

SWEEPER AGREEMENT FOR NORTHERN CALIFORNIA

THIS AGREEMENT, is made and entered into this 1st day of July, 2026, by and between NORTHERN ALLIANCE OF ENGINEERING CONTRACTORS (“Association”), acting for and on behalf of its Members (jointly and severally called the “Employer”), and OPERATING ENGINEERS LOCAL UNION NO. 3 of the International Union of Operating Engineers, AFL-CIO (“Union”).

WITNESSETH

WHEREAS, the parties hereto desire to enter into a collective bargaining agreement establishing wages, hours and other terms and conditions of employment to the end that the employment relationship will be harmonious.

NOW THEREFORE, in consideration of the foregoing purpose and of the mutual covenants herein provided, the Employer and the Union, signatory hereto by their respective duly authorized representatives, do hereby agree as follows:

01.00.00 UNION RECOGNITION

01.01.00 The Employer recognizes the Union as the exclusive representative of its Employees who operate self-propelled sweepers. All such Employees shall be referred to as “Employees” throughout this Agreement. The bargaining unit covered by this agreement does not include Employees who exclusively do steam cleaning work and/or operate vacuum trucks. Employees may do steam cleaning work and/or operate vacuum trucks and other work when they do not have sweeper work to perform.

02.00.00 COVERAGE

02.01.00 This Agreement shall cover all sweeping work performed by Employees under this Agreement within the geographical jurisdiction of the Union in Northern California. Such work shall be performed at one of the following rates.

02.02.00 Rate “A” (Prevailing Wage/Public Works): Public works or other work subject to a prevailing wage law or regulation.

02.03.00 Rate “B” (Private/New Construction): Private, new construction, signatory or non-signatory, work covered by the Signatory Associations Master Labor Agreement (“MLA”).

02.04.00 Rate “C” (Private/Small Commercial and Shop): Private, commercial, and shop work.

02.05.00 Transport

02.06.00 Probationary 1st 90 Days

02.07.00 Probationary after 90 Days

03.00.00 EMPLOYMENT AND UNION SECURITY

03.01.00 Hiring. The Employer may hire Employees from any source. It shall notify the Union’s Job Placement Center of all new Employees within forty-eight (48) hours after the Employee is hired. The Union’s Job Placement Center shall issue the Employee a dispatch.

04.00.00 UNION SECURITY

04.01.00 Membership in the Union in good standing shall be a condition of continued employment not later than the eighth (8th) day of employment, or the execution date of this Agreement, whichever shall be the later. For the purpose of this Section “membership in good standing” shall be defined to mean the tender of the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the Union. The Employer shall discharge any Employee who fails to obtain and maintain membership in the Union as defined and require herein within seven days of receipt of written notice from the Union of the Employee’s failure to do so.

05.00.00 WAGES

05.01.00 Rate "A" (Prevailing Wage/Public Works). Wage rates shall be paid as provided for in the Master Labor Agreement for Northern California.

	Effective Dates			
	<u>6/30/25</u>	<u>6/29/26*</u>	<u>6/28/27*</u>	<u>6/26/28*</u>
	\$4.00	\$5.00	\$4.00	\$4.00
Group 1	\$66.96	\$70.37		
Group 2	\$65.43	\$68.84		
Group 3	\$63.95	\$67.36		
Group 4	\$62.57	\$65.98		
Group 5	\$61.30	\$64.71		
Group 6	\$59.98	\$63.39		
Group 7	\$58.84	\$62.25		
Group 8	\$57.70	\$61.11		
Group 8A.....	\$55.49	\$58.90		
Foreman (over 9 Employees)	\$66.96	\$70.37		
Working Foreman (under 9)	\$65.43	\$68.84		

*Wages and fringe benefits to follow the Northern California Master Construction Agreement.

05.02.00 Rate "B" (Private/New Construction). The wage rates for Rate "B" work are as follows:

	<u>6/30/25</u>	<u>6/29/26*</u>	<u>6/28/27*</u>	<u>6/26/28*</u>
	\$3.20	\$4.00	\$3.20	\$3.20
3401 Shop Mechanic.....	\$45.70	\$49.13		
7041 Sweeper Operator.....	\$42.04	\$45.47		

*To be allocated by the Members and the Union.

05.03.00 Rate "C" (Private/Small Commercial): The wage rates for Rate "C" work are as follows:

	<u>6/30/25</u>	<u>6/29/26*</u>	<u>6/28/27*</u>	<u>6/26/28*</u>
	\$2.20	\$2.75	\$2.20	\$2.20
3401 Shop Mechanic.....	\$27.86	\$30.55		
7042 Sweeper Operator 1,000-2,000 hours	\$26.86	\$29.55		
7044 Sweeper Operator after 2,000 hours.....	\$27.86	\$30.55		

*To be allocated by the Members and the Union.

05.04.00 Transport: The wage rate for the Transport/Sweeper Maintenance work is as follows:

	<u>6/30/25</u>	<u>6/29/26*</u>	<u>6/28/27*</u>	<u>6/26/28*</u>
	\$2.20	\$2.75	\$2.20	\$2.20
7048 Sweeper Maintenance/Transport**	\$24.70	\$27.45		

*To be allocated by the Members and the Union.

**The Sweeper Maintenance/Transport rate shall only apply when transporting the Sweeper from yard to job, job to yard, and job to job at the start and finish of each project and the daily cleaning and inspection of the vehicle before and after use. All time worked under this classification shall be at the overtime rate of one and one-half (1½) times the straight time hourly Sweeper Maintenance/Transport wage rate. The Sweeper Maintenance/Transport wage rate shall not apply when the Sweeper is used as a convenient method of transportation by an Employee. There shall be no vacation/holiday pay for this classification.

05.05.00 Probationary 1st 90 Days: The wage rate for the Probationary 1st 90 days work is as follows:

	<u>6/30/25</u>	<u>6/29/26*</u>	<u>6/28/27*</u>	<u>6/26/28*</u>
	\$1.00	\$1.25	\$1.00	\$1.00
7046 Sweeper Operator 1st 1,000 hours.....	\$21.46**	\$22.71**		

*To be allocated by the Members and the Union.

**Employee wages shall at no time be less than 30% above the state minimum wage.

05.06.00 Probationary after 90 Days: The wage rate for Probationary after 90 days work is as follows:

	<u>6/30/25</u>	<u>6/29/26*</u>	<u>6/28/27*</u>	<u>6/26/28*</u>
	\$2.20	\$2.75	\$2.20	\$2.20
7046 Sweeper Operator 1st 1,000 hours.....	\$25.97	\$27.97		

*To be allocated by the Members and the Union.

Note: Employees shall be probationary until they have completed one thousand (1,000) hours. The Employer may terminate them for any reason not prohibited by law. The Employer shall pay only Health and Welfare during a Probationary Employee's first ninety (90) days. The Employer shall pay all fringe benefits on behalf of Probationary Employees after the first ninety (90) calendar days.

05.07.00 An Individual Employer may elect to substitute the attached Side Letter on "Tag Time" instead of the Sweeper Maintenance/Transport classification.

05.08.00 More than One Rate. There shall be no limitation on an Employee working at more than one rate of pay during a work day.

06.00.00 FRINGE BENEFITS

06.01.00 General Provisions. The Employer will make the following payments for each hour worked by or paid to each Employee by the Employer. Such payments shall be paid by the Employer on or before the 15th day of the month following the month in which the Employee was employed by the Employer, and the Employer shall be delinquent if such Employer's Report and payment is not received by the bank before midnight of the 25th day of that month. All such payments shall be made at Alameda, California, at the time (as set forth above) and in the manner provided for by the applicable employer Union Trust Agreement creating a Trust or, if not a Trust, at the time and in the manner provided for in this Agreement. The Employer is bound by all the terms and conditions of each Trust Agreement and any amendment or amendments thereto which are incorporated by reference herein.

06.02.00 Health and Welfare. The Employer shall pay into the Operating Engineers' Health and Welfare Trust for Northern California according to the following schedule:

	<u>6/30/25</u>	<u>6/29/26</u>	<u>6/28/27†</u>	<u>6/26/28†</u>
Rate "A":	\$10.69	\$11.19	*	*
Rate "B":	\$10.01	\$10.51	**	**
Rate "C":	\$10.01	\$10.51	***	***
Transport:	\$10.01	\$10.51	***	***
Probationary 1st 90 days:	\$10.01	\$10.51	***	***
Probationary after 90 days:	\$10.01	\$10.51	***	***

*Fringe benefits to follow the Northern California Master Construction Agreement

**Rates B, C, Transport, & Probationary before and after ninety (90) days follow the Non-Construction Health & Welfare Rates.

†The Union may reallocate wages and/or fringe benefits.

06.02.01 *H&W Maintenance of Benefits.** If needed, the Employer shall contribute a maximum of seventy cents (\$.70) per hour for each contract year toward Health & Welfare benefits to maintain existing benefits and/or improve benefits as provided in Plan A. If the annual Health & Welfare cost increase is greater than seventy cents (\$.70), sufficient money will be reallocated from existing wages and/or fringe benefits to reach the required amount.

06.03.00 Pensioned Health and Welfare. The Employer shall pay into the Operating Engineers’ Pensioned Health and Welfare Trust for Northern California according to the following schedule:

	<u>6/30/25</u>	<u>6/29/26</u>	<u>6/28/27</u>	<u>6/26/28</u>
Rate “A”:	\$2.69	\$2.69	**	**
Rate “B”:	\$1.81	\$1.81	**	**
Rate “C”:	\$0.00	\$0.00	**	**
Transport:	\$0.00	\$0.00	**	**
Probationary 1st 90 days:	\$0.00	\$0.00	**	**
Probationary after 90 days:	\$0.00	\$0.00	**	**

**The Union may reallocate wages and/or fringe benefits.

06.04.00 Pensions. The Employers have agreed to adopt the Preferred Schedule of the Pension Rehabilitation Plan. The Employer shall pay into the Operating Engineers’ Pension Trust Fund according to the following schedule.

Rate “A” Preferred Schedule of the Pension Rehabilitation Plan: \$0.63 per hour/each year*

\$12.28 per hour – Effective 6/30/25

\$13.28 per hour – Effective 6/29/26

** per hour – Effective 6/28/27 ±

** per hour – Effective 6/26/28 ±

Rate “B” Preferred Schedule of the Pension Rehabilitation Plan: \$0.62 per hour/each year*

\$12.13 per hour – Effective 6/30/25

\$12.13 per hour – Effective 6/29/26

** per hour – Effective 6/28/27 ±

** per hour – Effective 6/26/28 ±

Rate “C” Preferred Schedule of the Pension Rehabilitation Plan: \$0.59 per hour/each year*

\$11.11 per hour – Effective 6/30/25

\$11.11 per hour – Effective 6/29/26

** per hour – Effective 6/28/27 ±

** per hour – Effective 6/26/28 ±

Transport Preferred Schedule of the Pension Rehabilitation Plan: \$0.59 per hour/each year*

\$10.61 per hour – Effective 6/30/25

\$10.61 per hour – Effective 6/29/26

** per hour – Effective 6/28/27 ±

** per hour – Effective 6/26/28 ±

Probationary

after 90 days Preferred Schedule of the Pension Rehabilitation Plan: \$0.59 per hour/each year*

\$11.11 per hour – Effective 6/30/25

\$11.80 per hour – Effective 6/29/26

** per hour – Effective 6/28/27 ±

** per hour – Effective 6/26/28 ±

*The parties agree that sufficient contributions will be made available from these increases to the Pension Fund to support any Rehabilitation/Funding Improvement schedule adopted by the Pension Board of Trustees pursuant to the Pension Protection Act of 2006 and the Union will select an option (Schedule) in the Pension’s Rehabilitation Plan or Funding Improvement Plan, whichever is applicable. Additional monies required for such Rehabilitation Plan/Funding Improvement Schedule shall be allocated from existing negotiated increases, wages and/or fringe benefits.

± 2027 and 2028 - Pending annual review by the Plan’s Actuaries & Trustees.

**The Union may reallocate wages and/or fringe benefits.

06.05.00 Affirmative Action Training Fund. The Employer shall pay into the Operating Engineers and Participating Employers, Pre-Apprentice, Apprentice, and Journeyman Affirmative Action Training Fund for Northern California according to the following schedule:

Rate A

\$1.31 per hour – Effective 6/30/25
\$1.31 per hour – Effective 6/29/26
** per hour – Effective 6/28/27
** per hour – Effective 6/26/28

Rate B

\$1.21 per hour – Effective 6/30/25
\$1.21 per hour – Effective 6/29/26
** per hour – Effective 6/28/27
** per hour – Effective 6/26/28

Rate C

\$0.05 per hour – Effective 6/30/25
\$0.05 per hour – Effective 6/29/26
** per hour – Effective 6/28/27
** per hour – Effective 6/26/28

**The Union may reallocate wages and/or fringe benefits.

06.06.00 Vacation, Holiday and Sick Pay. Each Individual Employer covered by this Agreement shall pay into the Operating Engineers' Vacation, Holiday and Sick Pay Trust Fund according to the following schedule:

Rate A

\$6.10 per hour – Effective 6/30/25
\$6.19 per hour – Effective 6/29/26*
** per hour – Effective 6/28/27
** per hour – Effective 6/26/28

*Effective June 29, 2026, \$4.48 per hour [Vacation Pay] and \$1.71 per hour [Supplemental Dues].

Rate B

\$7.41 per hour – Effective 6/30/25
\$7.48 per hour – Effective 6/29/26*
** per hour – Effective 6/28/27
** per hour – Effective 6/30/25

*Effective June 29, 2026, \$6.12 per hour [Vacation Pay] and \$1.36 per hour [Supplemental Dues].

Rate C

\$4.77 per hour – Effective 6/30/25
\$4.83 per hour – Effective 6/29/26*
** per hour – Effective 6/28/27
** per hour – Effective 6/30/25

*Effective June 29, 2026, \$3.83 per hour [Vacation Pay] and \$1.00 per hour [Supplemental Dues].

Probationary after 90 days

\$4.49 per hour – Effective 6/30/25
\$4.55 per hour – Effective 6/29/26*
** per hour – Effective 6/28/27
** per hour – Effective 6/26/28

*Effective June 29, 2026, \$3.58 per hour [Vacation Pay] and \$0.97 per hour [Supplemental Dues].

**The Union may reallocate wages and/or fringe benefits.

06.06.01 Paid Sick Leave Waivers. Effective June 29, 2020, the Union grants Individual Employers a waiver under the Healthy Workplaces, Healthy Families Act of 2014 (AB 1522). In return for said waiver, Individual Employers shall remit to Operating Engineers Local Union No. 3 Vacation, Holiday and Sick Pay Trust Fund a one-time additional contribution of sixty-two cents (\$0.62) per hour worked identified as the contribution for Sick Pay. No additional fringe benefits are due for any sick, vacation, or holiday pay. Employees may use these monies for paid sick leave purposes.

Any disputes concerning the validity of the waiver granted under the Healthy Workplaces, Healthy Families Act of 2014 are subject to Section 13.00.00 Grievance Procedure.

06.06.02 The bargaining parties also expressly agree, to the fullest extent permitted by law, to waive any paid sick leave provisions of the following local paid sick leave ordinances: San Francisco (Labor and Employment Code Article 11), Oakland (Municipal Code Section 592 et. seq.), Emeryville (Municipal Code Title 5, Chapter 37) and Berkeley (Municipal Code, Section 13.100). In addition, to the fullest extent permitted by law, this waiver shall apply to any other Federal, State, City, County or other local ordinance requiring mandatory Paid Sick Leave that may be adopted during the term of this Agreement.

06.06.03 In addition, if any Federal, State, City, County or other local ordinance requiring mandatory compensated time off other than Paid Sick Leave is enacted during the term of this Agreement; then the Union and the Employer agree to meet and confer within thirty (30) business days.

06.06.04 The parties agree that the payments provided in this Section are in lieu of the Employee's actually taking a vacation, holiday or sick leave. Such payments shall not be considered part of the hourly wage rates for the purpose of computing overtime, either under the Fair Labor Standards Act, the Walsh-Healy Act or any other law, and no vacation payment shall be made on the basis of a premium rate of time and one-half or double time.

06.06.05 Deduction of Taxes. All taxes due from each Employee including taxes due by reason of payments for Vacation, Holiday and Sick Pay shall be deducted by each Employee's Individual Employer from each Employee's regular wages and such total tax deductions together with the amount payable for Vacation, Holiday and Sick Pay shall be separately noted on the Employee's paycheck.

06.06.07 Vacation Administrative Fee. The Individual Employer shall pay into the Vacation, Holiday and Sick Pay Trust Fund for each Individual Employee according to the following schedule:

\$0.02 per hour – Effective June 30, 2025

The Administrative Fee per hour shall be paid by each Individual Employer. It shall not be taxable to the Employee.

06.07.00 Annuity. The Employer shall pay into the Operating Engineers' Annuity Trust Fund for Northern California according to the following schedule:

Rate A

\$1.00 per hour – Effective 6/30/25

\$1.00 per hour – Effective 6/29/26

** per hour – Effective 6/28/27

** per hour – Effective 6/26/28

Rate B

\$1.07 per hour – Effective 6/30/25

\$1.07 per hour – Effective 6/29/26

** per hour – Effective 6/28/27

** per hour – Effective 6/26/28

Rate C

\$0.57 per hour – Effective 6/30/25

\$0.57 per hour – Effective 6/29/26

** per hour – Effective 6/28/27

** per hour – Effective 6/26/28

Transport

\$2.54 per hour – Effective 6/30/25

\$2.54 per hour – Effective 6/29/26

** per hour – Effective 6/28/27

** per hour – Effective 6/26/28

Probationary After 90 Days

\$0.74 per hour – Effective 6/30/25

\$0.74 per hour – Effective 6/29/26

** per hour – Effective 6/28/27

** per hour – Effective 6/26/28

**The Union may reallocate wages and/or fringe benefits.

06.08.00 Industry Stabilization. The Employer shall pay into the Industry Stabilization Fund according to the following schedule:

Rate A

\$0.06 per hour – Effective June 26, 2006

06.09.00 Job Placement Center and Market Area Committee Administration Market Preservation Fund. The Employer shall pay into the Job Placement Center and Market Area Committee Administration Market Preservation Fund according to the following schedule:

Rate A

\$0.11 per hour – Effective June 26, 2006

Rate B

\$0.11 per hour – Effective July 1, 2010

06.10.00 Business Development Fund. The Employer shall pay into the Business Development Fund according to the following schedule:

Rate A – Independent

\$0.14 per hour – Effective June 26, 2023

Rate A – Association

\$0.11 per hour – Effective June 26, 2023

06.11.00 Supplemental Dues. Effective for all work performed on and after June 29, 2026, it is agreed that upon written authorization, provided by the Union, or Union's designee as required by law, the amount designated by the Union shall be deducted from the Vacation, Holiday and Sick Pay of each Employee and remitted directly to the Union. The amount of the Supplemental Dues transmittal shall be specified on a statement sent to the Employees. Such remittance shall be made to the Union monthly. Supplemental Dues are specifically part of the uniform monthly dues of each Employee, as specified in the provisions of Section 04.00.00, Union Security, of this Agreement. The Employees shall be obligated to make such payment directly to the Union on a monthly basis if the dues authorization provided for herein is not executed, under such terms and conditions as from time to time may be prescribed by the Union. The Union shall pay into the Operating Engineers Local Union No.3 Vacation, Holiday and Sick Leave Pay Trust Fund and administration fee for the remittance of Supplemental Dues to the Union.

06.11.01 The Union shall exonerate, reimburse and hold harmless the Employer, each Individual Employer, and their respective officers, directors, agents, and employees, individually and collectively, against any and all liabilities and reasonable expenses arising out of the payment, receipt or a distribution of the amounts designated by the Union.

06.12.00 Voluntary Employee Contribution. The Employees may voluntarily authorize in writing that a portion of said payments to be paid to the Political Action Committees established by Operating Engineers Local 3 and/or by the International Union of Operating Engineers.

06.13.00 Heavy & Highway Committee. The Individual Employer shall contribute to the Heavy and Highway Committee according to the following schedule:

Rate A – Independent

\$0.17 per hour – Effective 6/27/2022

Rate A – Association

\$0.14 per hour – Effective 6/7/2022

06.14.00 IUOE National Training. Each Individual Employer shall pay into the Operating Engineers’ IUOE National Training Trust Fund, for all hours worked according to the following schedule:

Rate A

\$0.08 per hour – Effective 6/30/2025

06.15.00 Contract Administration Fund. Each Individual Employer covered by this Agreement shall pay into the Contract Administration Fund according to the following schedule:

Rate A – Independent

\$0.05 per hour - Effective 6/29/2026

\$0.06 per hour - Effective 6/28/2027

\$0.07 per hour - Effective 6/26/2028

Rate A – Association*

\$0.11 per hour - Effective 6/29/2026

\$0.12 per hour - Effective 6/28/2027

\$0.13 per hour - Effective 6/26/2028

*Individual Employers who are Members of NAEC shall make the payments set forth in Section 06.15.00 directly to the Association through its monthly billings.

The negotiated increases above are in addition to the annual package increases in Section 05.00.00.

07.00.00 DELINQUENCIES

07.01.00 Delinquencies. It is agreed that insofar as payments by the Employer are concerned, the parties recognize and acknowledge that the regular and prompt payment of amounts due each Trust by Employers is essential and, based upon prior experience of the parties hereto and in light of the substantial but varied expense incurred in the administration of the Trusts due to delinquencies, the parties agree that it is extremely difficult, if not impracticable to fix the actual expense and damage to each Trust, program and Employee which results from an Employer’s failure to make the payments in full within the time provided. Therefore, it is agreed that the amount of damage resulting from any such failure shall be by way of liquidated damages and not as a penalty to each such Trust the sum of thirty-five dollars (\$35.00) or fifteen percent (15%) of the amount due and unpaid to each such Trust, whichever is greater, for each failure to pay in full within the time provided. Such liquidated damages shall become due and payable to each such Trust in Alameda, California, at such place as each such Trust has from time to time been determined, upon the day immediately following the date on which the Employer becomes delinquent, and shall be added to and become a part of the amount due and unpaid, and the whole thereof shall bear interest at the rate of twelve percent (12%) per annum until paid.

07.01.01 In addition, if a delinquent Employer agrees to pay its delinquency in installments and fails to make such payments in the amount and at the time and place agreed, it is agreed that the amount of damage to each Trust resulting from any such failure shall be by way of liquidated damages and not as a penalty to each such Trust, the sum of thirty-five dollars (\$35.00) or fifteen percent (15%) of the amount due and unpaid to each such Trust, whichever is greater, for each such failure to pay in full within the time provided, which amount shall become due and payable to each such Trust in Alameda, California, at the place and time agreed upon, and shall be added to and become part of said amount due and unpaid, and the whole thereof shall bear interest at the rate of twelve percent (12%) per annum until paid.

07.01.02 If any Employer defaults in the making of such payments and if either the Union, the Trusts or the plan, or any of them, consults or causes to be consulted legal counsel with respect thereto, or files or causes to be filed any suit or claim with respect thereto, there shall be added to the obligation of the Employer who is in default all reasonable expenses by the Union and the Trust incurred in collection of same, including but not limited to, reasonable attorneys' fees, auditors' and accountants' fees, court costs and all other reasonable expenses incurred in connection with such suit or claim including any appellate proceedings therein.

07.02.00 *Security for Payments.* Each Employer delinquent one (1) or more months in making the payments set forth in Section 06.00.00 shall be notified by mail by the Fund Manager of the Trust or Trusts applicable of such delinquency. Copies of such notices shall be sent to the Employer and to the Union.

07.02.01 Each such delinquent Employer shall within five (5) days of the receipt of such notice (Registered Mail) pay the delinquent amount in full or make other suitable arrangements acceptable to the Union for payment. Such amounts owing are to be determined by the various Funds' Fund Manager. The Union shall notify the Employer of any such arrangements which may be made.

07.02.03 If any Employer fails to pay the delinquencies as determined by the Fund Manager in the time provided in 07.02.01 above, or fails to make other suitable arrangements for payment acceptable to the Union, it shall not be a violation of this Agreement so long as such delinquency continues, if the Union withdraws the Employees who are subject hereto from the performance of any work for such Employer and such withdrawal for such period shall not be a strike or work stoppage within the terms of this Agreement. In the event that any Employees of any Employer shall be withdrawn pursuant to any similar clause in any agreement between the Employer and any other labor organization, then the Union may respect such withdrawal, and for the period thereof, may refuse to perform any work for such Employer, and such refusal for such period shall not be a violation of this Agreement.

07.02.04 Any Employees so withdrawn or refusing to perform any work as herein provided shall not lose their status as Employees but no such Employee shall be entitled to claim or receive any wages or other compensation for any period during which he has been so withdrawn or refused to perform any work.

08.00.00 DISCHARGE

08.01.00 No Employee covered hereby may be discharged for refusing to cross a lawful primary picket line established by the International Union affiliated with the Building and Construction Trades Department of the AFL-CIO or a Local Union thereof or the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America or a Local Union thereof; provided, however, if the picketing or picket line is disapproved by the Union, the Union shall not recognize it. The Heavy and Highway Committee shall approve or disapprove the picket or picketing within twenty-four (24) hours of notification by the Employer, during which period of time, the Employees covered by this Agreement shall continue to work. This provision shall not apply to a jurisdictional picket line. However, an Employee of an Employer who refused to report to the job or work for the Employer when directed to do so by the Union in the event of any unauthorized violation of the terms of this Agreement may be discharged by his Employer. Such discharged Employee may register in any Job Placement Center, but he shall be ineligible for dispatch until the sixtieth (60th) day after the date of his discharge.

08.02.00 The Employer shall be the judge of the qualifications of all of its Employees, and may on such grounds discharge any of them for just cause.

09.00.00 HOURS OF WORK

09.01.00 *Rate "A" and Rate "B".* Workday and Workweek shall be pursuant to the MLA.

09.01.01 *Rate "C":* Workday and Workweek. The regular workday shall be eight (8) consecutive hours exclusive of a one-half hour (1/2) unpaid lunch period. Employees' regular workweek shall be Monday through Saturday. The calendar week shall be the payroll week.

09.02.00 *Rate "A" and Rate "B" Overtime.* Shall be pursuant to the MLA.

09.02.01 *Rate "C" Overtime.* Employees shall be paid time and one half their straight-time rate of pay for all hours more than eight (8) hours in one day and 40 hours in one (1) week. Employees shall be paid double (2 times) their straight-time rate of pay for all hours they work on Sundays and Holidays.

09.03.00 Rate "A" and Rate "B" Starting Times: Starting times for individual Employees shall be between 5:00 a.m. and 12:00 noon.

09.03.01 Rate "C" Starting Times. There shall be no starting time restrictions.

09.04.00 Reckoning of Time. The hours of employment shall be reckoned by the half shift, and thereafter by actual time worked but not less than increments of one-quarter (1/4) hour.

09.05.00 Show-up Pay. If an Employee is requested to stand by and does so and is given no work or when an Employee reports for work on his shift and there is no work provided by the Employer he shall be paid two (2) hours show-up time at the straight-time or overtime rate applicable to his classification on that date except where the job is canceled due to inclement weather. If the Employee is requested to stand by and does so and is given no work he shall be paid for four (4) hours pay at the rate applying to the job. If work is started, the Employee shall receive at least four (4) hours pay. If work is to be suspended for any reason, the Employee shall be notified at least two (2) hours before being required to report for work on his shift. The Employee shall keep the Employer advised at all times of his correct address and telephone number.

09.06.00 Call-back. An Employee who is called back to work after the Employee's shift is over shall be paid a minimum of two (2) hours of overtime.

09.07.00 Drinking Water. The Employer shall furnish all Employees with clean drinking water.

09.08.00 Facilities. The Employer shall provide Employees with suitable shelter from the elements. The sweeper cabs shall have adequate ventilation.

09.09.00 Safety. Employees shall not be required to work under unsafe conditions and shall not be required to operate unsafe equipment. The Employer shall provide Employees with a form on which Employees shall report all unsafe conditions.

09.10.00 Addiction Recovery and Substance Abuse Policy. The Union and Employer have established a joint program which shall enable all parties to deal with drug and/or alcohol abuse problems from both a safety and productivity enhancement point of view as well as recognizing the individual rights and well-being of each Employee. The policy and program is set forth in Exhibit "A" attached hereto and made a part hereof. The implementation of this policy is not mandatory by the Employer, but once implemented; the program shall remain in effect unless otherwise agreed to by the Union and the Employer.

09.11.00 Holidays. The holidays referred to in this Agreement are as follows: New Year's Day (January 1), President's Day (3rd Monday in February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (1st Monday in September), Thanksgiving Day (4th Thursday in November), the day after Thanksgiving Day (4th Friday in November), and Christmas Day (December 25th). Holidays falling on Sunday shall be observed on the following Monday. Martin Luther King Day shall become a recognized holiday when and if the five basic crafts adopt it as a holiday.

10.00.00 WORK PRESERVATION

10.01.00 The purpose and intent of this Section are to preserve and protect the employment opportunities and terms and conditions of employment of all Employees to the maximum extent permitted by law.

10.02.00 Definition of a Contractor. A contractor is any person other than an Employee, a firm, corporation or other entity that does work covered by this Agreement.

10.03.00 Contracting-out. The Employer shall not contract-out any bargaining unit work unless it does not have the necessary equipment or Employees available to do the work.

10.04.00 Contractors Bound to this Agreement. All contractors, as defined in Section 10.02.00 shall be bound to the terms and conditions of this Agreement to the maximum extent allowed by law. The contract between the Employer and the Contractor shall state that the Contractor shall be bound by the terms and conditions of this Agreement while doing work covered by this Agreement.

11.00.00 MARKET/GEOGRAPHIC AREA COMMITTEE

11.01.00 Market/Geographic Area Committee. The parties to this Agreement recognize the constantly changing nature of the industry with respect to certain private market and/or geographic areas and the necessity of Individual Employers maintaining competitive positions in those markets or geographic areas to protect and assure the continued work opportunities of the affected Employees covered by this Agreement.

Therefore, and notwithstanding Section 14.00.00, the parties hereby establish a Market/Geographic Area Committee composed of two (2) representatives of the Employer, two (2) representatives of the Union, and two (2) Employee representatives performing work in an affected geographic area. In any particular geographic area, a defined market area committee of two (2) Employees may be established by the Union. The Committee comprising two (2) Union representatives and two (2) Employer representatives in conjunction with the local Employee market committee, shall evaluate either market or geographic requests for changes or modifications believed necessary to meet market or geographic area competition and determine if adequate economic justification is present to support such a change or modification. The Employees serving on the Committees shall be selected by the Employees (members) in the market or geographic area on a rotating basis depending on the particular market or geographic area where evaluation of the area, changes and/or modification may be necessary. In the event a market area extends beyond the boundaries of more than one of the Union's Districts, there shall be at least one (1) Employee from each District where the market area exists serving on the Committee with the Employer representatives and Union representatives.

The Committees shall review requests for changes in any of the terms and conditions of the Sweeper Agreement which cover an area limited to particular private, market or geographic areas and believed necessary to preserve and protect work opportunities for affected Employees and Individual Employers covered by the Agreement. The Committee, upon an affirmative unit vote, is authorized to approve such changes (including the monetary size of the project to which they may apply) as it determines to be in the best interest of the affected Employees and the parties to this Agreement and may modify the Agreement accordingly; provided, however, if in any particular market area, a determination is made by the Committee that a market area has been substantially lost or rapidly being lost to non-union employers, an addendum, (amount to be determined by committee) shall be placed in effect covering that market which shall apply for the duration of the Agreement; it is further provided that in the month of January of each contract year, the Committee shall meet and review each market addendum, and if the Individual Employers have recovered sixty percent (60%) or more of the market, the Committee shall determine if the applicable addendum shall continue to apply, be terminated or otherwise modified. Provided further, any job or project covered by an addendum shall remain covered until job/project completion.

12.00.00 UNION REPRESENTATIVES AND UNION STEWARDS

12.01.00 Union Representatives. The Employer shall give Union representatives access to Employees and the job sites.

12.02.00 Stewards. The Union may appoint an Employee to be steward.

13.00.00 GRIEVANCE/ARBITRATION PROCEDURES

13.01.00 Definition of a Grievance. A grievance is a dispute between an Employee and the Employer or between the Union and the Employer regarding the interpretation or application of this agreement.

13.02.00 Grievance Procedure.

Step 1. An Employee, the Steward, or the Union's Business Representative shall discuss a grievance with the Immediate Supervisor. The moving party shall bring the grievance to the other party's attention in writing within fifteen (15) days of the date the incident leading to the grievance occurred. The parties shall attempt to resolve all grievances at the first step.

Step 2. If the parties are not able to resolve the grievance at Step 1, the parties shall convene a Board of Adjustment within ten (10) days of receipt of the written grievance. The Board of Adjustment shall be comprised of two (2) persons appointed by the Employer and two (2) persons appointed by the Union. The Board of Adjustment is authorized to resolve the grievance. A majority vote is necessary for the Board to

issue a decision. The Board shall conduct a hearing at which both parties will be given a full opportunity to present their respective positions. The Board shall issue a written decision.

Step 3. If the Board of Adjustment does not issue a decision, the moving party may submit the matter to binding arbitration. The moving party must serve written notice upon the other party that it is doing so within fifteen days of the date the Board of Adjustment acts on the grievance. The parties shall, within five (5) days of receipt of the notice select a neutral arbitrator. If they cannot agree upon an arbitrator, they shall select the arbitrator from a list of arbitrators provided to them by the State Mediation and Conciliation Service by alternately striking the names until one name remains. The parties shall select by lot the order by which they shall strike.

Note: The Union, not an Employee may advance a grievance to the Board of Adjustment or Arbitration.

13.03.00 Scope of Arbitrator's or Board of Adjustment's Decision. The Board of Adjustment's or Arbitrator's Decision shall be within the scope and terms of this Agreement and shall be binding upon the parties and the Employees.

13.04.00 Waiver of Time Limits. The parties may mutually agree to waive any of the time limits set forth above. They shall do so in writing.

13.05.00 No Cessation of Work. The parties have established the grievance/arbitration procedure as the exclusive means by which they will resolve disputes. Therefore, there shall be no strikes or lockouts during the life of this Agreement.

13.06.00 All claims arising under the Fair Labor Standards Act, the California Labor Code and the Industrial Welfare Commission Orders (e.g., Wage Order 16), all derivative claims arising under California Business and Professions Code section 17200, et seq. and all similar claims arising under any applicable local law, shall be resolved exclusively through binding arbitration before an impartial arbitrator (referenced herein as "Statutory Claims"). Such claims shall be resolved exclusively through binding arbitration before an impartial arbitrator and shall not be brought in a court of law or before any agency such as the California Labor Commissioner. All substantive and procedural rights applicable to mandatory arbitration of statutory claims shall be observed (e.g., the right to more than minimal discovery, payment of costs by the employer, a written award, etc.).

It is the Parties' intent that any claim brought under the contract shall be handled in the normal course of the grievance and arbitration procedures as traditionally used by the parties. Nothing herein shall prohibit the Union from bringing a group or class claim based on a violation of the collective bargaining agreement.

This Agreement further prohibits any and all violations of the sections of the California Labor Code that are redressable pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"). Individual Employee PAGA Claims shall be resolved exclusively through the binding arbitration procedures set forth in this Agreement. This Agreement expressly waives the requirements of PAGA and authorizes the arbitrator to award any and all remedies otherwise available under the California Labor Code or otherwise, except the award of penalties under PAGA that would be payable to the Labor and Workforce Development Agency.

Statutory Claims and/or PAGA Claims described above shall be initiated by written notice from the aggrieved employee within the statute of limitations period to the Individual Employer with a copy provided to the Union and the Employer. The Union will provide the Employee, Employer and Individual Employer with the Impartial Arbitrator's contact information. Once a written notice is filed, the Union, the aggrieved employee and the Individual Employer shall meet within thirty (30) calendar days, or other time as mutually agreed upon, to discuss and attempt to resolve the claim. Should the claim not be satisfactorily resolved to the satisfaction of the aggrieved employee within the foregoing time frame, the aggrieved employee may proceed directly to arbitration. The Individual Employee shall have the right to represent themselves in the arbitration proceedings. The Union may participate in such proceedings to protect the Union's interests, but has no obligation to do so.

Should the Impartial Arbitrator designated by the Parties to this Agreement be unavailable, the Parties to this Agreement will provide a panel of three additional impartial arbitrators from whom the Individual Employer and Employee will select an arbitrator using an alternative striking method with the Employee striking first.

Upon agreement of the Employer and Individual Employee, the Impartial Arbitrator shall have the authority to consolidate multiple Individual Employee Statutory Claims for hearing but shall not otherwise have the authority to fashion a proceeding as a class, collective or representative action (except with respect to an Individual Employee PAGA Claim as provided in this Section 13.06.00), or to award relief to a group or class of employees in one arbitration proceeding.

If a court of competent jurisdiction finds any term or clause in this Section 13.06.00 to be invalid, unenforceable, or illegal, such a term or clause may be revised to the extent required according to the opinion of the court to render this Section 13.06.00 enforceable or valid so as to preserve the agreement and intent to the fullest possible extent.

This Section 13.06.00 shall apply to any representative PAGA claims, class and/or individual claims that arise or are pending during the term of the parties' current collective bargaining agreement, regardless of when they were filed with any court or administrative agency.

14.00.00 GENERAL SAVINGS CLAUSE

14.01.00 General Savings Clause. It is not the intent of either party hereto to violate any laws, rulings, or regulations of any Governmental authority or agency. The parties hereto agree that in the event that any provisions of this Agreement are finally held or determined to be illegal or void as being in contravention of any such laws, rulings, or regulations, nevertheless the remainder of the Agreement shall remain in full force and effect, unless the parts so found to be void are wholly inseparable from the remaining portion of this Agreement. The parties agree that if and when any provisions of this Agreement are finally held or determined to be illegal or void, they will then promptly enter into lawful negotiations concerning the substance thereof.

All other terms and conditions of the existing Master Labor Agreement not specifically modified or supplemented herein shall apply to any work performed under this agreement.

15.00.00 EFFECTIVE AND TERMINATION DATE

15.01.00 Effective and Termination Dates. This Agreement shall be effective July 1, 2026, and shall remain in effect through June 30, 2029, and if the written notice provided by Section 8 (d) of the National Labor Relations Act as amended is not given by either the Union or the Employer to the other, it shall continue indefinitely; provided however, this Agreement may be terminated at any time after June 30, 2029, by either the Union or the Employer giving to the other the written notice provided by Section 8 (d) of the Act in which event this Agreement shall terminate at the end of the sixtieth (60th) calendar day after receipt of such notice. Regardless of when terminated, the Union and Employer will negotiate exclusively with each other during the last sixty (60) days of the Agreement.

IN WITNESS WHEREOF, the parties hereto set their hands and seals by their respective officers duly authorized to do so this 17th day of June, 2026.

EMPLOYER:

**NORTHERN ALLIANCE OF
ENGINEERING CONTRACTORS [NAEC]**

[Signature]
Signature

TIMOTHY J CONWAY
Print Name

-6/17/26
Date

Agent
Print Title

UNION:

**OPERATING ENGINEERS LOCAL UNION NO. 3
of the International Union of
Operating Engineers, AFL-CIO**

[Signature]
President

Dan Redding
Business Manager

[Signature]
Vice President

[Signature]
Recording-Corresponding Secretary

[Signature]
Financial Secretary

[Signature]
Treasurer

CONTRACTS

JUN 17 2026

ADDENDUM “C”
JOINT LABOR MANAGEMENT
SUBSTANCE ABUSE POLICY

I. INTRODUCTION

The Union and the Employer establish this Policy in order to provide the Individual Employer with a comprehensive substance abuse program, to provide Employees who abuse and/or are addicted to drugs, including alcohol, a means to receive treatment for their abuse and/or addiction, and to provide for a safe workplace. An Individual Employer is not obligated by this Agreement to have a substance abuse policy. Implementation of this Policy is not mandatory by any Individual Employer, but this Policy is the only policy the Individual Employer may implement for Employees. Once implemented, the Policy shall remain in effect unless otherwise agreed to by the Union and the Individual Employer.

An Individual Employer which is regulated by the United States Department of Transportation (“DOT”) Code of Federal Regulation CFR 382 and 49 may elect not to implement the testing provisions of this Policy for its Employees who are not regulated by DOT.

II. NOTICE

- A. An Individual Employer must give written notice to the Union that it is implementing this Policy. The notice must be delivered in person, by certified mail or by FAX before it implements the Policy. A DOT regulated Individual Employer shall specifically notify the Union whether it is implementing the testing provisions of this Policy for its Employees who are not subject to DOT regulations. The notice shall be delivered to the Union at the following address:

Operating Engineers Local Union No. 3
3000 Clayton Road
Concord, CA 94519
(FAX: [510] 748-7401)

- B. The Individual Employer may not implement this Policy unless it subjects all management and supervisory employees to the same type of testing which is provided herein.
- C. An Individual Employer who has implemented this Policy shall advise the Union dispatchers with whom it places an order for Employees that it intends to drug test dispatched Employees. A test result shall not be set aside because an Individual Employer does not give such notice.
- D. An Individual Employer who implements this Policy shall provide written notice of this Policy to all Employees including those dispatched to it by the Union and shall provide each Employee with a copy of the Policy.
- E. Failure to give a form of notice as set forth in this section shall make any drug testing engaged in by the Individual Employer a violation of the Master Agreement and no results of any such test shall be relied upon to deny employment or pay or to discipline any Employee.

III. PURPOSE OF POLICY

- A. The Individual Employer and the Union are committed to providing a safe and productive work environment for Employees. The Employer, Individual Employer and the Union recognize the valuable resource we have in our Employees and recognize that the state of an Employee’s health affects attitude, effort, and job performance. The parties recognize that substance abuse is a behavioral, medical and social problem that causes decreased efficiency and increased risk of accidents and of injury.

The Individual Employer and the Union therefore adopts this Policy. The intent of the Policy is:

1. To maintain a safe, drug and alcohol free workplace;
 2. To maintain our work force at its maximum effectiveness;
 3. To support compliance with state and federal laws and regulations; and
 4. To provide confidential referral to the Assistance & Recovery Program ("ARP") and to provide confidential treatment to those Employees who recognize they have a substance abuse problem and voluntarily seek treatment for it.
- B. In order to achieve these purposes, it is our primary goal to identify those Employees and refer them to professional counseling, and treatment *before* job performance has become a disciplinary problem. Employees are urged to use the services available through ARP. ARP will assist them and refer them to the appropriate treatment program.
1. Treatment for substance abuse and chemical dependency is provided under the Health and Welfare Plan, up to the limits described in the plans.
 2. An Employee shall be granted necessary leave of absence for treatment ARP recommends contingent upon signing a return-to-work agreement as provided for in Section XI.

IV. EDUCATION PROGRAM

The Individual Employer will implement a comprehensive drug awareness and education program which shall be in conformance with the DOT regulations. The program shall include educating Employees and management/supervisory personnel about substance abuse and chemical dependency, the adverse effect they have on Employees and the Individual Employer, and the treatment available to Employees who abuse substances and/or are chemically dependent, and the penalties that may be imposed upon Employees who violate this Policy. The Individual Employer shall consult with ARP before it implements this policy so that ARP can provide education to the Individual Employer and its Employees. ARP shall continue to provide an educational program for the Individual Employer for their Employees and shall, to the maximum extent possible, train the Employees of Individual Employer who implement this Policy.

V. CONFIDENTIALITY

The Individual Employer will abide by all applicable State and Federal laws and regulations regarding confidentiality of medical records in any matter related to this Policy. The Individual Employer shall designate one of its management, supervisory or confidential employees to be its custodian of records and contact person for all matters related to this Policy. All such records shall be kept in a locked file which shall be labeled "confidential." Employee records related to this Policy shall not be kept in the Employee's personnel file.

All information from an Employee's drug and alcohol test is confidential for purposes other than determining whether this Policy has been violated. Disclosure of test results to any other person, agency, or organization is prohibited unless written authorization is obtained from the Employee. The results of a positive drug test shall not be released until the results are confirmed. Every effort will be made to ensure that all Employee issues related to this Policy will be discussed in private and actions taken will not be made known to anyone other than those directly involved in taking the action, or who are required to be involved in the disciplinary procedure.

VI. TESTING

Testing for the presence of alcohol or controlled substances and/or their by-products in one's body may only be performed under the conditions set forth herein except as where otherwise required by state and federal law. All testing shall be done in accordance with the standards established by the Substance Abuse and Mental Health Services Administration ("SAMHSA"), any successor agency, or any other agency of the federal government which has responsibility for establishing standards for drug testing. All such agencies shall be collectively referred to as "SAMHSA."

Chain of Custody. All SAMHSA standards for Chain of Custody will be adhered to. A specimen for which the SAMHSA standards are not complied with shall not be considered for any purpose under this Policy.

Laboratories. All laboratories which perform tests under this Policy shall be SAMHSA certified.

Testing Procedures and Protocols. All SAMHSA and DOT standards for testing and protocols shall be followed. All specimens which are determined to be positive by the SAMHSA approved screening test shall be subject to a SAMHSA certified confirmatory test (gas chromatography/mass spectrometry).

Second Test. The laboratory shall save a sufficient portion of each urine or oral fluid specimen in a manner approved by SAMHSA so that an Employee may have a second test performed. Immediately after the specimen is collected, it will be labeled and then initialed by the Employee and a witness. If the sample must be collected at a site other than the drug and/or alcohol testing laboratory, the specimen shall then be placed in a transportation container. The container shall be sealed in the Employee's presence and the Employee shall be asked to initial or sign the container. The container shall be sent to the designated testing laboratory on that day or the earliest business day by the fastest available method. Any Employee whose specimen is tested positive and who challenges a test result may have the second portion of the sample tested at his/her expense and at a laboratory agreed upon by the Employee and the MRO so long as that laboratory is SAMHSA certified and has been or is approved by the parties and the Employee requests the second test within seventy-two (72) hours of notice of a positive result. If the second test is negative, the Employee will be considered to have been tested negative.

Cut-Off Levels. SAMHSA standards for cut-off levels will be complied with when applicable. The cut-off levels for both the screening and confirmatory tests shall be per Federal standards as determined by the U. S. Department of Health and Human Services ("DHHS"). Only tests which are positive pursuant to the SAMHSA standards shall be reported to the Medical Review Officer as positive. A .04 blood/alcohol level or above shall be considered to be positive.

Medical Review Officer. A Medical Review Officer ("MRO") shall verify all positive test results. The MRO must be a licensed physician. The MRO shall be a member of the American Society of Addictive Medicine ("ASAM") if available. If no ASAM members are available, the MRO shall be certified by the Medical Review Officers' Certification Council. The Union shall approve all MRO's. Upon verification of a positive test result, the Employer shall refer the affected Employee to ARP for assessment and referral to treatment, if appropriate.

Consent Form. Any Employee directed to submit to a test in accordance with this Policy will sign a consent and release form, a copy of which is attached hereto (Form "A"). The consent and release form will only authorize (1) the facility where the specimen is collected to collect the specimen, (2) the laboratory which performs the test to perform the test and to provide the results to the MRO, and, if negative, to the Individual Employer, and (3) the MRO to verify tests and report to the Individual Employer whether the test is positive or negative. The consent and release form shall notify the Employee that he/she may have a Union representative present if available.

The Employee may be disciplined if he/she refuses to sign the authorization if the Individual Employer has advised the Employee (1) he/she must sign it or he/she will be disciplined up to and including termination, (2) the release is limited as provided herein, (3) the Employee has a right to consult with a Union representative before signing the release and before submitting to the test. An Employee who believes the Individual Employer is improperly directing him/her to submit to a test may file a grievance under the Master Agreement. The test results will be disregarded if the Board of Adjustment or Arbitrator determines the Individual Employer was not authorized by this Policy to direct the Employee to submit to the test.

Substances to be Tested For. A specimen may be tested for alcohol, marijuana (THCA), opioids, cocaine, phencyclidines (PCP), and amphetamines, or the by-products of these substances except as where otherwise required by state and federal law. A specimen shall not be tested for anything else. If DOT revises its list of substances for which it requires Individual Employer to test, this Section will be revised to include those substances. The laboratory will report positive test results to the MRO. The MRO will verify whether the test is positive or negative. The MRO shall report to the Individual Employer whether the Employee tested positive or negative for one of these substances. The MRO will not identify the substance(s) for which the Employee tested positive unless specifically required to do so by DOT regulations.

Urine, Saliva, Blood, or Breath Test. The Individual Employer may direct the Employee to submit to a urine test or at the Employee's request, a blood test for alcohol except as where otherwise required by state and federal law and/or other drugs, or a breath test for alcohol.

An Employee who is unable to provide a urine sample will be offered up to 40 ounces of water over a three hour period. It is not a refusal to test if the employee declines. If a urine specimen cannot be obtained, an oral fluid specimen may be obtained. If an oral fluid specimen cannot be obtained and if the employee is unable to provide a sufficient amount of urine the MRO will be notified and the employee will be directed to obtain, within 5 days, an evaluation from a licensed MRO approved physician. If there is no medical explanation, it is a refusal to test.

Notification to Employer of Test Results. The laboratory shall report negative test results to the Individual Employer. The laboratory will report positive test results to the MRO. The MRO will verify whether the test was positive or negative and will report the final results to the Individual Employer.

VII. TYPES OF PERMISSIVE TESTING

A. TIME OF DISPATCH TESTING

An Individual Employer may require an Employee to be tested for the presence in the Employee's body of one of the drugs or by-products thereof set forth above at the time the Employee is dispatched (on one of the first three (3) days of employment). It must test all Employees at the time they are dispatched if it tests any Employee. The Individual Employer shall put the Employee to work or pay the Employee pending the test results unless the Employee has been dispatched to a DOT regulated assignment and the Individual Employer does not have any work for the Employee to perform which is not subject to the DOT regulations or if it has probable cause to believe the Employee is impaired, intoxicated, or under the influence of a drug. The standards for probable cause are set forth below in Section B. If the Individual Employer does not allow an Employee to work pending the test results because it believes it has probable cause, it shall make the Employee whole for all lost wages and benefits if the Employee tests negative. Employees who test positive will be referred to ARP. The Individual Employer shall not be obligated to employ any such Employee after ARP releases the Employee to return to work but may employ such Employee under the terms of a return-to-work agreement. An Employee who refuses to submit to a drug/alcohol test when dispatched shall not be paid show-up time.

An Individual Employer may test Employees who are recalled from layoff as provided for in the Job Placement Regulations who have not worked for thirty (30) days. If the Individual Employer tests any Employee who is recalled, it must test all such Employees. An Individual Employer may test all Employees at the time they are dispatched under this Section except for those who are recalled.

Time of Dispatch Screening by the Job Placement Center: The parties shall establish a joint committee to determine whether there is a feasible means by which the Job Placement Centers can conduct the drug/alcohol screen before dispatching an Employee so that only Employees with a negative test will be referred.

B. PROBABLE CAUSE TESTING

An Individual Employer may require an Employee to submit to a drug test as provided for in this Policy if it has probable cause that the Employee is impaired, intoxicated, and/or under the influence of a drug. Probable cause must be based on a trained Management Representative's (preferably not in the bargaining unit) objective observations and must be based upon abnormal coordination, appearance, behavior, absenteeism, speech or odor. The indicators shall be recognized and accepted symptoms of intoxication or impairment caused by drugs or alcohol and shall be indicators not reasonably explained as resulting from causes other than the use of such controlled substance and/or alcohol (such as, but not by way of limitation, fatigue, lack of sleep, side effects of proper use of prescription drugs, reaction to noxious fumes or smoke, etc.). Probable cause may not be established, and thus not a basis for testing, if it is based solely on the observations and reports of third parties. The trained Management Representative's observations and conclusions must be confirmed by another trained Management Representative. The grounds for probable cause must be documented by the use of an Incident Report Form (see Form "B" attached). The Management Representative shall give the Employee a completed copy of this Incident Report Form and shall give the Union Representative, if present,

a copy of the Incident Report Form before the Employee is required to be tested. After being given a copy of the Incident Report Form, the Employee shall be allowed enough time to read the entire document and to understand the reasons for the test.

The Management Representative also shall provide the Employee with an opportunity to give an explanation of his/her condition, such as reaction to a prescribed drug, fatigue, lack of sleep, exposure to noxious fumes, reaction to over-the-counter medication or illness. If available, the Union Representative shall be present during such explanation and shall be entitled to confer with the Employee before the explanation is required. If the Management Representative(s), after observing the Employee, and hearing any explanation, concludes that there is in fact probable cause to believe that the Employee is under the influence of or impaired by, drugs or alcohol, the Employee may be ordered to submit to a drug test.

The Individual Employer shall advise the Employee of his/her right to consult with a Union Representative (including a Steward) and allow the Employee to consult with a Union Representative before the Employee submits to the test, if the Union Representative is available.

Employees required to submit to a test under Section B will be paid for all time related to the test including the time the Employee is transported to and from the collection site, all time spent at the collection site, and all time involved completing the consent and release form if the test results are negative.

C. ACCIDENT TESTING

An Individual Employer shall require Employees who are directly, or indirectly, involved in work-related accidents involving property damage or bodily injury that requires medical care or work-related accidents which would likely result in property damage or bodily injury be subject to a test as provided herein. The innocent victims of an accident will not be subject to a test unless probable cause exists. The Individual Employer shall complete an Incident Report Form (see Form B attached) whenever it tests an Employee under this Section.

D. UNANNOUNCED RANDOM TESTING

An Individual Employer may initiate unannounced random testing, a selection process where affected Employees are selected for testing and each Employee has an equal chance of being selected for testing. If an Individual Employer initiates such testing, all Employees shall be subjected to such testing. The Individual Employer may establish two random testing pools; one for DOT regulated Employees and one for all others. An Individual Employer who initiates random testing shall specifically state in its notice to the Union and its notice to Employees that Employees will be subject to random testing. The Individual Employer shall give thirty (30) days' notice to the Union and Employees prior to implementing a random drug testing program.

E. DOT REGULATED EMPLOYEES

Notwithstanding any other provision of this Policy, the Individual Employer may require its Employees who are covered by the DOT drug and alcohol testing regulations to submit to testing as required by those regulations. Such testing will be conducted in strict accordance with the Regulations. The Individual Employer may discipline an Employee who tests positive as defined by the Regulations subject to Section XI, REHABILITATION/DISCIPLINE, of the Policy. ARP shall be the Substance Abuse Professional for all Employees. ARP, to the maximum extent possible, shall provide the mandated training to all Employees. Employees who are subject to DOT regulations who have a positive "pre-employment" test (as defined by the DOT regulations) will be paid show-up time only if the Individual Employer does not have any work for the Employee to perform which is not subject to the DOT regulations pending the test result. Employees who are tested under the DOT Regulations who are not allowed by those Regulations to continue to perform safety sensitive functions, as defined by the Regulations, shall be paid for hours worked.

F. OWNER/AWARDING AGENCY REQUIREMENTS

Whenever owner or awarding agency specifications require the Individual Employer to provide a drug-free workplace, the Union and the Employer or the Individual Employer shall incorporate such additional requirements herein. This Policy shall apply to all such testing.

G. QUICK TESTS

The parties agree to allow the Employers to use, on an individual basis, an oral or urine quick test approved by the bargaining parties as an effective low-cost tool for substance abuse screening for pre-hire, time of dispatch screening only. Testing procedures for the oral test (including the oral screen – OSR device) and the urine test shall be conducted in a manner consistent with the product manufacturer's specifications; in an effort to produce the most consistent and accurate results possible. Dispatched members who fail this saliva or urine test will be sent for standard urine testing. When the Individual Employer conducts the oral screen, a negative result may be accepted and the applicant may be put to work with no further testing required. A non-negative (inconclusive) result will subject the applicant to the Standard Procedures in this Agreement.

VIII. EMPLOYER REFERRALS

A decline in an Employee's job performance is often the first sign of a personal problem which may include substance abuse or chemical dependency. Supervisory personnel will be trained to identify signs of substance abuse, chemical dependency, and declining job performance. The Individual Employer may formally refer an Employee to ARP based upon documented declining job performance or other observations prior to testing under Section VII and/or disciplining the Employee.

IX. EMPLOYEE VOLUNTARY SELF-HELP PROGRAM

An Employee who has a chemical dependency and/or abuses drugs and/or alcohol is encouraged to participate in an Employee Voluntary Self-Help Program. Any such Employee shall be referred to ARP. Employees who seek voluntary assistance for alcohol and/or substance abuse may not be disciplined for seeking such assistance. Request by Employees for such assistance shall remain confidential and shall not be revealed to other Employees or management personnel without the Employee's consent. ARP shall not disclose information on drug/alcohol use received from an Employee for any purpose or under any circumstances, unless specifically authorized in writing by the Employee.

The Individual Employer shall offer an Employee affected by alcohol or drug dependence an unpaid medical Leave of Absence for the purpose of enrolling and participating in a drug or alcohol rehabilitation program.

X. PROHIBITED ACTIVITIES/DISCIPLINE

An Employee shall not possess, use, provide, dispense, receive, sell, offer to sell, or manufacture alcohol and/or any controlled substances as defined by law or have any measurable amount of any such substance or by-product thereof as defined in Section VI while on the Individual Employer's property or jobsite and/or while working for the Individual Employer unless the Employee has the Individual Employer's express permission to do so. An Employee shall not work while impaired, intoxicated or under the influence of alcohol and/or any controlled substance. An Employee who uses medication prescribed by a physician will not violate these rules by using such medication as prescribed if the Employee's physician has released the Employee to work. An Employee who uses over-the-counter medication in accordance with the manufacturer's and/or doctor's recommendation shall not violate the rules by using such medication. Impairment caused by prescribed medication and/or over-the-counter medication does not constitute a violation. The Individual Employer may prohibit an Employee who is impaired as a result of proper use of prescription or over-the-counter medication from working while the Employee is impaired but may not discipline such an Employee. An Employee who is impaired by misuse of prescription or over-the-counter medication violates the Policy and is subject to discipline as provided herein.

XI. REHABILITATION/DISCIPLINE

The Individual Employer may discipline an Employee who violates any provision of Section X. Such Employee is subject to disciplinary action up to and including termination. Among the factors to be considered in determining the appropriate disciplinary response are the nature and requirements of the Employee's work, length of employment, current job performance, the specific results of the test, and the history of past discipline.

The Individual Employer is not required to refer to ARP any Employee who violates any provision of Section X which prohibits the sale of, attempted sale of or manufacture of prohibited substances before it disciplines the Employee.

The Individual Employer may not discipline any Employee who violates any other provisions of Section X until such Employee has been offered an opportunity to receive treatment and/or counseling.

Any Employee who fails to come forward to receive treatment and/or counseling prior to an accident, drug screen, for cause or random test shall not be eligible for the reemployment provisions of this Section XI.

Any Employee who comes forward to receive treatment and/or counseling prior to an accident, drug screen, for cause or random test shall be subject to reemployment as follows. The Employee will not be discharged if he/she agrees in writing to undergo the counseling/treatment ARP prescribes. The Individual Employer shall re-employ the Employee when ARP releases him/her to return to work if it has work available. The Individual Employer will not be required to lay-off any current Employee, in order to re-employ the Employee. If the Individual Employer does not have any work available when ARP releases the Employee, it shall re-employ the Employee as soon as it has work available. The Employee will be subject to a return-to-work agreement. The Individual Employer and the Employee will enter into a return to work agreement. The Employee may request Union representation. The return-to-work agreement will require the Employee to comply with and complete all treatment ARP or the treatment provider, as the case may be, deems appropriate. The Individual Employer will also provide a monitoring of the Employee's compliance with the treatment plan ARP, or the treatment provider, develops. The Individual Employer may discipline the Employee for not complying with the return-to-work agreement. The Individual Employer will attempt to meet with any Employee who violates the return-to-work agreement and attempt to persuade the Employee to comply with the return-to-work agreement. This procedure shall be followed on a consistent basis. Employees who are working under a return-to-work agreement shall be subject to all of the Individual Employer's rules to the same extent as all other Employees are required to comply with them.

The ARP Board of Directors shall be empowered to periodically review and update testing procedures.

XII. NON-DISCRIMINATION

The Individual Employer shall not discriminate against any Employee who is receiving treatment for substance abuse and/or chemical dependency. All Employees who participate in ARP and/or are undergoing or have undergone treatment and rehabilitation pursuant to this Policy shall be subject to the same rules, working conditions, and discipline procedures in effect for all Employees. Employees cannot escape discipline for future infractions by participating in ARP and/or undergoing treatment and rehabilitation.

XIII. COST OF PROGRAM

Evaluation and treatment for substance abuse and chemical addiction are provided for through the Health and Welfare Plan. An Individual Employer who adopts this Policy will not incur any additional cost for assessment, referral and treatment beyond that which is incorporated into its Health and Welfare contribution rate. ARP is funded through the Health and Welfare Trust to provide its current level of service which includes performing assessments of Employees and their covered dependents, referral of Employees and covered dependents who are undergoing rehabilitation and providing limited education and training programs to Individual Employer. The Individual Employer will pay all costs for testing.

XIV. GRIEVANCE PROCEDURE

All disputes concerning the interpretation or application of this Policy shall be subject to the grievance and arbitration procedures of the Master Labor Agreement.

XV. SAVINGS CLAUSE

The establishment or operation of this Policy shall not curtail any right of any Employee found in any law, rule or regulation. Should any part of this Policy be determined contrary to law, such invalidation of that part or portion of this Policy shall not invalidate the remaining portions. In the event of such determination, the collective bargaining parties will immediately bargain in good faith in an attempt to agree upon a provision in place of the invalidated portion.

FORM "A"

EMPLOYEE CONSENT AND RELEASE FORM

I, _____, have been directed by my employer, _____, to submit to a drug/alcohol screen (saliva, urine or blood for drugs other than alcohol or urine, blood or breath for alcohol) at a collection facility designated under the terms of the Substance Abuse Policy ("Policy") which is part of the collective bargaining agreement between my employer and Operating Engineers Local Union No. 3 (the "Local 3 Agreement") which governs my employment with my employer. The specimen shall be tested to detect the presence of Amphetamines, Cocaine, Marijuana (THCA), Opioids, Phencyclidine (PCP), and Alcohol. I consent to the following:

1. The facility which collects a specimen from me may do so;
2. The laboratory which performs the test may submit the results of the test to the designated Medical Review Officer and, if negative, as defined by the Policy, to my employer; and
3. The Medical Review Officer may verify the test and report to my employer whether the test was positive or negative, as defined by the Policy.

In addition to Time of Dispatch testing, if I am directly or indirectly involved in a work-related accident involving property damage, bodily injury that requires medical care or work-related accidents which would likely result in property damage or bodily injury, I consent to be tested in accordance with the Policy. I also consent to be tested if my employer has probable cause to do so as set forth in the Policy. I also consent to be randomly tested in accordance with the Policy. I also consent to be tested if my employment is regulated by the United States Department of Transportation Code of Federal Regulations CFR 382 and 49 and my employer is required to test me under these regulations.

My employer has advised me that:

1. I have a right to have a Union Representative present if available;
2. I must sign this form and that I may be disciplined up to and including discharge if I do not;
3. The release is limited as provided herein; and
4. I have a right to consult with a Union Representative before I sign this release.

I am signing this Consent Form because I have been directed to do so by my employer. By doing so I am not waiving any rights I may have under the Local 3 Collective Bargaining Agreement or any applicable law except as expressly provided for herein. By signing this Agreement, I am not acknowledging that my employer has probable cause to believe I have violated any provision of the substance abuse policy which is part of the Local 3 Agreement or any of my employer's policies which pertain to my employment.

- ☐ I previously have received a copy of the Policy.
- ☐ My employer has provided me with a copy of the Policy.

(Employee Signature)

(Employee Name [Please Print])

(Date)

Witness:

(Witness Signature)

(Witness Name [Please Print])

(Date)

FORM "B"
INCIDENT REPORT FORM

Employee Involved: _____

Date of Incident: _____ Time of Incident: _____

Location of Incident: _____

Employee's Job Assignment/Position: _____

Employee Regulated by DOT: ☐ Yes ☐ No

Employee Notified of His/Her Right to Union Representation: ☐ Yes ☐ No

Date Notified: _____ Time Notified: _____

Witness to Incident: _____

Witness' Observation: _____

Employee's Explanation: _____

Employee's Signature: _____ Date: _____

Witness' Signature: _____ Date: _____

Employer's Signature: _____ Date: _____

Title: _____

Action Taken: _____

Date/Time Action Taken: _____