

**SPECIAL PROJECT NEEDS**  
**AGREEMENT**  
**for the**  
**FORT HILLS UPSTREAM SUITE**  
**OF CONSTRUCTION PROJECTS**

March 1 2009

## **SPECIAL PROJECT NEEDS AGREEMENT**

BY AND BETWEEN:

### **THE COORDINATING COMMITTEE OF REGISTERED EMPLOYERS' ORGANIZATIONS**

(hereinafter referred to as "the Coordinating Committee")

- and -

### **THE BUILDING TRADES OF ALBERTA**

(hereinafter referred to as "the Council")

The Coordinating Committee and the Council have each adopted resolutions authorizing the execution of this Special Project Needs Agreement on behalf of all of the respective registered employers' organizations and groups of trade unions in the general and specialty sectors of the construction industry. Accordingly, pursuant to the special project needs provisions or equivalent of the appropriate Provincial Collective Agreements, and/or pursuant to participation agreements entered into between registered employers' organizations and groups of trade unions, it is agreed that the terms and conditions of work contained in this Special Project Needs Agreement shall be applicable to the Petro-Canada Fort Hills Upstream Suite of Projects [the "Projects"]. The referenced Collective Agreements shall govern the relationship in respect of the Projects except as is modified by this Agreement. Where the terms "Petro-Canada" or "Owner" are used herein, it shall mean the owner or owners, collectively, of the Projects.

#### **1.00 Basic Agreements**

- 1.01 This Special Project Needs Agreement shall be attached to and form part of each of the referenced Provincial Construction Collective Agreements between the respective registered employers' organizations and groups of trade unions.
- 1.02 The signatory parties to the respective Provincial Construction Collective Agreements undertake to propose to the other and to agree with the other that this Special Project Needs Agreement will be attached to and form part of each of the referenced Collective Agreements that will be concluded pursuant to any round of construction collective bargaining entered into or initiated during any period during the duration of construction of the Projects.

- 1.03 The signatory parties to the respective Provincial Construction Collective Agreements agree that representatives of the Coordinating Committee and of the Council together may negotiate changes to this Special Project Needs Agreement.

## **2.00 Application of Subsequent Collective Agreements**

- 2.01 The provisions of this Agreement shall continue through to the conclusion of the Projects or until this Agreement is terminated in accordance with the provisions of this Agreement, whichever event shall first occur, notwithstanding that such events may take place after the expiry date of the existing Collective Agreement. It is the intentions of the parties that the work encompassed by this Agreement shall continue without abatement by strike, lock-out, work slowdowns, or any other action designed to limit output.
- 2.02 As collective bargaining, pursuant to a Registration Certificate or otherwise, may take place in the construction industry which will affect terms and conditions of employment save and except where the same are provided for in this Agreement such variations in the resulting Collective Agreement shall be picked up for the Projects. Any applicable changes will be effective for the purposes of this Agreement as and when such changes become effective pursuant to the resulting Collective Agreement.
- 2.03 In the event a referenced Collective Agreement ceases to be in effect during any period during which this Agreement remains in effect, then the applicable provisions of the most recent Collective Agreement shall apply, until such time as a renewal agreement is entered in to by the Employers' Organization and the Local Union or the successors of either.
- 2.04 Each Employers' Organization and each counterpart Local Union agree that, by signing this Agreement, each is estopped, for the duration of this Agreement, from attempting to change, alter or vary the terms of this Agreement.
- 2.05 Each Employers' Organization and each counterpart Local Union agree that should it attempt to change, alter or vary the terms of this Agreement or to propose that this Agreement not be attached to and form part of a renewal collective agreement concluded in respect to any such round of construction collective bargaining, that the other Party or the Council or the Coordinating Committee is entitled to obtain an immediate injunction or declaration or other order from a court or other decision making body which will permanently prohibit any attempt to change, alter, or vary this Agreement, or to require the offending Party to propose that this Agreement be included in any renewal agreement so concluded.
- 2.06 Each Employers' Organization and each counterpart Local Union undertake to propose to the other and to agree with the other that this Agreement will be attached to and form part of the Collective Agreement that will be concluded pursuant to any round of construction collective bargaining entered into or initiated during any period during the duration of this Agreement.

- 2.07 Each Employers' Organization and each Local Union understand that representatives of the Coordinating Committee and of the Council together may negotiate changes to this Agreement. The said changes shall, after ratification by both the Coordinating Committee and the Council, be applicable pursuant to this Agreement. Such ratification shall be by majority vote of the signatory affiliates of the Coordinating Committee and of the Council, respectively, through whatever ratification process the Coordinating Committee and the Council shall each determine.

### **3.00 Application Under Part 3, Division 8 of the Alberta Labour Relations Code**

- 3.01 In the event that Petro-Canada, at its discretion, applies pursuant to Part 3, Division 8 of the Code to have the Projects, or any of them designated pursuant to Section 196 of the Alberta Labour Relations Code and provided that under such designation the then existing terms of the Collective Agreements between the respective Local Unions and the Registered Employers' Organizations as modified by this Agreement, are designated as the Collective Agreement between the Principal Contractor and the affected Trade Unions, then the signatories to this letter will support such designation application, and the Parties hereto and those bound by this Agreement, agree that the terms of such Project Collective Agreement or Agreements will, insofar as they apply to those Local Unions, Employers and Employees, consist of the then existing or most recent Collective Agreement or Agreements as modified by this Agreement.

### **4.00 No Strikes or Lockout**

- 4.01 The Employers' Organization and the Local Union agree that in the event that any strike or lockout is commenced pursuant to Part 3 of the Alberta Labour Relations Code, such strike or lockout shall not apply to the Projects or any of them, and each of the Employers' Organization and the Local Union waive any right they may have at law to commence or require that any such strike or lockout conducted under Part 3 apply to the Projects, or any of them.

### **5.00 No Bargaining Relationship for Petro-Canada or its Partners in the Fort Hills Projects**

- 5.01 It is understood by the parties hereto that no bargaining relationship is created by **Petro-Canada** together with its parents, subsidiaries and affiliates and their successors, or any of its project partners, with any Local Union or any International Union, the Council, or any affiliate of the Council, by voluntary recognition or by action of law pursuant to Section 176 of the Alberta Labour Relations Code.
- 5.02 Similarly, where Petro-Canada has participated in any way in the processes and administrative matters contemplated in this Special Project Needs Agreement, it is only for the purposes of this document and the enhancement of the Projects and in no way can be construed to be creating a bargaining relationship, extending a voluntary recognition or

taking actions which, by action of law, would bind Petro-Canada to any Collective Agreement with the Local Union or any International Union, the Council, or any affiliate of the Council.

- 5.03 Where Petro-Canada is mentioned in this document, the terms shall be taken to mean the person or persons designated by Petro-Canada in respect to participation in the administration of portions of this Agreement, wherever that context is appropriate.

## **6.00 Hours of Work and Scheduling**

The following Articles are intended to identify regular hours of work, shift hours, and overtime hours and are not to be construed as a guarantee of hours of work per day, per week, or with respect to days of work in any week.

- 6.01 The Employer may schedule work pursuant to any provisions or prerogatives that may be contained within the Collective Agreement(s). This would include scheduling work pursuant to Schedules A and/or C.
- 6.02 Work may be scheduled pursuant to Schedules B, D and/or F. When work is scheduled in accordance with those Schedules, the below shall apply.
- (a) The Parties have agreed to five work cycles set out in Schedules attached to this document and marked Schedule A through Schedule E. .
  - (b) Workers will have the prerogative of choosing from among all of the work cycles applicable to them, subject to their crew size being sufficient to allow for such options. There may also be circumstances in which Petro-Canada or a non-Building Trades prime contractor may dictate the work cycles to be applied in respect to an area of the project, in which case the options for workers will be limited accordingly in that area. Where it is impractical to utilize all the options in Schedules A to E, at a minimum the employer must offer Schedule A or C to eligible employees, except in circumstances in which there is approval by the majority of the Unions representing employees affected by work in which Schedule A or C will not be offered.
  - (c) These schedules shall establish the minimum hours of work for employees on the Project and shall be adhered to subject only to adjustments during "critical path" periods and periods of inclement weather or other similar conditions that interfere with the operations of the Project.
  - (d) These schedules may be applied to any work on or adjacent to the Project site.

### **6.03 Site Closures**

Petro-Canada may require that periods are scheduled during which construction activity on the site will be suspended during such periods as the Christmas/New Year's period, and it may also be required that the continuance of the activities of certain employees or groups of employees whose presence on the site is necessary during such periods may be scheduled.

### **7.00 General Holidays**

7.01 In order to achieve uniformity in application for all trades under the scope of this Special Project Needs Agreement where the observance of a designated day off in conjunction with a General Holiday is not dealt with in a manner consistent with article 7.02, then the applicable referenced collective agreement will be deemed to contain the provisions of article 7.02.

7.01 General Holidays will be observed as follows:

- (a) A General Holiday that falls on a day that, but for the General Holiday, is a day that would have been scheduled for work, will be observed on that date. That day will become a day off, or if worked, compensated at double time.
- (b) A General Holiday that falls during a "vacation", or during a "furlough" (being one or more weeks off following a work cycle of consecutive weeks), will be deemed to have been observed on the day on which it falls, and will not affect the date of the return to a work cycle nor the rate of pay for that date. Notwithstanding the foregoing, in the year 2012, if Canada Day and/or Remembrance Day occur on the first or second day of a furlough, those holidays will be observed on the first day that the worker would have been scheduled to resume his or her cycle. If this agreement remains in effect beyond December 31<sup>st</sup>, 2016, the observance of Canada Day and Remembrance Day in subsequent years will be addressed.
- (c) "Designated Days Off" will be defined in the respective Schedules. A General Holiday that falls on Designated Day Off that is not a vacation or a furlough, will be observed on the next scheduled work day. The date on which a General Holiday is observed will become a day off, or if worked, will be compensated at double time.

### **8.00 Vacations**

8.01 Local employees will be granted up to two weeks vacation annually upon reasonable notice requesting such vacation. No more than twenty-five percent of the members of a crew may be on vacation at any given time.

## **9.00 Furloughs**

- 9.01 Each of the Schedules attached hereto provide for periods of rest, called "furloughs". Work performed, at the employer's request, during a period of furlough shall be compensated at double time.

## **10.00 Geographical Priority of Workers**

- 10.01 The Parties are committed to working co-operatively to identify, recruit and employ workers in the following geographical order of priority in the employment of workers on the Project: 1. Local; 2. Alberta; 3. Canada; 4. North America; 5. beyond North America. The Parties recognize that "front-end" work will be required among them to maximize the use of North American workers.

## **11.00 Lay-offs**

- 11.01 The Parties recognize the substantial effort and cost involved in recruiting workers from out of Province to the Project but it is also accepted that workers within the local unions from Alberta expect consideration in terms of job retention on Alberta projects. Therefore lay-offs will be handled in accordance with the Lay-Off Protocol attached as Schedule F.

## **12.00 Owner's Travel and Accommodation Policy**

- 12.01 A policy setting out provisions for travel, surface and/or air transportation, and accommodations will be published by Petro-Canada, and amended from time to time. Disputes respecting the application of that policy will be resolved using the umpire process articulated in that policy.

## **13.00 Daily Travel**

- 13.01 The travel allowance between Fort McMurray and Fort Hills Upstream will be determined by analogizing to daily travel out of Edmonton. The portion of the round trip beyond the 45 km radius will be determined using an 80 km per hour average speed. (E.g., if the access to the site is 50 km road distance beyond the 45 km free zone, the travel time for the round trip will be 1.25 hours.)
- 13.02 Where workers are housed by the Employer at locations outside a 45 km radius of the site, the same process will be used to determine the daily travel allowance for such workers.
- 13.03 The preference of the Parties is that all workers will be housed on or adjacent to the site. Notwithstanding the foregoing, where workers are required to be housed at locations that

require an inordinate amount of travel time, the Project Communication Forum will determine appropriate compensation for such travel.

**14.00 Travel Within Northern Alberta**

14.01 Transportation will be provided, in accordance with the respective collective agreements, prior to and following each work cycle. Where transportation is provided, the Parties, together with Petro-Canada, encourage workers who are entitled to transportation to use the transportation provided, in the interests of safety, performance and quality of life.

**15.00 Project Enhancements**

15.01 Policies designed to enhance project performance, in terms of employee skills, supervisory skills, health and safety (including measures to address substance use and abuse), worker satisfaction, worker retention, productivity, effective training and employment of apprentices, mentoring, attendance, and other value-adding initiatives, shall be developed by the parties and implemented on the Projects.

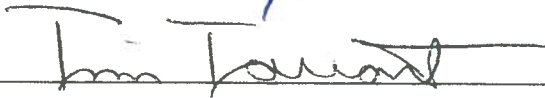
Signed by the Parties this 10 day of March, 2009

**On behalf of the Coordinating Committee of Registered Employers' Organizations:**

Per:

  
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Per:

  
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**On behalf of the Building Trades of Alberta:**

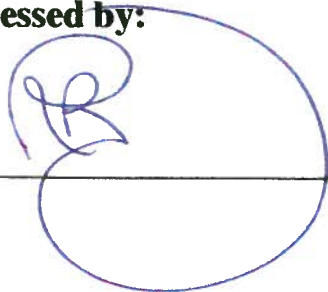
Per:

  
\_\_\_\_\_

Per:

  
\_\_\_\_\_

**Witnessed by:**

  
\_\_\_\_\_

**Schedule A: Seventeen of Nineteen, Nine Off**

1. A work cycle will consist of
  - Week 1: Six ten hour days, one off
  - Week 2: Six ten hour days, one off
  - Week 3: Five ten hour days
  - Followed by: Nine days off.

Each will have a one-half hour unpaid lunch break occurring at approximately mid shift and two fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
2. In each Monday through Friday shift the first scheduled hour of work and the last scheduled hour of work will be paid at time-and-one-half in accordance with the overtime provisions of the Provincial Collective Agreement. The eight regularly scheduled hours of work in between the first scheduled hour of work and the last scheduled hour of work will be paid at straight time rates in accordance with the respective Provincial Collective Agreement. Any work beyond ten hours in a day will be paid at double time.
3. In each Saturday shift, all hours will be paid at double time in accordance with the respective Provincial Collective Agreement.
4. Work performed on a Sunday or on a Saturday following a five day work week will be paid at double time.
5. The Sunday of a work week of six consecutive work days shall be a "Designated Day Off".
6. The nine days off shall be considered a "furlough".
7. This work cycle will be applicable to a worker whose residence is in Canada.

**Schedule B: Modified Twenty and Eight (19 of 20 worked, 8 off)**

1. A work cycle nineteen ten hour days, worked within a twenty day period, followed by eight days off.
2. Pay for hours worked will be based on the following:
  - a) **Days 1 through 3 and days 18 through 20:** The first one and one half scheduled hours of work and the second half of the ninth, and the tenth (the last 1½ hours), scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The seven regularly scheduled hours of work in between the first one and one half scheduled hours of work, and the second half of the ninth, and the tenth, scheduled hours of work will be paid at

straight time rates in accordance with the applicable Provincial Collective Agreement.

- b) **Thirteen days in the middle of the cycle:** The first two scheduled hours of work and the ninth and tenth scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The six regularly scheduled hours of work in between the first two scheduled hours of work and the last two scheduled hour of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
3. Each work day will have a one-half hour unpaid lunch break occurring at approximately mid shift and two fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
4. A day of rest will be scheduled by the Employer on the second Sunday within the cycle, and shall be a "Designated Day Off".
5. Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement.
6. The nine days off shall be considered a "furlough".
7. This work cycle will be applicable to a worker whose residence is in Canada.

#### **Schedule C: Alternating 5 and 6 Day Work Weeks**

1. A work cycle will consist of alternate work weeks of five consecutive work days, Monday through Friday, and six consecutive work days, Monday through Saturday, each of which will consist of a shift of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two ten fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
2. In each Monday through Friday shift the first scheduled hour of work and the last scheduled hour of work will be paid at time-and-one-half in accordance with the overtime provisions of the Provincial Collective Agreement. The eight regularly scheduled hours of work in between the first scheduled hour of work and the last scheduled hour of work will be paid at straight time rates in accordance with the respective Provincial Collective Agreement. Any work beyond ten hours in a day will be paid at double time.
3. When employees work on a Saturday or a Sunday, they will be paid at double time.

4. The Sunday of a work week of six consecutive work days, and the Saturday and Sunday of a work week of five consecutive work days, shall be "Designated Days Off" for the purposes of the Holiday Observance provisions.
5. A worker will be entitled to a furlough of one week after each work cycle of five consecutive work weeks.
6. This work cycle will be applicable to a worker whose residence is in North America.

**Schedule D: Five Weeks of Six Tens**

1. A work week will consist of six ten hour days, Monday through Saturday, followed by a day off. A work cycle shall consist of five consecutive work weeks. Each work day within a work week will consist of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
2. Pay for hours worked in each work week will be based on the following:
  - a) **Day One and Day Six:** The first two scheduled hours of work and the ninth and tenth scheduled hours of work will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The six regularly scheduled hours of work in between the first two scheduled hours of work and the last two scheduled hour of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
  - b) **Days Two through Five:** The first one and one half (1½) scheduled hours of work and the second half of the ninth, and the tenth, scheduled hours of work (the last 1½ hours) will be paid at time and one-half in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The seven regularly scheduled hours of work in between the first one and one half scheduled hours of work, and the second half of the ninth, and the tenth, scheduled hours of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
3. Work performed outside of the ten scheduled hours of work in a day or on a "Designated Day Off" will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement.
4. The Sunday of each work week of six consecutive work days shall be a "Designated Day Off".
5. A worker will be entitled to a furlough of eight days after each work cycle of five consecutive work weeks.

7. This work cycle shall be applicable to a worker whose residence is in North America.
8. For workers from outside of North America, the above weekly hours and pay shall be applied, with the exception that such a worker shall be entitled to a furlough of two to four week following twenty-three consecutive work weeks.

**Schedule E: Ten On/Four Off**

1. Work cycles may commence on a Monday, Tuesday, or a Wednesday of any week.
2. A work cycle will consist of ten consecutive work days, each of which will consist of a shift of ten regularly scheduled hours of work with a one-half hour unpaid lunch break occurring at approximately mid shift and two fifteen minute paid work breaks, one occurring at approximately the middle of the first half of the shift and the other at approximately half way through the second half of the shift.
3. In each shift the first scheduled hour of work and the tenth scheduled hour of work will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement. The eight regularly scheduled hours of work in between the first scheduled hour of work and the tenth scheduled hour of work will be paid at straight time rates in accordance with the applicable Provincial Collective Agreement.
4. Each work cycle will be followed by four scheduled days of rest. The combination of the ten scheduled work days followed by the four scheduled days of rest will be referred to as a "ten and four cycle".
5. Work performed outside of the ten scheduled hours of work in a day or on a scheduled day of rest will be paid at double time in accordance with the overtime provisions of the appropriate Provincial Collective Agreement.
6. This work cycle shall be applicable to any worker who resides within North America.

**Schedule F: Other Issues**

1. **Lay off Protocol:** In the event of a layoff affecting Contractors working on the Project(s) covered by this Agreement, the following protocol will be followed;
  - a. **Voluntary Lay-Offs** – Workers on the Project may be offered the opportunity to exercise the option to accept a voluntary lay-off when there are lay-offs planned on the Project affecting their trade. In such cases this option will be offered to Local Union members first, travel card members second (where the use of travel cards apply), and workers on permits third.

- b. **Leave of Absence** – As another option, workers on the Project may be offered the opportunity to exercise the option to take a Leave of Absence from the Project when there are lay-offs planned on the Project that would affect their trade. In such cases this option will be offered to Local Union members first, travel card members second, and workers on permits third. Should the leave of absence extend beyond fourteen days in duration the Worker may request a lay-off.
  - c. **Transfers** – In a situation where one contractor is planning to lay-off workers on the Project and workers in the same trade working for other contractors working on the Project have opted to accept a Voluntary Lay-Off or Leave of Absence as stipulated in (a) or (b) above, or in cases where there are unfilled calls for workers in that trade on the Project, transfers between contractors covered by the terms and conditions of this Project Agreement will be allowed, except that there will be no transfers between the construction site and fabrication shops. The offer to accept a transfer under these circumstances will be made to Local members first, travel card members second, and workers on permit third.
  - d. **Lay-Offs** – Except as modified above, all lay-offs will be carried out in accordance with the terms of the applicable Registered Provincial Collective Agreement. It is understood that where a contractor on the Project is planning a lay-off of workers, workers in the trade where the lay-off is planned who are working for that contractor on the Project under a Labour Market Agreement will be subject to first lay-off unless they are able to be transferred under Clause (c) above.
  - e. **Delays in Transfers** – When a transfer under (c) above is planned but time is required to complete the transfer, the affected worker(s) will be allowed to use whatever accommodation has been made available until the completion of the transfer, to a maximum of seven calendar days unless an extension is granted by Petro-Canada.
2. **Supervision:** It is in the interests of the Parties to this Agreement to promote the training and development of foremen and other supervisors to manage the extensive amount of work contemplated for Alberta. Training and mentoring of supervisors will be facilitated and encouraged on the Projects within the scope of this Agreement. Workers showing leadership potential will be encouraged to accept the role of foreman as needed on these projects and will be provided with the training and mentoring, including supervisory courses provided by Petro-Canada, to make them successful. Where it is not feasible to meet the needs for supervision on site from within the ranks of Alberta tradespeople, or in those situations where there are special language situations that need to be considered, the Parties to this Agreement will establish, review from time to time, and amend as appropriate, a protocol for insuring that supervisory needs are met, having due regard for the need to maintain safety, productivity, quality, and a working environment that will promote the attraction and retention of workers.