UNITED CONTRACTORS/OPERATING ENGINEERS LOCAL 12
MASTER AGREEMENT
SUMMARY OF 2025-2028 MODIFICATIONS

~~strikethrough~~ = deleted language ♦ **bold & underline** = new language ♦ *italic* = explanation

1. **Term:** 3 Years - Effective July 1, 2025 to June 30, 2028

2. **Total Package Increases:** *(5.14% average increase)*

July 1, 2025	July 1, 2026	July 1, 2027
$6.02*	**$5.00**	**$4.51****

*** $0.02 allocated to Contract Administrative Fund (CAF); remainder to be allocated by the Union**
**** $0.01 allocated to Contract Administrative Fund (CAF); remainder to be allocated by the Union**

3. **Article IV – Classifications**
   - *Establish frequency of meetings for reviewing new types of equipment*

A. When new types of equipment or machines are put into operation, for which present classifications and wage rates are not applicable, the Contractor, the Contractor Association, and the Union, will within three (3) working days, agree upon a temporary classification and wage rate. Such temporary classification and wage rate shall be immediately referred by the Contractor Association to the Labor-Management Adjustment Board, which shall~~, at its next meeting,~~ **meet no less than quarterly if requested, to** review and establish the proper classification and wage rate. Either party having a dispute under this article shall have the right of adjudication of same in accordance with the provisions of Article V.

4. **Article XIX – Working Rules**
   - *Move starting and ending times of single shifts*

A. Single Shift

1. Eight (8) consecutive hours, exclusive of meal period, between ~~6:00~~ **5:00** A.M. and ~~5:00~~ **4:30** P.M., shall constitute a day's work. Forty (40) hours Monday ~~6:00~~ **5:00** A.M. through Friday ~~5:00~~ **4:30** P.M. shall constitute a week's work.

2. The starting time of single shifts shall be at **5:00 A.M., 5:30 A.M.,** 6:00 A.M., 6:30 A.M., 7:00 A.M., 7:30 A.M. or 8:00 A.M., Monday through Sunday. Starting time shall be changed only to meet a bona fide job requirement. Starting times shall not be staggered. Written notice shall be given to the Union in cases of deviation from the original starting time. In the event the Union is not notified in writing, employees shall be paid overtime for all time outside of the regular constituted shift.

3. All time worked before ~~6:00~~ **5:00** A.M. and after ~~5:00~~ **4:30** P.M., or all time worked in excess of eight (8) consecutive hours, exclusive of meal period, and all work performed on Saturdays, Sundays

and holidays, shall be paid at the applicable overtime rate.

4. The Contractor, at his option, may start earlier than ~~6:00~~ **5:00** A.M. when twenty-four (24) hours prior notification to the Union is provided in advance of starting of such shift and confirmed in writing. In order to qualify for this provision, such shift shall operate for three (3) days or more. Such shift shall work eight (8) hours at the straight-time rate of pay.

5. **Article XIX – Working Rules**
   - *Addition of dedicated shift notification e-mail*

B. Multiple Shifts

1. When so elected by the Contractor, multiple shifts may be worked for three (3) or more consecutive days, provided that the Union is notified in writing twenty-four (24) hours in advance **by email at shiftnotifications@iuoelocal12.org** of the effective date of the starting of such multiple shift operations provided, however, that workmen working on multiple shifts must work three (3) consecutive days and shall not be interchangeable with those working on a single-shift basis. **A response notification by the Union shall be provided via email within forty-eight (48) hours, excluding holidays and weekends.**

D. Special Shifts

2. When the Contractor produces evidence in writing to the Union twenty-four (24) hours in advance **by email at shiftnotifications@iuoelocal12.org** of a bona fide job requirement that work can only be performed outside the regular day shift due to requirement by City, County or State and other contracting entities, **a response notification by the Union shall be provided via email within forty-eight (48) hours, excluding holidays and weekends.**

6. **Article XIX – Working Rules**
   - *Addition of Level "C"*

D. Special Shifts

6. Employees required to suit up and work in a hazardous material environment, shall receive Two Dollars ($2.00) per hour in addition to their regular rate of pay, and that rate shall become the basic hourly rate of pay. Employees performing this work shall not be required to work alone. All OSHA and CAL OSHA Safety Standards shall apply. This premium shall apply ~~only~~ to Level "A", ~~and~~ Level "B"**, and Level "C"** regulated work.

7. **Article XIX – Working Rules**
   - *Addition of Friday holidays when Christmas Day and New Year's Day fall on a Saturday.*

G. Holidays

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If any of the above holidays fall on Sunday, the Monday following shall be considered a holiday. **If Christmas or New Year's Day should fall on a Saturday, the Friday preceding shall be considered a holiday.** All holidays are to be paid at the double (2) time rate of pay. All time worked or paid shall be subject to contributions to all trust funds contained in this Agreement.

8. **Article XIX – Working Rules**
   - *Addition of direct deposit language on final payment of wages.*

K. Payment of Wages

2. When workmen are laid off or discharged, they must be paid wages due them at the time of layoff or discharge. **If the employee is signed to automatic deposit at the time of layoff or discharge, automatic deposit is acceptable if posted at the time of layoff or discharge.** In the event the Employer fails to pay employees laid off or discharged, they shall be paid waiting time in accordance with state law.

3. An employee who quits shall be mailed his pay in full by certified mail to his last known address within seventy-two (72) hours or be paid prior to leaving the job or project. **If the employee is signed to automatic deposit at the time of quitting, automatic deposit is acceptable if posted within seventy-two (72) hours.** In the event these stipulations are not met, he shall receive waiting time as noted above.

9. **Article XIX – Working Rules**
   - *Language added to clarify situations where an oiler is not required*
   - *Addition of crew size on Spike Puller and Spike Driver*
   - *Capacity requirement increased from 80 to 90 for rough terrain cranes*

M. Crews

1. Crew sizes shall be determined by the individual Contractor except as outlines in Appendix A through E and below:

(c) An Oiler **will not be required for potholing and** shall not be required on backhoe or excavators with the following attachments: Hy ram or breaker, shear, vibratory or sheepfoot roller attachments, and grapple or magnet when used on demolition projects. **When a backhoe or excavator is equipped with a GPS system, then no Oiler or Grade Checker is required.** It is also understood that an Oiler will not be required when the backhoe or excavator is being used to load trucks and is not cutting to grade, however, if someone other than an Operating Engineer is used to check grade, spot trucks, signal the Operator, oil, grease, or assist the Operator in any manner, then an Oiler shall be immediately requested from the hiring hall and shall remain in that classification for the duration of the job or until such time as the backhoe or excavator is no longer in operation on the job. It is further understood that a Grade Checker may be used instead of an Oiler, but that Grade Checker shall be identified with the backhoe or excavator at all times. When two (2) backhoes or excavators are being used to excavate a ditch to receive pipe and the machines are in close proximity to each other, then one (1) Oiler may be employed for both machines.

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(p) Two (2) Operating Engineers will be the recognized crew size on Spike Puller and Spike Driver for production Tie Gang.

2. An Engineer-Oiler shall not be required on wheel-type rough Terrain Cranes (center mount) up to and including ~~80~~ **90** ton M.R.C. used for hook work only.

10. **Article XIX – Working Rules**
- *Increase radius of free zone*

T. Subsistence

4. Exception to the above requirements may be taken and no subsistence furnished or paid in the following instances:

(b) When the home of an employee, at the time a job is bid or commitment made on non-bid jobs is located within the subsistence area and within a ~~forty-five (45)~~ **fifty (50)** mile radius of the center of the job or project, which is also located in the subsistence area.

11. **Appendices A through E**
- *New classifications added, or existing classifications amended or moved*

Appendix A
Group VI
- ~~Kalamazoo Switch Tamper, or similar Type~~ ***[Moved to Group VIII]***

Group VIII
- **Allroad Mobile Timber Harvester (Albach or similar types)**
- Cable Bundling Machine Operator **(excluding handheld)**
- **Kalamazoo Switch Tamper, or similar type** ***[Moved from Group VI]***
- **Rail Tie Crane (Kershaw or similar types)**
- Spike Drive **(Nordco Hammer or similar types, see crew size requirement)**
- Track Spike Puller Machine Operator **(Nordco or similar types, see crew size requirement)**

Group X
- **Production Tamper – Harsco or similar types**
- **Rail Dynamic Stabilizer**

Appendix B
Group VI
- Silent Piler **(Giken or similar types)**

Group VIII
- **Timber Handler – Sennebogen or similar types (tree hoisting/removal/site cleaning)**

Appendix E
Group I
- **Load Testing Inspector**
- **Soils Inspector**
- Water Proofer**/Methane**

Group II
- **Fiber Wrap Inspector**
- ~~Licensed Grading Inspector~~ ***[Moved to Group III]***

Group III
- **Licensed Grading Inspector** ***[Moved from Group II]***

12. **Appendix H**

- *Removal of this section because not utilized*

~~The Apprenticeship Standards will be modified as follows and shall apply to single family dwellings, condominiums and town houses only. All Step 1 Apprentices indentured after July 1, 1988, will be held at that step for a period of 2,000 hours and will be paid at the rate of fifty percent (50%) of Group VI classification for Journeyman. Fringe benefit payments will be limited to Apprenticeship Training Fund, Health and Welfare Fund, Vacation-Holiday Fund and Defined Contribution Plan (Annuity).~~

~~His duties will be limited to the operation of forklifts, small tractors with attachments, small trenchers, small cranes, he will also assist the Journeyman HDR in performing maintenance and repair work and will also assist any Operating Engineer Journeyman as required.~~

~~The remaining steps will be as follows, maintaining their original status:~~

~~2000 - 3000 hours~~	~~-~~	~~Step II~~	~~@ 60%~~
~~3000 - 4000 hours~~	~~-~~	~~Step III~~	~~@ 70%~~
~~4000 - 5000 hours~~	~~-~~	~~Step IV~~	~~@ 80%~~
~~5000 - 6000 hours~~	~~-~~	~~Step V~~	~~@ 90%~~

~~After completion of 2,000 hours, fringe benefit payments will include Pension Fund Contributions. The exclusion of Pension payments applies only to Apprentices performing work as outlined herein.~~

13. **New Memorandum of Understanding – Drone and Unmanned Aircraft Systems**

- *New drone language*

This Agreement, effective July 1, 2025, by and between the United Contractors, hereinafter referred to as the CONTRACTORS, and the International Union of Operating Engineers, Local Union No. 12, hereinafter referred to as the UNION.

Whereas, the CONTRACTORS and the UNION, hereinafter referred to as the "Parties", share a mutual desire to create and support skilled and cohesive crews to perform survey utilizing Drone and Unmanned Aircraft System technology within the territorial jurisdiction of the Union and;

Whereas the Parties recognize the evolving nature and special skill required to become and remain proficient in the use of Drone and Unmanned Aircraft System technology and;

Whereas the Parties have agreed to the inclusion of a Drone and Unmanned Aircraft System classification (when used in conjunction with land surveying) in the Master Labor Agreement between the Parties and;

Whereas the Operating Engineers Training Trust, a jointly administered Labor-Management Trust, has created a curriculum specific to the training of Drone and Unmanned Aircraft System operations.

The parties hereby agree that Drones and Unmanned Aircraft Systems when used in conjunction with land surveying shall include the following:

1. **Collection of data utilized in the location, relocation, establishment, reestablishment, or retracting of alignment or elevation for any fixed works embraced within the practice of land surveying.**
2. **Collection of data utilized in determining the configuration or contour of the earth's surface or the position of fixed objects above, on, or below the surface of the earth by applying the principles of trigonometry or photogrammetry.**
3. **Collection of data utilized in topographic mapping and/or determining quantities at the site of construction, preconstruction, and postconstruction.**

The Parties further agree that they shall meet at the request of either the CONTRACTORS or UNION when new methods of operation or new procedures are developed utilizing Drone or Unmanned Aircraft Systems to discuss potential modifications of this Agreement.

Violations of this Agreement shall be subject to the grievance procedure prescribed in the Master Labor Agreement between the Parties.

This Agreement shall remain in effect through June 30, 2028.

14. **New Memorandum of Understanding – Contract Administrative Fund (CAF) Increases**
- *CAF will increase $0.02 (from $0.06 to $0.08) on July 1, 2025.*
- *CAF will increase $0.01 (from $0.08 to $0.09) on July 1, 2027.*
- *Language in Article XV (Contract Administrative Fund) will be modified accordingly.*

15. **New Side Letter – Grievance Procedure for Statutory Disputes**
- *Existing PAGA language to be removed from the agreement [Article XIX.L.1(a)] and new language covering both PAGA and statutory claims entered into as a side letter.*

SIDE LETTER OF AGREEMENT
Grievance Procedure for Statutory Disputes

The Parties to this Agreement recognize that the Supreme Court of the United States has consistently held for over fifty years that federal law and policy favors the use and finality of arbitration procedures established through collective bargaining agreements to resolve all nature of disputes affecting the employee-employer relationship.

As the designated representative of employees, the Union contracts regarding the specific terms and conditions of employment as well as the enforcement mechanism to ensure those conditions are met, which mechanisms include grievance arbitration. These terms, conditions and enforcement mechanisms are generally superior to those available to employees not covered by collective bargaining agreements. Grievance arbitration provision in a collective bargaining agreement is reflected in national labor laws and is premised on the federal policy to promote industrial stabilization through the collective bargaining agreement. "A major factor in achieving industrial peace is the inclusion of a provision for arbitration of grievances in the collective bargaining agreement." United Steelworkers of America v. Warrior & Gulf Nav. Co., 363 U.S. 574, 577-78, 80 S. Ct. 1347, 1350, 4 L. Ed. 2d 1409 (1960). D.R. Horton, Inc. v. N.L.R.B., 737 F. 3d 344, 361 (5th Cir. 2013) ("[W]e discern[ ] in the structure of the [National Labor Relations Act] the very specific right of employees to complete the collective bargaining process and agree to an arbitration clause." Citing, Blessing v. Freestone, 520 U.S. 329, 343, 117 S. Ct. 1353, 137 L.Ed.2d 569 (1997) (internal quotation marks and citation omitted).

The Parties to this Agreement recognize that the National Labor Relations Board has held that the pursuit of collective or class action claims is concerted action but that a union may waive certain rights to concerted action in a collective bargaining agreement. In doing so, the National Labor Relations Board recognized that a collectively bargained arbitration clause stems from the exercise of rights to act in

concert and that "[F]or purposes of examining whether a waiver of Section 7 rights is unlawful, an arbitration clause freely and collectively bargained between a union and an employer does not stand on the same footing as an employment policy…imposed on individual employees by the employer as a condition of employment." D.R. Horton Inc., 357 NLRB No. 184 (January 3, 2012).

The Parties to this Agreement recognize that arbitration pursuant to the grievance procedure affords numerous benefits including expedited resolution of disputes; reduced cost and expense as compared to litigation; potentially greater monetary relief to individual employees; benefit of the arbitrator's knowledge and expertise with the bargaining parties, the employment relationships governed by the Collective Bargaining Agreement, and the practices of the construction industry; less restrictive rules of evidence; and less formal procedures. The Parties also recognize that class and representative action procedures are designed to afford a mechanism of relief for claims for which the costs of litigation are disproportionate to the available relief and that this grievance procedure addresses the same concerns by providing an expedited mechanism at reduced cost to address such claims without the need for class or representative action procedures. It is therefore the intent of the parties that this grievance procedure provide a mechanism for resolving the individual claims covered herein which balances expedited and complete relief to employees for violations with avoidance of unnecessary costs and disproportionate remedies associated with class and representative actions.

A. Arbitration of Employment Related Claims:

As referenced in Article V and Article XIX, Sec. L. Subparagraph 1, the following disputes, complaints or grievances (Contractual Disputes) shall be processed through the Procedure for Settlement of Grievances and Disputes in Article V, and the Union shall retain sole and exclusive ability to bring them to arbitration pursuant to Article V: (1) allegations of violations of the Master Labor Agreement, and (2) violations of, or arising under, Industrial Welfare Commission Wage Order 16 ("Wage Order 16") by operation of Wage Order 16 and its exemptions applicable to employees covered by certain collective bargaining agreements.

In addition to Contractual Disputes that may be brought by the Union as described above, all employee claims or disputes concerning violations of, or arising under Wage Order 16 (except as noted in the immediately preceding paragraph), the California Labor Code Sections identified in California Labor Code section 2699.5 as amended, the California Private Attorneys General Act (Part 13 of Division 2 of the California Labor Code), all derivative claims under Cal. Bus. & Professions Code section 17200, et seq., all associated penalties, and federal, state and local law concerning wage-hour requirements, wage payment and meal or rest periods, including claims arising under the Fair Labor Standards Act (hereinafter "Statutory Dispute" or "Statutory Disputes") shall be subject to and must be processed by the employee pursuant to the procedures set forth in this Side Letter of Agreement as the sole and exclusive remedy. To ensure disputes are subject to this grievance procedure in accordance with the intended scope of coverage set forth herein, Statutory Disputes also include any contract, tort or common law claim concerning the matters addressed in the foregoing laws (other than claims of violation of the Master Labor Agreement that are deemed Contractual Disputes). This Side Letter of Agreement shall not apply to

claims before the National Labor Relations Board, the Equal Employment Opportunity Commission, the Department of Fair Employment and Housing, and the California Division of Workers' Compensation.

Pursuant to California Labor Code Section 2699.6, the Parties hereby expressly and unambiguously waive the provisions of the California Private Attorneys General Act (PAGA), Labor Code Section 2698, et seq., and agree that none of the provisions of that statute apply to any of the employees covered by the Collective Bargaining Agreement between the undersigned Parties (the "Agreement"). The parties further agree that this Agreement prohibits any and all violations of the California Labor Code sections identified in Labor Code §§ 2699.5 and 2699(f) as well as any others that would be redressable to PAGA, and that such claims shall be resolved exclusively through the Grievance-Arbitration procedure contained in this Agreement and shall not be brought in a court of law or before any administrative agency such as the California Labor Commissioner. This Agreement shall apply to any representative PAGA claims and class claims that arise during the term of the parties' current Collective Bargaining Agreement, regardless of when they were filed with any court or administrative agency. An arbitrator presiding over an arbitration conducted pursuant to the Grievance/Arbitration Procedure shall have the authority to make an award of any and all remedies otherwise available under the California Labor Code, except for an award of penalties that would be payable to the Labor and Workforce Development Agency.

B. Procedure for Arbitration of Disputes:

No Statutory Dispute subject to this Side Letter of Agreement shall be recognized unless called to the attention of and, in the event it is not resolved, confirmed in writing by the individual employee to the individual Contractor and the Union within the later of (i) the time set forth in the Procedure for Settlement of Grievance and Disputes in Article VI or (ii) the time provided for under applicable statute.

Grievances and arbitrations of all Statutory Disputes shall be brought by the individual employee in an individual capacity only and not as a grievant or class member in any purported class or representative grievance or arbitration proceeding. The Arbitrator shall have the authority to consolidate individual grievances for hearing, but shall not have the authority to fashion a proceeding as a class or collective action or to award relief to a group or class of employees in one grievance or arbitration proceeding.

If the individual employee dispute is a Statutory Dispute subject to this Side Letter of Agreement, the grievance shall not be heard by the Joint Adjustment Board but shall proceed directly to an independent Arbitrator. In such cases, the procedures for selection of an Arbitrator contained in Article V shall not apply; instead, the individual employee and the Contractor shall proceed to arbitration pursuant and subject to the American Arbitration Association Rules for Employment Disputes. Unless the parties agree otherwise, they shall request that only lawyers and retired judges be included on all panels of arbitrators offered to the parties. The Contractor shall pay all fees and costs related to the services of the American Arbitration Association and the services of the Arbitrator; however, the Arbitrator may reallocate such fees and costs in the arbitration award, giving due consideration to the individual employee's ability to pay. Each party shall pay for its own costs, expenses, and attorneys' fees,

if any. However, if any party prevails on a statutory claim which affords the prevailing party costs or attorneys' fees, or if there is a written agreement providing for an award of costs or attorneys' fees, the Arbitrator may award costs and reasonable attorneys' fees to the prevailing party. Any issue regarding the payment of fees or costs, and any disputes about the manner of proceeding shall be decided by the Arbitrator selected. The Union shall not be a party to such and shall bear no costs or fees of the arbitration.

The Arbitrator shall have full authority to fashion such remedies and award relief consistent with limitations under federal and state law, and precedent established thereunder, whether by way of damages or the award of attorneys' fees and other costs, orders to cease and desist, or any and all other reasonable remedies designed to correct any violation which the Arbitrator may have found to have existed, including such remedies as provided under applicable state or federal law or regulation. Notwithstanding the foregoing, the Arbitrator shall not have the authority to award penalties payable to the Labor and Workforce Development Agency pursuant to the Private Attorneys General Act (Part 13 of Division 2 of the California Labor Code). The decision of the Arbitrator is final and binding upon the parties and is enforceable in a court of competent jurisdiction.

The Arbitrator shall not have any authority to award relief that would require amendment of the Master Labor Agreement or other Agreements(s) between the Union and a Contractor or the Contractors, or which conflicts with any provision of any Collective Bargaining Agreement or such other Agreement(s). Any arbitration outcome shall have no precedential value with respect to the interpretation of the Master Labor Agreement or other Agreement(s) between the Union and a Contractor or the Contractors.

All other terms and conditions of the 2022-2025 OE12-UCON Master Agreement, including any and all Letters of Understanding, Memoranda of Understanding, Side Letter Agreements, Memoranda of Agreement, etc., shall remain unchanged.