercial or government programs, and suppliers or sub-contractors with design/build responsibility.

**9.2(f) Consultant and Professional Services.** Non-Boeing Labor providing services typically not incorporated into the Company's products or service lines and not related to work performed by SPEEA-represented employees.

**9.2(g) Loaned-In Boeing Personnel.** Boeing employees temporarily loaned from other sites to meet capability and/or capacity requirements.

**Section 9.3 Disclosure and Monitoring.** The Company and the Union mutually agree that shared information is integral to achieving common understanding and clarity regarding the utilization of Non-Boeing Labor. To promote a common understanding and effective employee engagement, the Company agrees to provide certain information to the Union as follows:

**9.3(a) Contract Labor and Industry Assist:** The Company shall provide the Union the following data on a monthly basis.

Name

BEMSID (if applicable)

Start date

Projected end date

Work location

Job Classification and SMC and Job Title

Accounting business unit information

Total number of Contract Labor and Industry Assist personnel within the Major Organization

A breakdown within each Major Organization by job family and skills management codes normally held by SPEEA-represented employees performing the same type of work

9.3(b) Purchased Services and Strategic International Contractors: The Company shall provide the Union the following data for personnel who are on-site for greater than sixty (60) days on a quarterly basis subject to the availability of data and as constrained by compliance with privacy laws as determined by the Company.

Total number of on-site personnel by general skill type and category

Summary of statement of work provided including projected duration

## **Section 9.43 – Procedures Application and Limitations.**

### **9.4(a) Contract Labor and Industry Assist.**

~~9.3(f)~~**9.4(a)(1)** No employee with an assigned retention rating of R1 or R2 shall be laid off from a surplusing Major Organization as defined in Article 8 while Contract Labor or Industry Assist personnel are still employed in that job family and skills management code within that, or any other, Major Organization. Further, nNo employee from a surplusing Major Organization, regardless of assigned retention rating, shall be laid off while Contract Labor or Industry Assist personnel are still employed in that job family and skills management code within that Major Organization, except those employees as to whom there is supporting documentation of performance deficiencies.

The acquisition of Contract Labor or Industry Assist personnel will be subject to the terms of 8.6(b) while laid off employees remain on Priority Recall Status.

~~9.3(c)~~**9.4(a)(2)** The Company and the Union agree that it is normally inappropriate to post external job requisitions hire Contract personnel as direct hires in periods of surplus activity within a job family and skills management code where a near-term surplus is anticipated, has been declared, or is in progress within a Major Organization. Deviations will be subject to approval by the appropriate ~~senior level executive~~Functional Skill Leader for the Major Organization and discussed with the Union. The granting of a deviation to allow posting of such hiring job requisitions shall not be subject to the grievance and arbitration procedure of Article 3.

~~9.3(a)~~ The Company shall notify the Union of the basis for the need, the approximate number of Contract personnel required and the job family and skills management codes normally held by employees performing the type of work involved.

~~9.3(b)~~ If based on a variety of factors (including but not limited to the nature of the assignment, the status of the program, the overall need for the skills at issue, and the purpose of using Contract personnel described above) Company needs the skills

~~supplied by Contract personnel on a long-term basis, the position shall be made available in accordance with the Boeing job posting process.~~

9.4(a)(3) The Company shall make Contract Labor and Industry Assist positions available in accordance with the Boeing job posting process for assignments exceeding eighteen (18) months. However, if the period of performance must be extended beyond eighteen (18) months, the Company's supporting business rationale will be discussed with the Union at the next Joint Workforce Committee meeting, and the Company will continue to use Contract Labor or Industry Assist personnel in these positions through the duration of their assignments. The extension of such assignments shall not be subject to the grievance and arbitration procedure of Article 3. In the meetings, tCompany needs the skills supplied by Contract personnel on a long-term basis, the position shall be made available in accordance with the Boeing job posting process.The Company will also discuss information relevant to staffing efforts to fill these positions with direct labor. Summary information will include recruiting strategies, identification of applicable posted requisition(s), and offer/offer acceptance data for these requisition(s).

~~9.3(d) The Joint Workforce Committee will review the duration of Contract personnel assignments as requested by the Union. In specific situations where contract labor assignments are in excess of eighteen (18) months, the Union may request that the Company provide a rationale for the duration of the assignment.~~

**9.3(e)9.4(a)(4)** Contract Labor and Industry Assist personnel shall not be authorized to make decisions normally associated with management responsibility including salary determination, performance management, retention and discipline.

The Company and the Union also agree that it is normally inappropriate to place Contract Labor or Industry Assist personnel in lead roles (engineering or technical) including the assignment of or evaluation of individual work assignments. Deviations will be subject to approval by the appropriate Functional Skill Leader in the Major Organization and discussed with the Union. The granting of a deviation to allow such assignments shall not be subject to the grievance and arbitration procedure of Article 3.

**9.4(b) Purchased Services.** In those cases where the skills of the Purchased Services are the same as those currently subject to reduction in force of Boeing direct labor within a Major Organization, the Company will, consistent with its contractual requirements to the Purchased Services firm, consider reducing or eliminating the services of the firm and discuss the decision and rationale with the Union at the next Joint Workforce Committee meeting.

**9.4(c) Strategic International Contractors.** In those cases where the skills of Non-Boeing Labor identified in 9.2(d) are the same as those currently subject to reduction in force of Boeing direct labor within a Major Organization, the Joint

Company/Union Partnership Leadership Committee will convene, consistent with the provisions of Letter of Understanding 10, to discuss the potential reduction of these services.

**Section 9.3(g)9.5** Exceptions to this Article to avoid significant disruption or impact on committed packages of work will require the approval of the Enterprise Senior Workforce Manager. Notification will be provided to the Union as soon as practicable.

~~**Section 9.4 Data.** The Company shall supply the Union on a monthly basis with data that displays the number of contract personnel utilized by job code and Major Organization, so that compliance with all limitations identified in 9.3 can be monitored. The data shall include names, BEMS identification numbers, work location, job title, group/organization name, contract labor type codes, and start dates.~~

Dated: December 2, ~~2005~~2008

**Society of Professional Engineering  
Employees in Aerospace**

**The Boeing Company**

By \_\_\_\_\_

By \_\_\_\_\_

Dated \_\_\_\_\_

Dated \_\_\_\_\_