

CANADIAN RAILWAY OFFICE OF ARBITRATION

CASE NO. 3068

Heard in Montreal, Wednesday, 15 September 1999
concerning

ONTARIO NORTHLAND TRANSPORTATION COMMISSION

and

UNITED TRANSPORTATION UNION

DISPUTE:

Contracting out of heavy cleaning of Ontario Northland buses 872, 874 and 876.

JOINT STATEMENT OF ISSUE:

On or about December 4, 7 and 8, 1998, three of Ontario Northland's buses were taken off the property and heavy cleaned by outside labour.

The Union contends that heavy cleaning of buses is bargaining unit work and on the dates mentioned, spareboard operators were available to perform the work. The Union further contends that the necessary equipment (a vacuum cleaner and shampoo system) is available at both the North Bay and Timmins garages.

The Union requests that the heavy cleaning of buses be returned to the bargaining unit immediately and the following motor coach operators be compensated for lost wages: T. Wentzel 840 kms., Wayne Ling 840 kms., as per article 1 of the collective agreement.

The Company maintains that contracting out of the heavy cleaning of buses is not a violation of the collective agreement and has denied the claim.

FOR THE UNION:

(SGD.) P. Q. KONING

GENERAL CHAIRMAN

FOR THE COMPANY:

(SGD.) M. J. RESTOULE

FOR: DIRECTOR, HUMAN RESOURCES

There appeared on behalf of the Company:

M. J. Restoule	Manager, Labour Relations, North Bay
L. Marcella	Director, Human Resources, North Bay
T. McCarthy	Training Officer, North Bay
D. Rochon	Assistant Operational Manager - Bus, North Bay

And on behalf of the Union:

P. G. Koning

Wm. Ross

K. L. Marshall

- General Chairman, North Bay
- Local Chairperson - Bus, North Bay
- General Chairman (ret'd), North Bay

AWARD OF THE ARBITRATOR

The Union objects to the contracting out of heavy bus cleaning. It is common ground that the Company has for a number of years done heavy bus cleaning at North Bay and Timmins, generally using members of the bargaining unit, albeit not on a permanent or full time basis.

In December of 1998 the Company examined the efficiencies of performing the heavy cleaning of buses within its own terminals. It came to the view that the method of cleaning which it had used to that point was inefficient, from the standpoint of the time required to process the buses as well as the impact on service bays which were otherwise not available for mechanical maintenance while being occupied by buses which were in for cleaning. It then decided to contract out the heavy cleaning of its buses to the True North Automotive Dealership in North Bay. It does not appear disputed that by utilizing the contractor the Company is able to have its buses returned virtually overnight, and is consequently able to process more buses with less down time.

There is no provision within the collective agreement prohibiting the contracting out of bargaining unit work. The parties agree, however, that even in such a circumstance the Company cannot disregard the general provisions of the collective agreement by contracting out bargaining unit work if it does so in a manner that is not in good faith and for a valid business purpose. On the material before me I am amply satisfied that the Company's action was in good faith, and that the advantages gained by contracting out the heavy bus cleaning involved efficiencies of a kind which are in furtherance of its legitimate business interests. Additionally, it is common ground that no employees were laid off or lost employment by reason of the Company's actions.

It has long been recognized by this Office, and arbitrators generally, that, absent a provision which prohibits the contracting out of bargaining unit, it is permissible for an employer to take such a step provided that it does so in good faith and for a valid business purpose (see **CROA 192; Re Perth Services Ltd. and CAW Canada (1995), 4 7 L.A. C. (4th), 429 (Jamieson); Re Nabob Foods Ltd. and Canadian Allied Manufacturers Wholesale and Retail Union, Local 1600 (1982), 5 L.A. C. (3rd), 256 (Munroe); Re Robin Hood Multifoods Ltd. and Miscellaneous Workers, Wholesale and Retail Delivery Drivers and Helpers, Local 351 (1980), 26 L.A.C. (2d) 371 (Ladner)**). Having regard to the well-established principles and to the facts of the case at hand, I am satisfied that there is no violation of the collective agreement disclosed.

The grievance must therefore be dismissed.

September 21, 1999

MICHEL G. PICHER
ARBITRATOR