

REGISTER OF WAGE DETERMINATION UNDER
THE SERVICE CONTRACT ACT
By direction of the Secretary
of Labor

U. S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WAGE AND HOUR DIVISION
WASHINGTON D.C. 20210

Diane Kopiewski Division of
Director Wage Determinations

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State: Virginia

Area: Accomack

Employed on NASA's Wallops Flight Facility 32400 Fulton Street Wallops Island contract for Calibration of Laboratory Equipment.

Collective Bargaining Agreement between contractor: LKC Systems Incorporated, and union: International Association of Machinists & Aerospace Workers Local 2552, effective 4/1/2011 through 3/31/2014.

In accordance with Section 2(a) and 4(c) of the Service Contract Act, as amended, employees employed by the contractor(s) in performing services covered by the Collective Bargaining Agreement(s) are to be paid wage rates and fringe benefits set forth in the current collective bargaining agreement and modified extension agreement(s).



Collective Bargaining Agreement

Between

**International Association of Machinists
And Aerospace Workers
District Lodge 74, Local Lodge 2552**

And

LKC SYSTEMS, INC.

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This Agreement is made and entered into this **1th day of April, 2011**, by and between LKC Systems, Inc.(LKC) (hereinafter referred to as the Company) and the International Association of Machinists and Aerospace Workers, AFL-CIO, District Lodge #74 (hereinafter referred to as the Union).

ARTICLE I - RECOGNITION AND CERTIFICATION

A. It is hereby agreed that the parties above cited desire to enter into Agreement for their mutual interest to promote harmony, efficiency and mutual understanding and to establish wages, hours and working conditions and to provide for the peaceful settlement of disputed and grievances that may arise affecting the employees covered hereby.

B. The Company recognizes the Union certified by the National Labor Relations Board on March 29, 1974 (Case No. 5-RC-8827) as the exclusive representative of all **full-time and regular part-time calibration technicians employed by the Company at its NASA, Goddard Space Flight Center, Wallops Flight Facility, Calibration Laboratory. All other employees, including managers, professional employees, office clerical, guards and supervisors as defined in the Act are not represented by the Union and are not part of the bargaining unit.**

ARTICLE II - GOVERNMENT RESPONSIBILITY

A. The Union recognizes that the Company is a contractor to the Federal Government at NASA Wallops Station, Virginia and that the Company is required at all times to fully meet its obligations as a Contractor. Nothing in this Agreement is intended nor will any provision of this Agreement inure to prevent the Company from fully meeting its obligations and responsibilities as a Contractor. The Union fully recognizes that from time to time the Government may impose various legal and/or lawful demands or obligations upon the Company and that the Company and its employees must meet such demands, obligations or comply with such rules or regulations as may be promulgated or imposed by the Government.

B. It is further understood that if a security clearance is required in order to perform work in job classifications covered by this Bargaining Unit, that such security clearance shall be a condition of continued employment with the Company.

Such employees shall be subject to investigation for security clearance under regulations prescribed by the Department of Defense or any other authorized and appropriate agency of the United States Government. A denial or withdrawal of such clearance by such governmental agency shall be just cause for discharge.

C. To the extent that the provisions and terms of the contract between the Company and the Federal Government, and the full and complete performance by the Company thereof are inconsistent with this contract, the requirements of said federal contract, and the full and complete performance thereof, shall take precedent over this contract and the rights and obligations of the parties hereto.

D. To the extent that Company is permitted under its contract with NASA it shall endeavor

to have all instructions relative to job performance of the members of Union emanate from Company's designated supervisor or supervisors. Consistent with the full performance of said government contract Company shall exercise efforts to minimize the instances where instructions are given to employees by Federal Government representatives. Based upon said undertaking by Company, Union agrees that where occasions arise in which such instructions are given by such representatives, employees will comply with said instructions.

ARTICLE III – NON-DISCRIMINATION

A. It is agreed that there shall be no discrimination, interference, restraint or coercion by either party against any employee because of his or her membership or non-membership in the Union.

B. The Union and the Company agree to cooperate in all matters concerning equal employment opportunity and affirmative action in compliance with applicable city, county, state and federal regulations. This includes any current legislation amended or enacted during the period of this Agreement.

ARTICLE IV - UNION REPRESENTATION

A. The Company will recognize one (1) shop steward and one (1) alternate selected from full time employees within the bargaining unit who have completed their probationary period. The Union will specify the selected steward and alternate in writing to the Company. The Shop Steward will function at the Contract Manager's level. Nothing in this article shall preclude the Shop Steward from having the business representative at meetings/grievances with the Contract Manager.

B. In exercising his responsibilities to Bargaining Unit employees, the Shop Steward shall guard against the use of excessive or unnecessary work time and will not unduly interfere with the operations of the Company.

C. The Steward shall notify and coordinate his absence with his Supervisor before leaving his work station and report back to the Supervisor upon return to his work station.

D. Paid time spent by the Steward investigating grievances and complaints as provided in this Article shall be considered as time worked for the purposes of computing overtime.

ARTICLE V - SUCCESSOR CLAUSE

The provisions of this Agreement shall be binding upon the Company and its successors, assigns or future purchasers, and all of the terms and obligations herein contained shall not be affected or changed in any respect by the consolidation, merger, sale, transfer or assignment of the Company of any or all of its property, or affected or changed in any respect by any change in the legal status, ownership or management of the Company. It is **the intent** of this Article to promote industrial peace and harmony, to insure continuity of employment and representation, to maintain the current and prospective level of wages, benefits, and working conditions contained herein and further to protect the gains made in said wages, benefits, and working conditions derived through good faith collective bargaining regardless of the identity of the employer organization having jurisdiction over the work of this Bargaining Unit.

ARTICLE VI - MANAGEMENT RIGHTS

Except as specifically abridged, delegated, granted or modified by this Agreement all management rights, powers and authority possessed by the Company prior to the execution of this Agreement are retained by the Company and remain exclusively and without limitation within the rights of the Company.

ARTICLE VII - SUBCONTRACTING

The Company agrees not to subcontract bargaining unit work for the purpose of terminating bargaining unit employees or inhibiting bargaining unit growth. The Company may, however, subcontract where necessary due to a lack of plant or equipment capacity, equipment breakdown, fire, flood or similar cause.

ARTICLE VIII - CHECK-OFF

A. Upon delivery to the Company of a written request and authorization for such deduction, signed by the individual employee, and in accordance with the terms of this Agreement, the Company will, during the term of this Agreement and any extension or renewal thereof, deduct from his/her pay each month his/her Union dues or service fee, including initiation fee, if any, in the amount fixed pursuant to the Constitution and By-Laws of the Union and remit same to the Union not later than thirty (30) days after the last day of the month. The form and condition of such authorization for deductions of dues are as follows:

Dues Check - Off Authorization

Check - Off Authorization. Check Here: I authorize my Employer to deduct from my wages and forward to the Union: (1) monthly membership dues or an equivalent service fee; and (2) any required initiation or reinstatement fee as set forth in the collective bargaining agreement between the Employer and the Union and the by-laws of the lodge. This authorization shall be irrevocable for one (1) year or until the termination of the collective bargaining agreement between my Employer and the Union, whichever occurs sooner. I agree that this authorization shall be automatically renewed for successive 1-year periods or until the termination of the collective bargaining agreement, whichever is the lesser, unless I revoke it by giving written notice to my Employer and Union not more than twenty (20) and not less than five (5) days prior to the expiration of the appropriate yearly period of the contract term. I expressly agree that this authorization is recognizes independent of, and not a quid pro quo for, union membership, but the value of the services provided to me by the Union. It shall continue in full force and effect even if I resign my Union membership, except if properly revoked in the manner prescribed above.

(Signature of Employee)

(Date of Signing)

(Print Name)

(Social Security No.)

(Address of Employee)

Note: Contributions or gifts to Local Lodge 2552 and/or District Lodge 74 International Association of Machinists and Aerospace Workers are not tax deductible as charitable contributions for Federal Income tax purposes. However, they may be tax deductible under other provisions of the Internal Revenue Code.

ARTICLE IX - PROBATIONARY PERIOD

A. Each new employee shall undergo a probationary period of sixty days. An employee, during the probationary period, shall be subject to layoff, discharge or discipline at the sole discretion of the Company and its actions shall not be subject to the grievance or arbitration provisions of this Agreement.

The probationary period may be extended for a maximum of thirty (30) days for good and sufficient reason. In the event such period is extended, the employee and the Union Steward will be advised as to the reasons for such extension.

B. Upon satisfactory completion of the probationary period, the employee shall become a regular employee with seniority, vacation and sick leave entitlements calculated from the date of hire.

ARTICLE X - STRIKES AND LOCKOUTS

A. The Company agrees that during the term of this Agreement it will not engage in a lockout of its employees. The Union agrees that during the terms of this Agreement there shall be no strikes, sitdowns, slowdowns, work stoppages, boycotts, picketing, or any other interference with the operations of the Company, directly or indirectly for any reason, and that no officer, agent, representative or member of the Union shall ever authorize, call, instigate, aide, condone or acquiesce in any of such actions and that no employee covered by this Agreement shall participate in any of such actions.

B. Any employee who engages in any form of activity prohibited by this Article may be subject to appropriate disciplinary action.

ARTICLE XI - NON-BARGAINING UNIT EMPLOYEES WORKING

Except as specifically provided in the Company's contract with NASA, the Company will take such actions to insure that personnel who are excluded from the Bargaining Unit shall not perform work of any kind or nature normally and historically performed by Bargaining Unit employees.

It is understood that the work currently and historically performed by represented employees

will continue to be so performed. The Company is committed to efforts that increase the job security and earnings of these employees. To that end and others, the Company may supplement the workload of the represented employees with tasking from sources not previously serviced by them. However, it is agreed by the parties that any such supplemental work, that is, tasking outside the work elements **Company's contract** cannot be claimed by the represented employees as Bargaining Unit work.

It is the intention of the Company to have the represented workforce utilizing the Wallops Flight Facility Calibration Laboratory (hereinafter "the Lab") service supplemental work. Such work assigned to the Lab will be performed under the terms and conditions of the Collective Bargaining Agreement. All work performed at the Lab and utilizing its equipment and resources will be performed by the represented workforce.

When requested to do so, the Company will meet with the Union to discuss ongoing supplemental work or other matters of concern to the workforce.

ARTICLE XII - SUPERVISION

Employees with the Bargaining Unit shall be assigned to and answerable only to, the designated Supervisor or his Alternate, who shall be responsible for assigning work, approving absences and initiating disciplinary action. No employee shall be subject to discipline for refusing to carry out instructions of other than his designated Supervisor, except as provided in Article II.

ARTICLE XIII - SAFETY AND HEALTH

A. Employees covered hereby shall be required to comply with all safety rules and regulations established by the Company and to wear such protective clothing or use such safety equipment as may be required and provided by the Company. Protective clothing and safety equipment furnished by the Company remain the property of the Company and each employee shall be responsible for proper use thereof.

I. The Company agrees to reimburse each employee, required to wear safety shoes, \$95.00 annually for the purchase of approved safety shoes. Further, it is agreed that the Company will reimburse employees up to \$125.00 toward the purchase of prescription safety glasses if the employees job requires the wearing of safety glasses and he/she meets one of the following conditions: 1) the employee's prescription changes; or 2) the employee requires new safety glasses due to job-inflicted damage. Bona fide written confirmation of a prescription change must be presented upon a request for reimbursement. Non-prescription safety glasses will be furnished by the Company upon request.

The Company shall not authorize reimbursement for any clothing or equipment purchased by the employee without prior authorization by the Company.

B. When an employee is injured so seriously as to require that he be excused from work by an authorized representative of management, he shall be paid for the balance of the regular scheduled shift on which the industrial injury occurred.

C. Should the Company have reason to believe an employee covered hereby is physically or mentally unable to satisfactorily perform the duties of his/her job classification, such employee shall be required to take such medical examinations as may be directed by the Company. The Company shall pay for each such examination. The Company may, at the Company's expense, under a physician(s) of its own choosing, independently verify the employee's physical or mental condition, as reported to the Company by the physician initially selected by the employee for such medical examination.

1. Should an employee fail to pass the Company's medical examination and, as a result thereof, is determined by the Company to be unable to perform the duties of his/her job classification, the Company agrees to meet with the Union for the purpose of endeavoring to agree on reassignment of the employee to available work for which he is qualified and which he is able to perform.

2. If the Company and the Union are unable to reach agreement, the employee may then be reassigned to available work for which he/she is qualified or released from the service of the Company. Disputes arising from the provisions of this paragraph shall be subject to the Grievance Procedure.

D. The Union Steward shall be a member of any Company Safety Committee designated to investigate personnel accidents, injuries, and/or unsafe conditions.

E. The Company and the Union encourage employees to submit to the Company written suggestions for improvement of conditions relating to on-job safety.

F. Should a walk around safety inspection of the Company's assigned work locations be conducted pursuant to the provisions of OSHA, one (1) representative, designated by the Union, shall have the right to accompany the inspection team during regular duty hours without loss of pay.

ARTICLE XIV - HOURS OF WORK

A. No provision of this Agreement shall be construed as a guarantee of any specified numbers of hours of work either per day or per week.

B. Eight (8) consecutive hours, exclusive of a lunch period or no less than thirty (30) minutes nor more than one (1) hour, shall constitute a standard work shift. Employees may request, subject to supervisor's approval, a start time at any time between 0600 and 0900.

C. Except as otherwise provided for in this Agreement the normal work day shall consist of eight (8) hours per day and the normal work week shall consist of forty (40) hours of work per week, Monday through Friday. It is recognized and agreed that the standard payroll week shall

be from 0001 **Saturday** to **Friday** midnight.

D. Upon reasonable advance notice to the Union or appropriate Union Steward, the Company may for good and sufficient cause (to include NASA requirements) change the starting time of the work shift and/or the scheduled thirty (30) minute lunch period. Employees who, because of the requirements of the work, are requested to start their lunch period prior to or after their regular scheduled lunch period will be scheduled as close to the regular lunch period as possible, but in no event more than one (1) hour before or after the regularly scheduled time.

E. Any employee, in the absence of notice not to report for work, who reports for work on his regular shift and for whom there is no work available shall, except when such lack of work is due to an Act of God, sabotage, national emergency, strike or picketing of Company's premises or other circumstances beyond the control of the Company, receive a minimum of four (4) hours pay at his straight time base rate. Such paid hours not worked shall not be considered as time worked for purposes of computing overtime.

F. When an employee covered by this Agreement has completed an eight (8) hour work shift and has been relieved for the day, or when an employee is on one of his regularly scheduled days off, and is recalled to work, he shall be guaranteed a minimum of four (4) hours work, or pay in lieu thereof, at his applicable rate of pay. Hours not worked but paid in lieu thereof shall not be considered as time worked for purposes of computing overtime. Nothing in this Agreement, however, shall be construed to guarantee any specific number of hours of work, or pay in lieu thereof, to any employee who is required to perform overtime work connected to his regularly scheduled shift hours.

G. Employees shall be granted a grace period of six (6) minutes in which to clock in, at the beginning of the Shift, during which no employee shall be denied pay. In this connection, it is agreed and understood that abuse of this privilege shall be a valid basis for appropriate disciplinary action, including denial of rights to the grace period.

ARTICLE XV - ABSENCE FROM WORK

A. Except for illness, injury or other reasons beyond their control, employees are expected to report for work as scheduled unless the absence is authorized by their Supervisor. Unauthorized absences shall subject employees to appropriate disciplinary action.

B. It is the duty of every employee who, for any reason, is unable to report to work as scheduled, or who expects to report for work late, to notify their Supervisor of the reasons therefore, indicating when he expects to report for work. Employees absent will make every reasonable effort to notify their Supervisor, or his designated representative, within one (1) hour after their scheduled starting time.

C. Employees may be granted any necessary time off with pay, but up to a maximum of two (2) hours, to vote in national, state, local and primary elections, provided that such employees are unable to vote either before coming to work or after leaving work.

ARTICLE XVI - LEAVE OF ABSENCE

A. Personal - To the extent permitted by workload commitments, any employee covered by this Agreement will be granted a leave of absence, without pay, for a period not to exceed thirty (30) calendar days.

When circumstances permit, applications in writing for such leave of absence, stating the reasons therefor, must be submitted to the Contract Manager not less than two (2) calendar weeks prior to the first work day of such requested leave.

B. Military Leave - The Company agrees to observe all provisions of present law or laws hereafter enacted relating to its obligations to those of its employees who may hereafter leave the service of the Company to enter the Armed Services of the United States.

C. Military Reserve Duty - Annual military leave will be granted employees not to exceed ten (10) days and the Company will pay the difference between military reserve duty pay and the employee's regular base pay provided the employee has completed twelve (12) months of employment. Employees must present to the Contract Manager a copy of military orders or other certification stipulating the period of service and submit certification as to military pay and allowance.

D. Funeral Leave - Permanent full-time employees will be allowed time off in the event of a death in their immediate family for a maximum of three (3) work days. Pay for such time off will be at the employee's straight time rate. Such paid absence time will be considered as time worked for the purposes of computing overtime. For purposes of this section, family shall be defined as spouse, children, step-children, parents, step-parents, father-in-law, mother-in-law, brothers, sisters, half brothers, half sisters, brothers-in-law, sisters-in-law, daughters-in-law, sons-in-law, grandparents, grandparent of spouse and grandchildren (whether of natural relationship or legally adopted or under legal guardianship of the employee).

E. Jury Service - When an employee is necessarily absent from his regular work shift by reason of required jury service, or to report to a court in person in response to a jury duty summons, or to report for jury examination, he shall be granted pay for those hours during which he is necessarily absent from his regular work shift, less any fee or other compensation paid to him by the court for such service.

1. Pay for such time lost shall be computed at the employee's straight time base rate of pay. In no event shall payment be made for jury duty performed on the employee's regularly scheduled days off, holidays defined herein or for any hours in excess of eight (8) in any regular work day or hours in excess of forty (40) in any work week.

2. Pay for the time lost shall not, for any employee, exceed a total of sixty (60) regular eight (8) hour workdays in any one (1) calendar year, less any fee or other compensation paid to him by the court for such service.

3. To be eligible for payment of jury service pay, an employee must notify his Supervisor no later than the completion of his regular work shift next following receipt by him of such

notice or summons. Further, he shall be ineligible to receive jury service pay until such time as he presents to the Company a statement from an official of the court attesting to the date or dates and time of such jury service, and the fee or compensation paid to him therefore by the court, exclusive of transportation allowances.

F. Union Business Leave - Upon furnishing the Company reasonable advance notice, wherever possible two (2) weeks, employees may be granted leave of absence without pay for the purpose of Union business other than organization activities. Such leave is limited to forty-five (45) calendar days but the Company will give consideration for an extension, if required, upon written request to the Company.

Such leaves will be limited to a single employee at any given time and further limited to one (1) leave per year. The Company shall be under no obligation to any employee on Union business leave. Such employees may exercise seniority rights to return to their former position. During leaves of forty-five (45) days or less employees shall retain, and continue to accrue seniority.

G. Sick

1. Sick Leave will be earned and paid in accordance with the schedule included in Appendix A.

2. Paid sick leave is authorized only in the event of absence from work due to illness or injury. **Additionally, sick/personal leave, as defined in this section, may also be used by employees to attend to personal matters as well.**

3. Sick leave with pay, in case of incapacitation for work because of sickness or injury, will be granted, up to the number of hours to the credit of the employee at the time when such sick leave is granted. The number of hours paid by the Company will be charged against the number of hours credited to an employee. The Company reserves the right to have any employee on sick leave examined by a physician of its choice.

4. Sick leave will be retained but will not accrue during layoff provided said layoff does not exceed six (6) months.

5. Upon presentation of good and sufficient reasons, the Company may grant, in its sole discretion, advance sick leave not to exceed the amount the employee will accrue during the one (1) year period immediately following the date of request.

6. In the event the Company ceases business operations as a contractor to the Federal Government at NASA Wallops Flight Facility, Virginia, the Company shall make a cash payment to the employee for accrued, credited unused sick leave.

H. Family Medical Leave - Family Medical Leave may be granted to employees who have worked for the Company for 12 months. Family Medical Leave may be granted for a period of up to 12 workweeks annually for any or all of the following reasons; 1) because of the birth of a child or the placement of a child for adoption or foster care; 2) because the employee is needed to care for a family member (i.e. child, spouse, or parent) with a serious health condition, or 3) because the employee's own serious health condition makes the employee unable to perform the duties of his/her job classification. The employee must provide such documentation as required by the Company for determination of the employee's eligibility for Family Medical Leave.

An employee approved by the Company for Family Medical Leave has the option to take unpaid leave, or paid leave if it has been accrued.

Employees on Family Medical Leave will retain and continue to accrue seniority.

I. Medical Leave Without Pay - A Medical Leave of Absence Without Pay may be granted for up to thirty calendar days and may be extended for up to a total of twelve consecutive months upon presentation of a physician's statement, verifying the employee is unable to perform his/her duties because of occupational or non-occupational sickness, injury, pregnancy, childbirth, or related conditions.

A certificate of disability from the attending physician is required every thirty days from the date the medical leave commenced. Any failure on the part of the employee to provide a continuing certificate of disability may be considered a resignation, as determined by the employee's supervisor and the cognizant Director/Manager of Human Resources.

An employee returning from an approved Medical Leave of Absence must furnish a physician's statement releasing the employee to return to work.

ARTICLE XVII - WAGE RULES

A. The rate range set forth in Appendix A attached hereto and made a part of this Agreement shall prevail on and after the effective date indicated thereon.

B. When a new job classification in addition to that listed in "Exhibit A" is created, the wage rate there for, shall be determined by negotiation between the Company and The Business Representative of the Union.

C. Pay increases or decreases shall become effective on Saturday nearest assumption of a new classification.

D. Payday will be consistent with the Company's normal pay cycle, which is currently the 15th and the last day of the monthly. In no event, however, will employees be paid less than twice monthly (mid and end of the month)

ARTICLE XVIII - JOB CLASSIFICATIONS

A. The job classification covered by this Agreement is specifically enumerated in Appendix "A," and made a part of this Agreement.

B. The Work Leader will be responsible for coordinating the work force assigned to his area. In this respect he will be responsible for planning, layout and assigning work in his area. In addition he will be responsible for assisting the employees and monitoring the work of his area. Work Leaders shall not be responsible for effecting discipline, promotions, demotions, hiring, nor effectively recommending such actions.

ARTICLE XIX - OVERTIME

A. The provisions of this Article are intended only to provide the basis for calculation and payment of overtime and shall not be construed as a guarantee of any specific overtime hours per day or per week.

B. It is recognized and agreed from time to time overtime work may be necessary, and provided reasonable advance notice is given (except in emergency situations, not later than noon Friday when the overtime involves Saturday or Sunday work, not later than the end of the regular shift on the day preceding the day on which the overtime is to be worked when the overtime involves the extension of a shift) the **Company** may assign employees to work overtime. Such assignments are to be made in a fair and equitable manner, based on the employees classification.

C. The Company agrees to maintain records of all overtime work by classification, and all overtime assignments shall be offered first to the employee in the classification with the least overtime recorded. Overtime records shall be made available to the Union or a representative designated in writing by the Union for inspection to resolve specific complaints with respect thereto.

D. Employees who are properly notified and decline to work overtime offered, shall be charged the number of overtime hours declined for distribution purposes. Employees on sick leave, or vacation, for periods not exceeding two (2) weeks, shall not be charged with having declined overtime. Employees on sick leave, or vacation, for periods in excess of two (2) weeks shall be charged the average number of hours worked by all employees within the classification during the entire absence.

E. Employees entering the Unit after an overtime list has been established for the particular classification will be credited with the average overtime worked to date in that classification.

Effective 1 April 2011, the overtime account of each employee will be considered as having a zero balance.

F. Nothing in this contract shall be construed as requiring the Company to call in employees for overtime work when qualified employees are on the Company premises.

G. In addition to regular straight time pay, overtime pay shall be paid as follows:

- 1.** At fifty percent (50%) of the employee's hourly rate for all hours worked in excess of eight (8) hours in any regularly scheduled workday.
- 2.** At fifty percent (50%) of the employee's rate for all hours worked on the 6th and 7th consecutive days of work, however, only to the extent that such hours exceed forty (40) within the work week.

H. Employees not eligible for premium pay on this forty (40) hour provision shall not be required to work overtime on Saturday or Sunday.

- I. No overtime shall be worked except by direction of the Contract Manager.
- J. There shall be no pyramiding of overtime and/or other premium payments.
- K. No specific employee will be required to work overtime if there is no transportation home available , unless an emergency situation beyond the control of the Company exists

ARTICLE XX - HOLIDAYS

A. The following days are designated as holidays: New Year's Day, Martin Luther King Jr.'s Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, Columbus Day and Christmas Day. **Additionally, any other day set by Presidential Proclamation or other administrative order where the NASA Wallops Flight Facility may be closed for normal business will be observed as a holiday as well.**

B. Should any of the above holidays fall on Saturday or Sunday, the Company will observe as the holiday the preceding Friday or following Monday.

C. Employees who are absent in excess of four (4) hours without good cause and without notifying the Company on either the normally scheduled work day prior to or after the holiday are not eligible to receive holiday pay. Employees on unpaid leave of absence do not qualify for holiday pay.

D. Unless otherwise excepted by this Agreement eligible employees shall receive, as holiday pay, eight (8) hours pay, exclusive of all premiums, at the straight time base rate.

E. Holiday work shall be treated as overtime work for assignment and distribution purposes. When an employee is required to work on a holiday, in addition to holiday pay provided in Paragraph D, above, he shall receive one-hundred fifty percent (150%) of his straight time base rate of pay for all hours worked.

ARTICLE XXI - VACATIONS

A. Vacation pay up to the appropriate maximums shown below for the years of service, will be paid to the employees, provided they have the vacation credit accrued.

MAXIMUM VACATION ENTITLEMENT	VACATION ELIGIBILITY AS OF APRIL 1ST	ACCRUAL RATE PER VACATION HOUR
2 Weeks (80 Hours)	Start	26 Paid Hours
3 Weeks (120 Hours)	After 5 Years	17 Paid Hours
4 Weeks (160 Hours)	After 11 Years	13 Paid Hours

B. Vacation credit shall accrue as follows:

I. Two weeks (80 Hours) of vacation pay shall accrue to employees who have been employees 5 years or less, they shall accrue credit at the rate of one vacation hour for each 26 paid hours.

2. Three weeks (120 Hours) of vacation pay shall accrue to employees who have been employees after 5 years but less than 11 years, they shall accrue credit at the rate of one vacation hour for each 17 paid hours.

3. Four weeks (160 Hours) of vacation pay shall accrue to employees who have been employees after 11 years they shall accrue credit at the rate of one vacation hour for each 13 paid hours.

C. For purposes of accruing vacation credit, an eligible work hour shall be defined at the regular straight time hour an employee is in a pay status.

D. Vacation pay shall be computed at the employee's straight time base rate at the time of vacation, exclusive of all premiums, and shall be limited to those credits the employee had earned on the date of eligibility for such vacation. Vacation hours may not be taken by an employee who has less than twenty-six (26) weeks of Company service.

E. Every six (6) months the Company shall ascertain the desires of eligible employees relative to vacation dates within the following six (6) month period (January - June, July - December). The Company will give consideration to the personal desires of employees for vacation schedules dependent upon the needs of the Company. In the event, however, of a conflict between two (2) or more employees regarding preference for a specific vacation period, such conflict will be resolved finally by granting preference on the basis of classification seniority.

F. When a holiday, as defined in this Agreement, falls within an employee's vacation period, such holiday hours shall not be charged as vacation hours.

G. Unused earned vacation shall be cumulative from year to year during the period that LKC holds the existing Contract. All vacation shall be accrued from the date of hire.

H. Employees with twenty-six (26) or more weeks of seniority who otherwise are eligible for vacation and who terminate employment, are eligible to receive pay in lieu of vacation as follows:

1. Unused earned vacation benefits will be paid for regardless of the nature of the termination.

2. Employees with less than twenty-six (26) weeks of seniority at the time of termination are eligible to receive pay in lieu of vacation only in the event they enlist or are drafted in the

I. Paid vacation shall be considered as time worked for purposes of computing overtime.

J. Employees shall upon reasonable notice to the Company be permitted to utilize vacations on a casual day to day basis, to the extent vacations have been earned.

ARTICLE XXII - HEALTH AND WELFARE INSURANCE

A. The employees covered by this Agreement shall have the option to elect coverage, including dependent coverage, under the Company's Health Maintenance Organization (HMO) medical insurance benefit plan. **In the event that the Company's HMO plan does not cover a particular employee's required geographical area, a similar Preferred Provider Organization (PPO) plan will be offered.** For such coverage, the Company agrees to contribute 80% of the total monthly premium for a single employee and 60% of the difference between the single employee monthly premium and the dependent monthly premium rate. The cost to the employee for elected coverage in this plan shall be deducted from the employee's biweekly paycheck.

B. The employees covered by this Agreement shall, effective with election to participate in the Company's HMO, have the option to elect coverage in the Company's Dental Discount Program. The employee's enrollment in the Company's Dental Discount Program shall be at the same level of coverage as enrollment in the HMO. Any increases or decreases in this benefit plan regarding coverage's shall be extended to bargaining unit employees to the same extent as The cost to the employee for the elected level of coverage in this plan shall be deducted from the employee's biweekly paycheck. **On an annual basis, the Company will be solely responsible for establishing the full premium amount for participation in the Company's Dental Discount Program in each calendar year.**

C. The Company agrees to provide each employee covered by this Agreement with Basic Term Life Insurance and Accidental Death and Dismemberment (AD&D) in the amount of twenty thousand dollars (\$20,000.00).

ARTICLE XXIII - SENIORITY

A. Seniority shall be defined as the length of continuous service, whether employed by the Company or its predecessor, from the employees latest date of hire, and shall be recognized on a bargaining unit wide basis.

B. The Company shall furnish the Union each six (6) months with an accurate seniority list of all employees in the Bargaining Unit. Such list is to include the name, classification, latest date of hire, wage rate, and home address of record of each employee.

C. Classification seniority shall mean the length of accumulated service within a classification.

D. In administering this Agreement, the principle of seniority, classification and bargaining unit, in that order, shall be the determining factor in effecting layoffs, recalls promotions, demotions and in respect to other working conditions where specifically stated in this Agreement.

E. Seniority shall be canceled and terminated upon the happening of any of the following events:

1. An employee quits.
2. An employee is discharged.
3. An employee fails to return to work within five (5) days of notice of recall given

by the Company be registered or certified mail.

4. An employee is absent for three (3) days without previously notifying the Company except in cases of extenuating circumstances.
5. An employee overstays a leave of absence without notifying the Company, except in cases of extenuating circumstances.
6. An employee engages in other employment during a leave of absence without obtaining prior permission of the Company.
7. An employee gives false reasons for obtaining a leave of absence.
8. Settlement has been made for total disability.
9. An employee has retired.
10. An employee has been in layoff status or is absent because of sickness or injury or similar cause for more than twelve (12) months.

F. The seniority of employees promoted or assigned to jobs outside of the Bargaining Unit shall be frozen at the level obtained at the time of such transfer or promotion. In the event such employee returns to the Bargaining Unit within one (1) year he shall be entitled to whatever rights and privileges his accumulated seniority as of the time of promotion or transfer out of the Bargaining Unit would entitle him without prejudice.

G. For the purpose of initial establishment of each employee's classification seniority, it is agreed that each employee shall be credited with classification seniority, equal to his Company seniority; within the classification such employee is working on the date of signing this Agreement and no other. All employees entering a different or new classification after this date shall have their classification seniority started on the date of entry into such classification.

H. In making assignments to a permanent job vacancy or a new job, the Company shall consider the desires of the employees. A notice of any such vacancy or new job shall be posted on the bulletin board for three (3) days (during which time the vacancy shall be considered temporary). The Company, at the end of such time period, shall consider those employees who have submitted a bid notice (the form and content of which the parties shall mutually agree upon) and consistent with the needs of the Company, shall assign the senior qualified employee.

I. In the event no employee signs such a bid notice for a job opening, it is agreed and understood that the Company may hire a new employee for such job. Any employee who is awarded a job opening is expected to be qualified to perform the tasks of such job following initial break-in instructions and guidance from supervision.

J. Employees assigned or transferred pursuant to this Article shall be given ten (10) work days in which to prove they are capable of performing the duties of the new job in a satisfactory manner. In the event such employees do not satisfactorily meet the requirements of the new job, they shall be returned to their prior position or its equivalent without prejudice. Any employee, upon request, shall be advised in the presence of his Union Representative of the specific reasons for not meeting the requirements of the job and disputes arising there from shall be subject to the grievance procedure. Employees who are accepted on any bid job and are returned to their former job for failing to meet job requirements shall not be permitted to bid on any job for a period of six (6) months.

K. When a reduction of working forces becomes necessary in the Company's judgment, employees shall be retained by the Company in accordance with the principles of Paragraph D,

according to the number of employees the Company determines is necessary within each classification for the reduced operations contemplated by the Company. Recall of employees shall be accomplished by the same procedure in reverse. An employee promoted and later demoted to a job classification assigned a lower rate shall receive the rate of the lower job classification.

L. Any employee within a particular job classification who is affected by a layoff within his classification may bump, based only on bargaining unit seniority, any less senior employee in any like or lower rated classification, but only if qualified to perform the work within such classification.

ARTICLE XXIV - GRIEVANCE AND ARBITRATION

A. It is the intent of this article to establish means for prompt adjustment of working problems and personal grievances at the job level by a conference between the Supervisor and the employee involved, provided a Union Representative has been given an opportunity to be present. If not resolved in this informal level, a formal grievance shall be filed and processed in accordance with the steps and time limits and mutually agreed upon extensions specified below. For the purposes of this Article, a formal grievance under the Agreement is defined as a written statement by the Union, and individual employee, or group of employees (hereinafter called "Grievant") claiming a violation by the Company of the terms of this written Agreement.

B. Except for payroll adjustments, no grievance shall be filed or processed based on facts or events or omissions within the employee's knowledge, which have occurred more than ten (10) working days before such grievance is filed. Both parties agree to exert an earnest effort to settle such grievance promptly through the following steps:

STEP 1:

The employee involved shall first confer with the Supervisor or his designated representative in order to amicably settle the matter, provided a Union Representative has been given an opportunity to be present. Any and all grievances shall be handled without any unnecessary interruption or cessation of work.

STEP 2:

Should the grievance not be satisfactorily settled by the discussion outlined in STEP 1 above, the Union shall submit the grievance in writing to the Contract Manager within five (5) working days thereafter, and this written grievance thus presented must contain the complete factual basis of the employee's claim. Within five (5) working days from the time the Union submits the written grievance, a designated Union Representative shall meet with the designated Company Representative and they shall make every effort to settle the dispute.

STEP 3:

In the event the grievance is not satisfactorily disposed of by the Contract Manager, or his authorized representative with five (5) work days, the Union may present the grievance to the Division Representative of the Company, or his designated representative, provided it is

presented in writing as above stated, within seven (7) days after the decision is rendered by the Contract Manager or the expiration of time for the Contract Manager to render such decision. The Division Representative or his designated representative, will meet within thirty (30) days with the Union Representative, about said grievances presented to him in the manner aforesaid and will render a decision setting forth the complete facts in writing within seven (7) work days after the final conference with the Union relative to such grievance.

STEP 4:

If the above procedure has been followed and the parties are still unable to settle the grievance, the parties shall mutually, in writing, request the Federal Mediation & Conciliation Service to submit a list of five (5) arbitrators from which the Company and the Union shall choose an impartial arbitrator to decide the controversy by the Company first striking two (2) names and then the Union striking two (2) names, and the last remaining name shall be the chosen arbitrator. The arbitrator shall not have the authority to alter, amend or change the terms or provisions of this Agreement, and his decision shall be limited to the particular grievance in question. The arbitration decision shall be final and binding on the parties.

C. The Union and the Company shall equally share the expenses and fee of the neutral arbitrator. Each party shall make all arrangements, including pay and/or expenses of any witnesses called or other representatives or persons requested to attend any arbitration case. The number of employee witnesses summoned at any one time shall not be greater than the number which can be spared without interference with the operation of the Company's work.

D. All time limits prescribed herein may be extended by mutual agreement of the parties. Failure of the Company to respond within the time limits shall constitute a basis for escalating the grievance to the next step. Failure of the Union or employees to process the grievance to the next step within the time limits shall constitute a basis for the Company denying the grievance

E. In any case involving discharge or discipline imposed by the Company, back wages, if any are awarded, shall be limited to the amount of wages that the employee would otherwise have earned less any unemployment compensation or substitute earnings during the period of discharge or suspension.

ARTICLE XXV - SUPERSEDING EFFECT OR AGREEMENT

It is expressly agreed and understood that the wages, working conditions and fringe benefits provided in this Agreement are in lieu of any and all working conditions and fringe benefits of any

kind previously provided by the Company or its predecessor for employees within the Bargaining Unit.

ARTICLE XXVI - SAVINGS CLAUSE

Should any part or provision of this Agreement be rendered invalid by a court of competent jurisdiction by reason of any existing or subsequently enacted legislation, such invalidation and any part of provision hereof shall not serve to invalidate the remaining parts or provisions and they shall remain in full force and effect for the term of this Agreement.

ARTICLE XXVII - TRAVEL AND PER DIEM

- A.** It is agreed employees may be required to travel to locations outside and away from the Wallops Flight Facility. In this regard, it is agreed that, time permitting, employees will receive advanced travel pay and per diem prior to being required to travel. During these periods of time, the employees will be compensated at the prevailing JTR travel and per diem rates.
- B.** The Company shall be responsible for furnishing transportation to employees on travel while at another duty station. Such transportation shall, at the option of the Company, be by government vehicle, company vehicle, or rental car.
- C.** While on travel, employees will receive field duty differential pay at \$1.25 per paid hour in addition to the employee's regular base rate of pay, in order to compensate for the inconvenience of travel. This differential pay will be paid for each day in a travel status while away from the Wallops Island Flight Facility.

ARTICLE XXVIII - CROSS CRAFTING

- A.** Although employees may expect their work assignment to be in keeping with their regular job classification, the Union expressly recognizes the need for flexibility in the work force and agrees that an employee in one classification shall not be restricted from doing temporarily the work normally done by an employee in another classification. In the event an employee temporarily works in a classification for which the normal rate of pay is higher than the rate of pay received by the employee in his normal classification, he shall be temporarily promoted to a higher level position and will be advised prior to effecting the temporary promotion as to whether or not the employee will receive the higher rate. In instances where the employee is advised that the higher rate will not be paid, the affected employee shall have the right to decline the work without prejudice. In the event an employee is assigned work temporarily in a classification lower than his normal classification, he shall receive his regular rate of pay.
- B.** It is understood and agreed that the Company may temporarily (for thirty (30) days or less) assign an employee to work a cross classification when no work is available in the employee's regular classification or when such assignment is required by work schedules.
- C.** In the event the temporary work assignment across classification is one of longer than 30 days duration, the employee may continue on the temporary assignment, but shall be returned to his regular classification when work becomes available in that classification.
- D.** In effecting temporary assignments, the Employer agrees to treat all employees within the classification fair and impartially.

ARTICLE XXIX - DURATION

- A.** This Agreement shall become effective 1 April 2011 and remain in full force and effect until 31 March 2014 and from year to year thereafter unless either party shall, no more than

ninety (90) days and at least sixty (60) days prior to any anniversary date hereof, notify the other party of a desire to amend or terminate this Agreement. In the event such notice is given, the parties shall meet not later than fifteen (15) days after receipt of such notice for the purpose of negotiating a new Agreement.

B. No Agreement, waiver, alteration, understanding, variation or modification of any terms or conditions contained herein shall be made by an employee, or group of employees with the Company, and in no case shall it be binding upon the parties hereto unless such Agreement is made and executed in writing between the parties hereto, and the same has been ratified by the Union.

C. The waiver of or any breach of conditions of this Agreement, by either party, shall not constitute a precedent in the future enforcement of all the terms and conditions herein.

ARTICLE XXX - PENSION

A. The Company shall contribute to the IAM National Pension Fund, Plan B, a payment per hour, as specified in Schedule A made a part of this Agreement, for all hours paid, including paid vacation, sick leave, and holiday hours, up to a maximum of 40 hours per week and 2080 hours per year, for each employee covered by this Agreement.

B. Contributions shall begin at the completion of the employee's probationary period, but no later than sixty (60) calendar days after date of hire.

C. The IAM Lodge and the Employer adopt and agree to be bound by, and hereby assent to, the Trust Agreement, dated May 1, 1960, as amended, creating the IAM National Pension Fund in establishing and administering the foregoing Plan pursuant to the said Trust Agreement, as currently in effect and as the Trust and Plan may be amended from time to time.

D. The parties acknowledge that the Trustees of the IAM National Pension Fund may terminate the participation of the employees and the Employer in the Plan if the successor Collective Bargaining Agreement fails to renew the provisions of this pension Article, other than to increase the Contribution Rate or to add job classifications or categories of hours for which contributions are payable.

E. This Article contains the entire agreement between the parties regarding pensions and retirement under this Plan and any contrary provisions in this Agreement shall be void. No oral or written modification of this Agreement shall be binding upon the Trustees of the IAM National Pension Fund. No grievance procedure, settlement or arbitration decision with respect to the obligation to contribute shall be binding upon the Trustees of the said Pension Fund.

ARTICLE XXXI - EDUCATIONAL ASSISTANCE

A. Benefit - All employees shall have the option to apply for educational assistance under the standards and procedures of the Company policy. Tuition, registration, and laboratory fees are refunded in full upon successful completion of approved courses.

Courses required for a degree program need not be directly related to your specific job or

function providing the degree program, as a major field of study, is related to your field of work.

To be eligible for educational assistance, you must obtain approval prior to registration.

B. Limitations - An employee eligible for financial assistance for education courses from another source is not eligible under this program. Reimbursement is limited to two courses (normally 6 credit hours), or their equivalent per semester, trimester, or quarter.

ARTICLE XXXII - DISCIPLINARY ACTION

Disciplinary action shall only be taken for just cause. To this end, the Company and the Union are committed to the fair and consistent application of policies and procedures that have been established by the Company.

There shall be a six (6) month reckoning period for a verbal warning, nine (9) month reckoning period for a written warning and a twelve (12) month reckoning period for all suspensions. After the reckoning period has expired all references to the matter shall be removed from the employee's record and the offense will not be used to progress to the next step. All disciplinary action shall be subject for challenge under the Grievance and Arbitration Article of this Collective Bargaining Agreement.

ARTICLE XXXIII - DRUG-FREE WORK ENVIRONMENT

Both the Company and the Union jointly agree to support the goal of a drug-free workplace and a drug-free workforce. To this end, the Company and the Union are committed to the fair and consistent application of policies and procedures that have been established by the Company.

ARTICLE XXXIV - TEMPORARY EMPLOYEES

It is recognized that due to unusual workload demands or by government requirements, the regular workforce may be inadequate to fulfill work requirements. In this case the parties agree that a temporary workforce may be utilized under the following conditions.

1. The Company will first offer the temporary position to all qualified full-time employees who have been placed on layoff status within the preceding twelve (12) months. If the temporary job offer is not accepted by a qualified laid off employee then the Company shall fill the position from outside the workforce. The Company will notify the laid off employee by telephone. In the event attempts to contact the employee by telephone are unsuccessful the Company shall notify said employee by registered mail. Failure to respond to such notification within one week will result in forfeiture of recall rights for that temporary position.

2. All provisions of this collective bargaining agreement shall apply to the temporary employee except as defined herein.

3. The temporary employee will be considered a probationary employee for the duration of his employment.

4. The temporary employee shall not exceed 1040 hours per assignment without notification to the Union.

5. The temporary employee shall not be entitled to the following benefits: vacation, sick leave, health and welfare, pension, and holidays.

6. The temporary employee shall be paid \$1.00 per hour more than the applicable rate of pay for the classification in which he works.

7. At no time would the temporary workforce exceed **more than one (1) temporary employee at a time.**

ARTICLE XXXV- PART-TIME EMPLOYEE

1. **Part-time employees are those who normally work less than thirty – five (35) hours per week.**
2. **Part-time employees shall not be entitled to the following benefits; vacation, sick leave, health and welfare, pension and holiday.**
3. **Part-time employees shall be paid \$1.00 per hour more than applicable rate of pay for classification in which he/she works.**
4. **At no time would the part-time employees' number exceed more than one (1) party-time employee at a time.**
5. **All provisions of this collective bargaining agreement shall apply to part-time employees except as defined herein.**

Article XXXVI Witness

In witness whereof the parties hereto have executed this Agreement, this 1st day of April, 2011.

FOR:
**The International Association of Machinist
and Aerospace Workers, AFL- CIO**

FOR:
**LKC SYSTEMS, INC.,
Wallops Operation**

Directing Business Representative

Negotiation Committee Member

SCHEDULE A

Skill Grade	Skill Classification	Effective First Pay Period Following the Dates Below		
		10/1/11	10/1/12	10/1/13
	Electronic Technician	\$ 25.42	\$ 26.16	\$ 26.94
	Electronic Technician Junior	\$ 21.22	\$ 21.81	\$ 22.70
	Pension Contributions	\$ 2.90	\$ 3.15	\$ 3.40

Annual Sick/Personal Leave Accrual 8 days

Beginning April 1st, 2011, Work Leaders will be paid \$ 1.00 per hour in addition to their regular hourly rate.