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SUMMARY OF NEW CHARGES FILED OVER UC'S ILLEGAL OUTSOURCING OF WORK TO DOZENS OF LOW WAGE VENDORS

AFSCME Local 3299 has filed six new charges with the State's Public Employment Relations Board challenging another wave of unlawful contracting out by University officials. The charges address UC's secret transfers of work to dozens of low wage vendors, and show that UC is not abiding by the rules set by statute, contract or even its own internal policies. Instead, in violation of state law, UC has granted itself discretion to act unilaterally, executing and expanding contract after contract by exempting itself from the various policies requiring competitive bidding, notice, and negotiation. AFSCME has discovered, for example, that UC has even gone so far as to exempt a supplier of contract labor at UC Office of the President's UCPath Center from the UC's own policy requiring minimum compensation for contract workers. The charges also document the fact that UC has repeatedly granted itself exemptions to its own policy on competitive bidding before it can renew contracts in place for 10 years or more, a policy it adopted in response to criticism from the State Auditor in 2017.

The six new charges address alarming trends:

- I. UC Contracts Out In Secret, Concealing The Scope Of Work It Initially Transfers Away From University Employees To The Vendor, And Then Expanding On That Scope Of Work By Incrementally Contracting Out More And More Work Without Notice Of Any Kind**
 - A. UCI Medical Center executed a laundry services contract in secret and is increasing its scope little by little over time, refusing to fill vacant positions for UC employees in the process. *See Unfair Practice Charge SF-CE-1251-H.*
 - B. Recently revealed documents show that once UC establishes a contractual relationship with a vendor, even for limited work during a time limited period, UC has then *amended* those contracts in secret, extending the terms of the contract, and, in some cases, changing the substantive terms of the contract, without notice or opportunity to bargain. One of the six new charges filed addresses UC's secret renewal of contracts with 8 different vendors. *For example:*
 1. UC's initial 2016 contract with Lyon's Security at UC Office of the President's UCPath Center in Riverside required the vendor to pay their contractors UC's minimum wage. UC amended the contract in 2018 to *exempt* Lyon's Security from this requirement. *See Section 9 of the contracts attached as Exhibits 1 and 4 to the charge (PERB case number tbd).*

2. Between March 2014 to February 2019, UCSF Medical Center paid MedAssets nearly \$64 million for contract labor, reflecting a steady increase over time. UCSF Medical Center spent:

\$7.9 million from March to December 2014,
\$14.0 million in 2015,
\$11.8 million in 2016,
\$10.5 million in 2017,
\$16.8 million in 2018, and
\$2.7 million in the first two months of 2019.

The number of full time equivalent employees (FTEs) that MedAssets supplied to UC to perform work in lieu of AFSCME-represented patient care technical employees at UCSF (based on hours worked per month) increased from 79 FTEs in March 2014 to 155 FTEs in January 2019.

- C. In response to a 2017 State Auditor’s report that found UC’s policies flawed and too often, ignored, UC amended its internal policy governing competitive bidding and outsourcing of work to require all University locations to either allow *existing* contracts to expire after 10 years or submit them to renewed competitive bidding. After 10 years, then, if UC wished to contract out work for more time, UC is supposed to put out a Request for Proposals (RFP), notify AFSCME and justify to the Union why it seeks to outsource the work for the additional period of time. In an effort to evade providing notice or affording the union the opportunity to bargain, AFSCME has learned that UC simply grants itself “exemptions” from its own policy and proceeds to extend existing contract terms in secret. Often, the amendments executed to renew prior contracts do not just *extend* their term but also significantly *expand* the scope of work UC is contracting out to the private vendor in secret. For example:
 1. Between 2009 to 2019, UCLA amended its contract with AMN Healthcare at least 28 times, each time in secret, expanding the number of EX positions to be contracted out from 2 titles to 19 patient care technical titles.
 2. Between March 2014 to September 2019, UCSF spent nearly \$34 million on contract labor provided by a broker, ZeroChaos, to perform custodial, patient support assistant and hospital assistant work along with that of several other AFSCME-represented titles. While UC promised that ZeroChaos was only performing work “temporarily” during the initial phase of the opening of UCSF Medical Center’s Mission Bay campus in 2015, recently released data shows that UC has recently *increased* the use of ZeroChaos contract workers
 3. Before it can renew a pre-existing contract, UC is supposed to first determine whether it exists to save money solely on the basis of the contractor’s lower wages and benefits, and if so, to bring that work back in

house. By acting in secret, however, UC is evading this requirement as well, leaving contract workers in contingent positions and denying them the wages and benefits that attach to bargaining unit work, often for years at a time. For example, UCSF has repeatedly renewed its contract for security services with Allied Barton, and many Allied Barton guards have worked at UCSF for years. Since 2016, 62 Allied Barton contract workers have applied for career positions at UCSF, with many applying to open positions two or more times. UCSF has hired only 11 of them, choosing to keep many workers in a permanently contingent status. Today, despite UCSF falsely telling the State Auditor in 2017 it was no longer contracting out its security services, UCSF has approximately 60 security guards from Allied Barton on the job instead of UC employees. UCSF currently arranges for contract workers to fill almost two-thirds of the Medical Center's security guard positions.

4. Between 2014 and 2018, UC Davis spent \$3.8 million outsourcing custodial work to Pride Industries. The University has never made good on its promise to insource much of the work and use the vendor only for temporary work; instead, UC recently extended the contract beyond ten years without notice or competitive bidding.

See Unfair Practice Charge SF-CE-1245-H (10 year rule).

II. Even When UC Issues Requests for Proposals, It Grants Itself Permission to Withhold Them and Deny The Union Notice of Any Kind

Although UC claims that it is committed to providing a copy of each RFP to AFSCME, the reality is that it often acts in secret, granting its procurement staff discretion to do so and to withhold notice of any kind. Yet another unfair practice charge details how UC reinterprets a clear, bright line rule into one it considers discretionary. AFSCME has discovered nine RFPs online that UC issued but *withheld* from AFSCME covering the following types of work:

1. Security guard services at UCI,
2. Custodial services at UCI,
3. Security guard services at UC Merced,
4. Food service work at UC Davis,
5. Food service work at UC San Diego,
6. Linen services at UC Berkeley,
7. Mail services at UC Berkeley,
8. Food services work at UC Berkeley; and
9. A wide variety of patient care technical work at UCLA Health.

See Unfair Practice Charge SF-CE-1238-H (Withholding RFPs).

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III. Even When UC Does Give AFSCME A Copy Of an RFP Seeking To Contract Out AFSCME Work, UC Then Refuses To Bargain Or Even Provide Information Requested By The Union.

UC is required to provide AFSCME with a copy of *each* RFP that seeks to outsource work that would otherwise be performed by workers represented by the Union. In those instances when UC does provide AFSCME with a copy of an RFP seeking to contract out bargaining unit work, on several occasions, the University has refused to bargain and instead proceeded to contract out the work unilaterally. For example:

1. UC Berkeley has issued a series of RFPs to contract out an ever-increasing amount of food services work, doubling its projected spending on outsourced labor from outside vendors and even hiring “gig” workers from an app. AFSCME demanded bargaining and the University went silent, and proceeded to contract out the work.
2. UC Berkeley also refused to bargain after sending a copy of an RFP for tree trimming work that bargaining unit members could perform.
3. UCSF issued an RFP and provided it to AFSCME as if it were a mere “courtesy” to do so, only to then refuse to bargain over the proposal to contract out landscaping work that could be performed by bargaining unit members.

See Unfair Practice Charge SF-CE-1238-H (Withholding RFPs).