

**MARCH 1, 2022 MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN FCAC and PDC 14
REGARDING THE PROJECT REINVESTMENT INITIATIVE PROGRAM**

As originally stated in the September 1, 2016 Project Reinvestment Initiative (PRI - Program Description and Guidelines) and as amended herein, the major goal of the Market Recovery Program is to help Signatory Contractors to a Collective Bargaining Agreement (“CBA”) with PDC 14 (“Signatory Contractor”) win painting projects that will employ PDC 14 painters and tapers. In a situation where a Signatory Contractor is bidding against a nonunion contractor for a project in any area in which the Signatory Contractor does business and in any area in which the economic terms of the CBA apply, and the Signatory Contractor believes use of monies from the Project Reinvestment Initiative (“PRI”) is necessary to win the contract, the Signatory Contractor will apply the PRI for such use. If approved, then all Signatory Contractors bidding on the project will be notified prior to bid date as to how much of the Signatory Contractor’s contributions to the Welfare and/or Pension Plans the PRI will pay to the Fund(s). (For example, that if, pursuant to the CBA, a Signatory Contractor’s contribution to the Welfare and Pension Plan is \$26.50 per hour for all hours worked by each painter employee, the Signatory Contractor would contribute \$11.50 per hour and the PRI would contribute \$15.00 per hour for all hours worked by each painter employee on the project, as a grant for an aggregate sum of \$26.50 to the Benefit Funds). The Union will establish a set amount of hours for which it

will contribute per project. The Signatory Contractor will file monthly remittance reports with the Welfare and/or Pension Plan showing hours worked by all painter employees on the project per U.S. Department of Labor Opinion 2011-10A (12/16/11) which is incorporated by reference herein. The amount or percentage of the PRI grant may vary from project to project in the Union's discretion. The following rules and procedures will apply with respect to the PRI:

A. The Project Reinvestment Initiative, or PRI, seeks to enhance the bid packages of the Signatory Contractor through grants paid at a specific dollar amount set at the discretion of the Union, or a percentage of pension and/or welfare fringe benefit funds as subsidies based upon hours worked by covered employees on the awarded project. No monies shall be paid directly to the Employers or their employees by the PRI.

B. In general, projects pursued through the PRI will be of the kind that can be performed safely, will result in profitable income/revenue to PDC 14 members and employers, and will contribute to sustainable improvements in that industry sector where the CBA's economic terms apply to the Signatory Contractor. In addition to these qualities, each project selected will be of a kind that, were it not for the grant subsidy would likely be awarded to a non-signatory contractor in the geographic area in which the economic terms of the CBA apply to the Signatory Contractor at a substantially reduced dollar amount compared to the price the work would command if performed by a Signatory Contractor.

C. To protect the integrity of the bidding process, grant amounts, on a project-by-project basis, will be determined by PDC 14 through a fair, efficient, and appropriate process. While recommendations by the Signatory Contractor may be the basis, or initial starting point, for setting grant percentages, no Signatory Contractor shall participate in the determination of whether a project will be funded, or the amount or percentage of a pension and/or welfare grant committed to an identified project.

D. Under no circumstances will funds designated for PRI be used to supplement a project already awarded to a Signatory Contractor (that is, a project a Signatory Contractor is awarded prior to application and undertaking the review process developed for the PRI by the Union.

E. For the purposes of limiting the scope and range of work considered ideal for targeting, the following criteria will limit the type of projects identified investment:

(1) Projects shall be located within any area in which the economic terms of the CBA apply to the Signatory Contractor which may be outside the scope of PDC 14's geographical jurisdiction.

(2) Awarded grants will be used only to subsidize the welfare and/or pension benefit costs of PDC 14 members.

(3) If awarded a grant subsidy, the successful bidder may employ at least one apprentice on the project, and agree to the appointment of a Job Steward by the

Union on the project from inside or outside Employer's work force at the Union's discretion.

(4) No funds will be awarded to secure prevailing wage/Davis Bacon work.

F. There will be a pre-determined minimum of \$15.00 per man hour, per project grant amount. The additional market recovery contribution of .20 per hour allocated from the Union's economic package shall be segregated in a separate account and used exclusively for that purpose.

G. In order to ensure that PRI funds are contributing to the improvement of the industry and the short and long-term wellbeing of PDC 14 members, the Union will review the responsibility level of all Signatory Contractors registering interest in the grant program. Evidence of responsibility will be assessed in accordance with the following areas:

(1) Benefits Contributions: the Signatory Contractor shall be current with all funds, ideally for an extended period of time with no record of delinquency (contribution history will be considered carefully before any pension and/or welfare grant funds awarded), at the discretion of the Union.

(2) CBA's: the Signatory Contractor shall have a demonstrated record of firm compliance with the CBA, with no outstanding or pending matters involving the Joint Trade Board, compliance with all bonding requirements spelled

out in the CBA's, and a record of regular and consistent reporting of jobs and other contractually-required reporting, as determined at the discretion of the Union.

(3) Apprenticeship: The Signatory Contractor will participate in the PDC 14 Joint Apprenticeship and Training Committee (JATC) or Drywall Finishing Training Committee (DFTC).

(4) The Signatory Contractor will not be behind or otherwise inadequately or improperly underwritten in terms of worker's compensation insurance.

(5) Transparency and Reporting: the Signatory Contractor will agree to submit its successful bid notification and complete all necessary forms and agreements required under PRI.

(6) The Signatory Contractor awarded any financial assistance by the PRI Committee under this program shall not subcontract or sublet any work covered by Union's Standard Working Agreement to any person, firm, or entity. The project grant shall not be transferable or assignable to any other person or employer.

The Project Reinvestment Initiative job targeting requests for work to be performed outside of the geographic jurisdiction of DC 14 (i.e., Cook, Lake, Will and Grundy Counties of Illinois) will be conducted on an experimental trial basis for a period of one year commencing March 1, 2022 through February 28, 2023.

The out of area job targeting initiative will be reviewed in month 10, December, 2022, to determine the actual additional work hours generated. If in the Union's discretion it is determined the cost of funding out of area benefits exceeded the benefits obtained, the out of area job targeting initiative may be discontinued February 28, 2023 by the Union in its discretion.

Employer shall submit at the time of application for PRI grant money, an estimate of the number of men and hours estimated for the job so the Union can determine the size of the grant on the appropriate Union form.

The grant money shall be disbursed monthly to the Benefit Funds based upon and applied after the submission of Employer's monthly manpower reports to the Benefit Funds which contains the names of the men and the hours worked by each painter/taper employee for that month on the PRI project. PRI projects must be reported separately to both the Benefit Funds and the Union from other jobs or projects that do not receive grant money.

Upon job completion, Employer must submit a letter stating the project for which funds were issued is complete, accompanied by a detailed report of painters who worked on the project, both DC 14 and otherwise, the specific number of hours worked by each, and the total amount of grant money sought/received for the job based on DC 14 hours worked as a final accounting of PRI grant money applied to the project.

PROCEDURES TO SECURE FUNDS UNDER THE PRI:

Signatory Contractors who believe the project they are bidding on qualifies for Market Recovery Funds from the PRI, the following steps should be taken to apply for these Funds:

A. **Contractor Request Form** – A Signatory Contractor will first fill out the Market Recovery Request Form which identifies the job and percentage of welfare and/or pension or specific dollar amount of grant subsidy that you are seeking. The data on this form, and what may be further gathered through additional research, will serve as the basis of a number of hours and per-hour grant amount approved by the Union. This form should be submitted to the PDC 14 Office Manager, Tracy Prusinski. Once the form is received, the Union will respond within seven (7) business days.

B. **Project Announcement/Claim Form:** The Union will issue a Project Announcement/Claim Form which is used to notify eligible contractors of a decision to designate a site, combined with a form that allows Signatory Contractors to seek the approved grant percentage amount were they to emerge the successful bidder. Signatory Contractors will be instructed to enclose the Claim Form in a sealed envelope and the Union will open only the envelope of the applicant who is selected for the project (all others received will be returned unopened).


C. **Subsidy:** A minimum of \$15 per man hour worked.

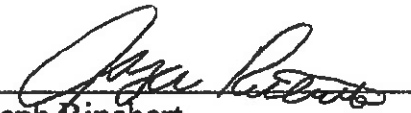
D. **Hourly Report:** a timely submitted Painters monthly fringe benefit report form stating all hours worked on the project will serve as the basis for allocating approved welfare and/or pension benefits grant.

IN WITNESS WHEREOF, the parties set their hands and seals this 4th day of March, 2022.

FINISHING CONTRACTORS
ASSOCIATION OF CHICAGO

PAINTERS DISTRICT COUNCIL NO. 14

By: 

By: 
Joseph Rinehart
Business Manager/Secretary-
Treasurer

Attachments:

September 1, 2016 Market Recovery Request Form
Project Announcement
PRI Claim Form