

Contracting Out at UCSC

Staff Human Resources 2024

UC SANTA CRUZ

UCSC How-To Series

**OUR
VOICES**
WILL DEFINE
THE CENTURY

A close-up photograph of a bright yellow slug with two long eye stalks, moving across vibrant green fern fronds. The slug is positioned in the lower-left quadrant of the frame, leaving a faint, translucent trail behind it. The background is filled with the intricate, feathery patterns of the fern leaves.

Who We Are

Labor Relations serves as a professional resource to managers, supervisors and employees for work related issues, serves as a liaison to campus labor unions, and represents the campus in employment matters.

General Guidelines

- No recording
- Feel free to ask questions and participate
- Anonymize examples

Labor Relations Team

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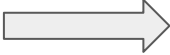
General inquiries can be sent to
elrinfo@ucsc.edu.


Contracting out at the UC


Regents Policy 5402 and Article 5 of the AFSCME Service (SX) collective bargaining agreement impose significant limitations on the use of third-party supplier services.


Under these requirements, contracting out can only be used as a **last resort** after all options for getting the work done by UC employees has been assessed and deemed not feasible.

SX Contract - Article 5

1. The UC should **not** be contracting out unless it falls under the exceptions list  List of Exceptions can be found in [Section 5.C., General Prohibition On Contracting Out](#)

2. UC Employment Conversion Process for Qualified Individuals (QI)  When an individual worker who works for an outside contractor performing the same services at the **same UC location works for 1000 hours in a rolling twelve (12) month period**, or 35% time over a rolling thirty-six (36) month period, the worker will be deemed a “qualified individual” (QI) for conversion to UC employment.

3. Union Noticing  Union Noticing for contracts that go over \$100,000 for a covered service in a calendar year

4. Supplier Obligations  If supplier is performing a covered service they must pay Wage, Benefit, Parity (WBP), report Basic Payroll Information (BPI) and register with AgileOne

AgileOne - UC's Data Management System

Contact: UCQIWorkforceprogram@ain1.com

- **Supplier Management:** Onboarding, setup, training, and hour reporting.
- **Hour Reporting:** Monthly submissions, tracking historical data, and providing reports to UC.
- **Compliance:** Manage wage/benefit parity, audits, and reminders for reporting.
- **QI Management:** Identify Qualified Individuals, update status, and track hours.
- **Reporting & Audits:** Dashboards, compliance tracking, and support for independent audits.



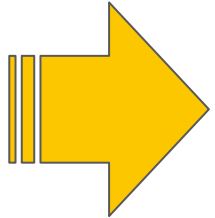
The background of the slide is a solid dark blue color. Overlaid on this background are several thin, light blue lines that form a series of overlapping, wavy patterns. These lines create a sense of motion and depth, resembling a stylized wave or a digital signal. The lines are most concentrated in the center and fade out towards the edges.

What is a Covered Service?

Services and Covered Services:

“Services” refer to work done for the university that may or may not result in a physical product. “Services” means work that is subject to university policy. “Covered Services” includes services that have been customarily performed by bargaining unit employees of the university.

FULL LIST



SX/EX Covered Services include:

- Transportation and Parking Service (including Fleet Services)
- Food Services,
- Security Services,
- Building Maintenance (excluding Skilled Crafts (K7) such as plumbing, carpentry, and electrical),
- Grounds Keeping,
- Cleaning/Custodial/Janitorial/Housekeeping Services,
- Hospital and Nursing Assistants (Vocational Nursing),
- Laundry Services

K7 Skilled Crafts include:

- Building Management Shop Worker,
- Carpentry,
- Fire & Security Technician,
- Electrician,
- Co-Gen Operator,
- HVAC Worker,
- Inspector,
- Locksmith,
- Plumbing,
- Painting,
- Sign Making

Senate Bill 27 (SB27)

The bill applies to all vendors providing covered services to the University of California (including off-site covered service suppliers)

Suppliers must pay Wage, Benefit, Parity (WBP) and report Basic Payroll Information (BPI) to the Joint Labor Committee

Under the new law, vendors have **three key obligations**:

1. to **provide notice to employees of their total compensation rate** and the disclosure requirements under the law;
2. to **disclose basic payroll and audit information to the joint labor management committee (JLMC)**. Basic payroll information is also disclosed to aggrieved employees upon request; and
3. to **provide notice to UC when a vendor receives notice of non-compliance from an aggrieved employee.**

Senate Bill 820, (SB820)

California Senate Bill 820 imposes additional restrictions for contracting out for services performed in buildings that have received capital state funding. As a condition for UCSC receiving state capital funding, contracting out for covered services is generally not permissible.

- K7 work is exempt from SB820

**ServiceNow will flag the client if they are requesting for a service under SB820*

The background of the slide is a solid dark blue color. Overlaid on this background are several thin, light blue lines that form a series of overlapping, wavy patterns across the middle of the slide. These lines create a sense of motion and depth, resembling a stylized wave or a digital signal.

Contracting Out Requests (ServiceNow)

Contracting Out Approval Process

1. The requesting department needing a service outside their unit must ask the UCSC office who provides that service first. A declined services email will be sent if the request can not be accommodated by the UCSC office.

2. If the UCSC department is unable to accommodate the Department's request, the Department must complete a [Contracting Out Request \(COR\)](#) **before** submitting a CruzBuy requisition. A PDF of the **declined services email* **and** a quote must be attached to the COR. **Please be as thorough and detailed as possible your explanation of service.**

A copy of the approved COR must be attached to the CruzBuy requisition.

**Only units contracting work outside their unit's services need a declined services email*

When are Contracting Out Requests Required?

When contracted out work may be represented and specifics are unclear. Services units are contracting out may have additional requirements to comply with Article 5, SB27, and SB820. A thorough review process ensures an accurate assessment of the scope of work.

NEW The COR process applies to **all** Charter requests (until further notice).

Why do I Need to Fill out a Contracting Out Request?

ServiceNow functions as a database:

- Helps the campus track how work is classified.
- Maintains a historical record for potential future guidance changes.

It is a compliance requirement for each UC campus.

1 CO Request, ServiceNow

Information Needed:

1. Supplier Quote
2. Denial of Services Email (outside of unit work)
3. Clear and detailed explanation

If applicable

1. Union noticing
2. Supplier compliance in AgileOne

If COR is not attached, your requisition will be delayed

2 Requisition, CruzBuy

Attach this information to your CruzBuy requisition:

1. Supplier Quote
2. Completed and Approved COR form

3 Purchase Order, CruzBuy

PO issued to supplier once all Contracting Out requirements are met

If applicable

Business Contracts
Supplier to sign a Campus Master Agreement (SX/EX only)

What to attach to a Requisition

Dear

Labor Relations has reviewed this request to contract out.

Request status: **Closed - APPROVED/Union Notice Not Required**

[View your request](#)

Request Summary:

- Emergency Status: **No**
- Request Opened: **10-23-2024 03:24 PM PDT**
- Request Closed: **10-24-2024 12:25 AM PDT**
- Labor Relations Agent: **Sydnie Vo (syvo)**
- Vendor:
- Contract Start Date: **11-01-2024**
- UCSC Worksite Address: **- Other Worksite Address**
- Other Worksite Address: **CAMPUSWIDE**
- Type of Contract Work: **Skilled Crafts (K7) work**

Action Required

The department may proceed with submitting a CruzBuy requisition. A copy of the contracting out request must be attached to the CruzBuy requisition. Failure to do so will delay processing.

Please be advised that once the request is completed and closed, no one will receive a reply to this email. If you need to follow up after the request is completed and closed, please **forward** this email to SHRhelp@ucsc.edu with your questions.

Thank you,
Staff Human Resources

Note: Red circles and arrows highlight the status 'Closed - APPROVED/Union Notice Not Required' and the 'Action Required' section.

What **NOT** to attach to a Requisition

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Hello

You have successfully submitted a **Contracting Out Request** for - .

The next steps will take the request through the approval process with your unit or department (if applicable).

[View your request](#)

Contracting Out Request: **RITM0100932**

Title: **SHR Contracting Out Request -**

Department:

Once received by SHR, the appropriate unit will strive to make the initial review as quickly as possible while allowing ample time for careful consideration.

Please email us at SHRhelp@ucsc.edu for additional assistance.

Thank you,
Staff Human Resources

100 Enterprise Way
Scotts Valley, CA 95066 Staff Human Resources shr.ucsc.edu

- Does not say that LR has reviewed
- No “Approved” verbiage
- NO “Action Required”

Ex. of Approved COR, **NOT** a Covered Service

Dear

SHR Compensation has determined that request ID [RITM0100921](#) submitted on 10-23-2024 12:52 PM PDT **is not subject to** AFSCME contracting out requirements.

Request status: **CLOSED**

[View your request](#)

Request Summary:

- Emergency Status: **No**
- Request Opened: **10-23-2024 12:52 PM PDT**
- Request Closed: **10-23-2024 01:51 PM PDT**
- Compensation Agent: **Benjamin Short (bshort)**
- Supplier:
- Contract Start Date: **11-06-2024**

Action Required:

The department may proceed with submitting a CruzBuy requisition. A copy of the contracting out request must be attached to the CruzBuy requisition. Failure to do so will delay processing.

Please be advised that once the request is completed and closed, no one will receive a reply to this email. If you need to follow up after the request is completed and closed, please **forward** this email to SHRhelp@ucsc.edu with your questions.

Thank you,
Staff Human Resources

100 Enterprise Way
Scotts Valley, CA 95066

Staff Human Resources

shr.ucsc.edu

Ex. of Denied COR, Advised that this was **NOT** part of the COR process

UC SANTA CRUZ

Dear

Labor Relations has reviewed this request to contract out.

Request status: **Closed - LR DENIED**

[View your request](#)

Request Summary:

- Emergency Status: **No**
- Request Opened: **10-10-2024 04:09 PM PDT**
- Request Closed: **10-18-2024 03:36 PM PDT**
- Labor Relations Agent: **Sydney Vo (syvo)**
- Supplier:
- Contract Start Date: **10-21-2024**
- UCSC Worksite Address:
- Other Worksite Address:
- Type of Contract Work: **Service (SX)**

Action Required:

Labor Relations has determined that there is not sufficient justification to approve this request to contract out. The department should reconsider options for contracting out including assignment of overtime, stipend, and recruitment. Individuals within Staff Human Resources (SHR) are available to provide consultation on these alternatives.

A SHR staff [Directory](#) and the [Locate Your Team](#) tool provides contact information for various subunits including Talent Acquisition, Compensation and Employee Relations.

Please be advised that once the request is completed and closed, no one will receive a reply to this email. If you need to follow up after the request is completed and closed, please **forward** this email to SHRhelp@ucsc.edu with your questions.

Thank you,
Staff Human Resources

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Scotts Valley, CA 95066

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Each Department's Role in the Review Process in ServiceNow

Compensation

Determines if the work should be classified as SX, EX, K7

PPDO

Determines if work is construction (repairs) or maintenance that can be done in house or needs to be contracted out

Procurement

If determined to be SX or EX work, Procurement will add the total spend of the contract

Labor Relations

Reviewing if the (1) COR is considered a covered service, (2) reviewing the explanation and justification, (3) reviewing the reporting and compliance requirements needed from the supplier, and (4) if union noticing is required.



Announcements for Contracting Out

Please do not contract out with any new suppliers in the month of December, all reporting to UCOP to be submitted by November 27, 2024.

Updates to our CO webpages. New sites will be added and current sites will be updated for both the unit and supplier.

Guidance can be subject to change. With pending arbitrations and new policies - CO guidance from UCOP will change.

Questions?
How to Contact Us:
contracting-out-support@ucsc.edu