

AGREEMENT  
Between the  
NAVY EXCHANGE  
NAVAL ADMINISTRATIVE COMMAND  
and  
NAVAL HOSPITAL GREAT LAKES, ILLINOIS  
and  
. LOCAL 11 SERVICE EMPLOYEES'  
INTERNATIONAL UNION, AFL-CIO

## **MISSION OF THE EXCHANGE**

To provide a convenient and reliable source from which authorized patrons may obtain, at the lowest practicable cost, articles and services required for their well-being and contentment and to provide, through profits, a source of funds to be used for the welfare and recreation of naval personnel and to promote the morale of the command in which it is established through the operation of a well-managed, attractive and serviceable exchange.

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PREAMBLE

This agreement made this 17<sup>th</sup> day of February 1988 by and between the Navy Exchange, Naval Training Station, and Naval Hospital, Great Lakes, Illinois, hereinafter referred to as the "Employer" and Local No. 11, Service Employees International Union, AFL--CIO, hereinafter referred to as the "Labor Organization."

WITNESSETH

In consideration of the mutual covenants herein set forth, the parties hereto, intending to be bound hereby, agree as follows: WHEREAS, it is the intent and purpose of the parties hereto to promote and improve the efficient administration of the Navy Exchange Program and the well-being of Exchange Employees in consonance with the spirit and intent of Title VII of the Civil Service Reform Act of 1978 to establish a basic understanding relative to personnel policies, practices and procedures, and matters affecting other conditions of employment and to provide means for amicable discussion and adjustment of matters of mutual interest at the Navy Exchange.

WHEREAS, in accordance with Title VII of the Civil Service Reform Act of 1978 the Labor Organization is prohibited from calling or engaging in a strike, work stoppage, or slowdown: picketing an agency in a labor-management dispute-if such picketing interferes with an agency's operations; or conducting any such activity by failing to truce affirmative action to prevent or stop it.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I

EXCLUSIVE RECOGNITION AND SCOPE OF UNIT

Section 1. The Employer hereby recognizes that the Labor Organization is the exclusive representative of all employees in the unit (as defined in Section 2 below) and the Labor Organization recognizes the responsibilities of representing the interests of -all such employees with respect to grievances, personnel policies, practices and procedures or other matters affecting their general working conditions, subject to the express limitations set forth in Articles III AND IV below.

Section 2. The Unit to which this agreement is applicable is composed of all eligible employees of the Navy Exchange, Naval Training Station, and Naval Hospital, Great Lakes, Illinois, including military personnel who work in a non-managerial capacity during off duty hours, with the following exceptions:

- (1) Personnel employed in a managerial or supervisory capacity who are designated by title as manager, supervisor, staff assistant personnel assistant and security assistant plus those personnel who are designated by title as head sales clerk or head counter clerk who are responsible for a work area or shift.

- (2) Personnel employed in an office clerical capacity.

- (3) Temporary employees (as defined in the Navy Resale Manual).
- (4) Employment of military personnel will be in accordance with the applicable regulations of higher authority.

ARTICLE II  
NON-DISCRIMINATION

Section 1. The Employer and the Labor Organization agree that they will not discriminate against any employee or applicant for employment because or on account of race, color, religion, sex;, national origin, lawful political affiliation, physical handicap, mental handicap, marital status or age.

Section 2. There will be no discrimination for holding office or being a member of the Labor Organization. The Employer shall take such action as may be necessary in order to assure that managers and supervisors are aware of the requirement not to interfere with, restrain, coerce or discriminate against employees to encourage or discourage membership or participation in a Labor Organization.

ARTICLE III  
RIGHTS AND RESPONSIBILITIES OF THE EMPLOYER

Section 1. It is agreed and understood that in accordance with Title VII of the Civil Service Reform Act of 1978 nothing in this agreement shall affect the authority of any management official:

- a. to determine the mission, budget, organization. number of .employees and internal security practices of the agency,
- b. in accordance with applicable laws:
  - (1) to hire, assign, direct, layoff and retain employees in the agency, or to suspend, remove, reduce in grade or pay, or take other disciplinary action against such employees.
  - (2) to assign work, to make determinations with respect to contracting out, and to determine the personnel by which agency operations shall be conducted.
  - (3) with respect to filling positions, to make selections for appointments from:
    - (a) among properly ranked and certified candidates for promotion, or
    - (b) any other appropriate source
  - (4) to take whatever actions may be necessary to carry out the agency mission during emergencies.

Section 2. No obligation exists for the employer to negotiate matters pertaining to the numbers, types, and grades of employees or position assigned to any organizational subdivision of the Unit, work project, or tour of duty, or on the technology, methods and means of performing work. This does not preclude the parties from negotiating agreements providing appropriate arrangements for employees adversely affected by the impact of realignment of work forces or technological changes.

Section 3. All rights, powers and prerogatives which have not been specifically abridged, altered, or modified by this agreement are recognized by the union as being retained by the employer.

Section 4. The provisions of this agreement shall apply to all supplemental and informal agreements.

ARTICLE IV  
PROVISIONS OF LAW AND REGULATIONS

In the administration of all matters covered by the agreement, officials and employees are governed by existing or future laws and the regulations of appropriate authorities; by published agency policies and regulations in existence at the time the agreement was approved; and by subsequently published agency policies and regulations required by law or by the regulations of appropriate authorities, including the Department of the Navy NAFI Personnel Manual, or authorized by the terms of a controlling agreement at a higher agency level.

ARTICLE V  
RIGHTS OF EMPLOYEES

An employee shall have and shall be protected in the exercise of, the right, freely and without fear of penalty or reprisal, to form, join and assist any Labor Organization or to refrain from any such activity. The Employer shall take such action as may be necessary in order to assure that employees are apprised of the rights described in this section, and that no interference, restraint, coercion or discrimination is practiced to encourage or discourage membership or participation in any Labor Organization. An employee is not authorized by Title VII of the Civil Service Reform Act to assist a labor organization or participate in its management or represent it, if such activity could result in a conflict or apparent conflict of interest or otherwise be incompatible with law or with the official duties of the employee.

ARTICLE VI  
DURATION AND CHANGES

Section 1. This Agreement will remain in full force and effect for three (3) years from the date of approval by the Commander, Navy Resale and Services Support Office. The Agreement may be renewed or extended for a specific period (not to exceed three (3) years) where the parties so agree. However, it must be brought into conformance with existing published agency policies and regulations of other appropriate authorities and applicable laws at the time it is renegotiated, renewed or extended. Such an extension is subject to approval by the Navy Resale and Services Support Office.

Section 2. The Parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed from the area of collective bargaining by applicable laws, existing agency policies and regulations for which a compelling need exists, and the regulations of other appropriate authorities. The understandings and agreements arrived at by the Parties after the exercise of that right and opportunity are set forth in the Agreement. Therefore, the Employer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly relinquishes the right, and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the Parties at the time that they negotiated or signed this Agreement. The Parties also voluntarily and unqualifiedly relinquish the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any modification of the terms and provisions contained in this Agreement, if such modification is to become effective prior to the expiration date of this Agreement, except as may specifically be provided for in Section 3.

Section 3. This Agreement may be amended by mutual agreement of the parties at any time. Amendments will be limited to those required by changes in applicable laws and regulations from higher authority. Any amendments will remain in effect in accordance with the provisions of this Article, after approval by the Navy Resale and Services Support Office.

ARTICLE VII  
WAGES

Section 1. In accordance with Public Law 92-392 and applicable implementing directives, it is required that pay of prevailing rate employees be fixed and adjusted from time to time as nearly as is consistent with the public interest in accordance with prevailing rates. To this end, Wage Surveys will be conducted in accordance with the provisions as outlined in Article VIII-Wage Surveys. Employees also covered by the minimum wage provisions of the Fair Labor Standards Act, as amended, shall not be paid less than the minimum wage rate provided.

Section 2. In accordance with the applicable provisions of Public Law 92-392 and applicable implementing directives, salary increases for employees will occur upon satisfying the required waiting periods between steps of their appropriate wage grade and having achieved or maintained a performance rating of satisfactory or better.

Section 3. All other provisions regarding wages will be in accordance with Public Law 92-392 and applicable implementing directives.

ARTICLE VIII  
WAGE SURVEYS

Section 1. The Labor Organizations shall be notified by the Employer when a wage survey is to be conducted.

Section 2. In accordance with Public Law 92-392 and applicable implementing directives, full scale wage surveys will be conducted every two years with a wage change survey conducted the alternate

Section 3. If, in accordance with Public Law 92-392 and applicable implementing directives the Labor Organization is designated to be the Labor Member of the Local Wage Survey Committee, the Union will be entitled to recommend one half of the data collectors from among local Non-appropriated Fund employees to serve as data collectors in collecting local wage data.

Section 4. All data collectors will maintain the confidence of all wage data.

#### ARTICLE IX HOURS OF WORK AND THE BASIC WORK WEEK

Section 1. It is agreed that the Navy Exchange is a Service Organization provided for the use and convenience of authorized patrons. Accordingly, working hours will be determined by the Employer to provide optimum use of the facility and provide the maximum service to patrons.

Section 2. Assignment of the employee's hours of work, the basic work week and any changes thereto will be in conformance with the policies established by the Navy Resale Manual and other applicable regulations of higher authority, The basic work week will be defined as the days and hours within the administrative work week which normally make up the employee's regular schedule exclusive of the lunch period. The basic work week for full time employees will consist of 35 to 40 hours weekly.

Section 3. The Employer agrees that insofar as practicable and with time permitting, the Labor Organization shall be called in for consultation in advance of any significant changes made in the working hours of the employees of the operating hours of an activity.

Section 4. When practicable advance notice of three (3) calendar days will be given to an employee when that employee is being permanently transferred from one activity to another activity within the same department.

#### ARTICLE X OVERTIME

Section 1. In accordance with the applicable provisions of SECNAV INSTRUCTION 5300.22 Series and other appropriate regulations, all authorized hours worked in excess of forty (40) hours in the officially established work week or any authorized work in excess of (8) hours in (1) work day shall be regarded as overtime, The officially established work week will commence at 0001 on Friday and end at 2400 the following Thursday.

Section 2. Notifications of overtime work on non-work days will be given to affected employees as much in advance as may be practicable under the circumstances.

Section 3. When an employee is required to work overtime during the same work week in which he had had national holiday time off with pay, such time off will be considered as hours worked for the purpose of computing overtime pay. This is applicable only to those employees who in accordance with the official overtime policies, are eligible to receive overtime compensation.

ARTICLE XI

SHIFT DIFFERENTIAL AND SUNDAY PREMIUM PAY

Section 1. In accordance with Public Law 92392 and applicable implementing directives, all employees will be paid a night shift differential of 7-1/2% when a majority of the employee's regularly scheduled non-overtime hours of work are between 3:00 p.m. and midnight and a night shift differential of 10% when a majority of the employee's regularly scheduled non-overtime hours of work are between 11:00 p.m. end 8:00 a.m. Vacation, sick leave, other excused absence with pay, and holiday pay will be paid at the night shift differential rate normally worked by the employee.

Section 2. In accordance with Public Law 92-392 and applicable implementing directives, full-time employees whose basic work week is 40 hours and who are on a regular and recurring basis scheduled to work on a Sunday on a non-overtime basis will be paid Sunday premium pay at the rate of 25% of their regular hourly rate including night shift differential if applicable. Hours of work on Sunday in excess of eight (8) hours in a day will be paid on an overtime basis. Employees will not be paid Sunday premium pay when absent for any reason on Sunday but will be paid at their regular rate of pay.

ARTICLE XII

REST PERIODS

Section 1. The Employer considers rest periods to be a right and not a privilege and shall authorize and permit one (1) fifteen (15) minute rest period for each four (4) hours work, or reasonable fraction thereof, This will contribute to employee health, morale and efficiency.

Section 2. Rest periods shall be scheduled in advance on a uniform basis to the maximum extent possible except where customer service requirements or other legitimate reasons prohibit scheduling them in advance. If rest periods cannot be scheduled in advance, it is the responsibility of the Employer to insure that each employee receives their rest periods at appropriate times during each work day.

Supervisors will establish a definite procedure that will insure that employees receive their rest periods and will communicate this information to employees under their supervision.

ARTICLE XIII

SAFETY AND HEALTH

It is recognized that each employee has a primary responsibility for his own safety and health and an obligation to know and observe safety rules and practices as a measure of protection for himself and others. The Employer will welcome at any time from any individual employee or from the Labor Organization suggestions which offer practical and economically possible ways of improving safety and health conditions. To this end, a committee composed of two (2) employees nominated by the Labor Organization and two (2) employees assigned by the Employer will meet as required to discuss items of concern as it relates to safety and health conditions.

ARTICLE XIV

VACATIONS

Section 1. Vacation leave will be granted in accordance with the provisions of the DN Manual. Vacation leave will be authorized when the workload permits and whenever possible at the convenience of the employee. To do so, the Employer will maintain for his

own use a schedule of all employees and their vacation preferences. Employees will be required to submit a Absence Record (SS/241) for each period of annual leave requested. The SS/241 will be submitted to the immediate supervisor sufficiently in advance to enable the Employer to schedule work and to assure that all employees are given allowed time off. Vacation leave will be used in weekly units where possible, but at the discretion of the Employer, minimum vacation unit of one hour may be granted.

Section 2. The leave system is predicated on category and length of service, only, and will be uniformly applied to all employees except temporaries and intermittents Leave entitlements will be accrued on a biweekly basis as a percentage of paid hours exclusive of overtime. All regular employees become eligible to accrue leave as of their date of hire. Probationary employees need not wait until they are made permanent in order to be granted annual leave. They cannot take annual leave during the first 90 days of their appointments, since annual leave earned during this period cannot be credited to their accounts. Employees rehired into regular positions will be credited with previous DOD NAFI service as a regular employee in determining annual leave accrual rates.

Section 3. The vacation year is a 52-week period which begins on the first day following the last completed pay period of each calendar year and will end on the last day of the last pay period of the following calendar year.

Section 4. The accrual system, based on a maximum of 2080 hours worked per year, exclusive of overtime, will produce the following annual leave credits for a full-time employee with a 40-hour work week:

YEARS OF SERVICE	% OF ACCRUAL	TOTAL HOURS ACCRUED PER ANNUM
0-3	5%	104 hours (13 days)
3-15	7-1/2%*	160 hours (20 days)
15+	10%	208 hours (26 days)

\*The final biweekly period of the calendar year will accrue at the rate of 12-1/2% of total hours in the basic work week.

Employees are required to be in a pay status to accrue vacation. Employees receiving benefits under the Longshoremen's and Harbor Worker's Compensation Act and carried on the rolls of the employing NAFI in a leave-without-pay status do not accrue annual leave.

Section 5. In situations where the employee is receiving benefits under the disability benefits program or Longshoreman's and Harbor Worker's Compensation Act, at the Employer's discretion, the employee may draw on his unused vacation to supplement his income to a maximum of 100 percent of his regular monthly earnings.

Section 6. Vacation may be carried over from year to year not to exceed a maximum of 240 hours (30 days).

ARTICLE XV  
SICK LEAVE

Section 1. Sick Leave will be granted in accordance with the provisions-of the DN Manual. Sick Leave is a privilege granted when an employee is sick. It may be denied, for just cause, by the Officer in Charge. Employees will be required to submit an Absence Record (SS/241)

for each absence, to their immediate supervisor immediately upon return to work. The minimum charge for sick leave for any one period of absence is one (1) hour. An employee should report his absence due to sickness, injury, or exposure to contagious disease by telephoning his immediate supervisor close to his starting time on the first day of absence from work. The employee should relate the reason for his absence, and his estimated return date. If there are any developments which may change his estimated return date, the employee is personally unable to make a telephone call, he should try to have someone make the call for him or leave a message. If an employee is to receive normal medical, dental or optical examination or treatment, he should request leave beforehand and arrange the examination or treatment at an appropriate time. Supervisors will notify the employee of their responsibilities in using sick leave.

Section 2. The sick leave system is predicated on category only, and will be uniformly applied to all employees except temporaries and intermittents. Sick leave entitlements will be accrued on a biweekly basis as a percentage of paid hours exclusive of overtime. All employees, except temporaries and intermittents become eligible to accrue sick leave as of their date of hire. Probationary employees need not wait until they are made permanent in order to be granted sick leave. If a regular full-time or regular part-time employee, who has completed the probationary period, voluntarily terminates and is rehired by the same exchange within six months of separation, the previous sick leave balance will be credited to the employee's account.

Section 3. The accrual system is based on a maximum of 2080 hours worked per year, exclusive of overtime and is computed at 5% accrual which would produce 104 hours (13 days) sick leave per year for a full-time employee with a 40-hour work week. Employees are required to be in a pay status to accrue sick leave. Employees receiving benefits under the Longshoremen's and Harbor Worker's Compensation Act and carried on the rolls of the employing NAFI in a leave-without-pay status do not accrue sick leave.

Section 4. In situations where the employee is receiving benefits under the Longshoremen's and Harbor Worker's Compensation Act the employee may draw on his unused sick leave to supplement his income to a maximum of 100 percent of his regular monthly earnings.

Section 5. Sick leave is accrued in unlimited amounts and may be carried forward from one year to another. When an employee terminates, there will be no reimbursement or credit made for sick leave which has not been used. When an employee retires, unused sick leave accumulated by an employee participating in the retirement plan will be added to the employee's period of credited service. The number of hours of unused sick leave will be used only in counting the number of years and months of service for annuity computation purposes. Unused sick leave will not be added in computing the employee's average salary or for the purpose of meeting the minimum length of service for retirement eligibility. The allocation to credited service will be on a conversion basis, whereby 173 hours of unused sick leave becomes equivalent to one month's service.

#### ARTICLE XVI NATIONAL HOLIDAYS

Section 1. All civilian employees including temporary employees who have a regular tour of duty expected to exceed 90 days or who have been currently employed for a continuous period of 90 days or more, will be granted the following ten (10) national holidays for working and pay purposes:

New Year's Day	1 January
Martin Luther King's Birthday	3rd Monday in January
Washington's Birthday	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	4 July
Labor Day	1st Monday in September
Columbus Day	2nd Monday in October
Veteran's Day	11 November
Thanksgiving Day	4th Thursday in November
Christmas Day	25 December

Any other day declared by Executive Order a holiday for Federal employees also will be observed. All holidays usually will be granted on day of occurrence.

Section 2. Work on holidays will, insofar as consistent with efficiency and operating needs as determined by the Employer, be kept to a minimum in accordance with existing regulations.

Section 3. The Employer agrees that insofar as practicable, the Labor Organization will be advised in advance by the Employer as to which activities will be open on a holiday and as to the hours of operation on the holiday.

Section 4. All eligible civilian employees, who are not required to work on a national holiday, will be paid for the number of hours for the day as if they had worked. When required to work on a national holiday, all eligible employees, except UA employees, will receive holiday premium pay.

ARTICLE XVII  
MILITARY LEAVE

Section 1. Military Leave will be granted in accordance with the provisions of the DN Manual. Regular employees who are members of a reserve component of the Armed Forces of the United States and who request a leave of absence will be granted time off with pay when required for the customary annual fifteen (15) calendar day tour of training. If such an employee requests additional time to fulfill training or duty requirements, leave of absence without pay will be granted. Any leave of absence granted under this paragraph will not be charged against the employee's vacation allowance. The military leave for the fifteen (15) calendar day period will be computed on a fiscal year basis. Any other provisions will be in accordance with SECNAVINST 5300.22 Series.

Section 2. The employee will request a leave of absence in advance of such tour of training or duty. The Employer will grant such request upon presentation of competent military orders. Upon completion of such tour of training or duty, the employee is required to submit a certified copy of the completed military order to the Officer in Charge for filing in the employee's personnel jacket.

ARTICLE XVIII  
COURTLEAVE

Section 1. Court Leave will be granted in accordance with the provisions of the DN Manual. Court Leave is defined as that leave which is needed by an employee who is required to serve on jury duty or for attending court in an unofficial capacity as a witness on behalf of any party in connection with and judicial proceeding to which the United States, the District of Columbia, or a state or Local Government is a party, upon advance submission of a Court Order, Subpoena, Summons or any other judicial notification. This would also include appearing for the purpose of qualifying for jury service, regardless of whether the employee is subsequently selected for such service.

Section 2. To qualify for Court Leave, the Employee will present to the Employer in advance an official summons from the court in which the duty is to be performed. Upon completion of such duty, the employee will submit a properly certified record of his attendance form the bailiff or secretary of the court.

Section 3. Any regular full-time or regular part-time employee will be allowed court leave with pay and without having such time charged against vacation leave. These employees will receive their regular pay for such time off, or will retain the court fees received from the court, whichever is the greater amount. If the court fees are the lesser amount, such fees, exclusive of transportation, will be turned over to the Exchange by the employee immediately upon receipt from court.

ARTICLE XIX  
EXCUSED ABSENCE AND LEAVE WITHOUT PAY

Section 1. Employees may, at the discretion of the Employer, be granted authorized time off with pay for the purpose of donating blood for which the employee is not paid, for selective service procedures, and for brief periods of absence or tardiness due to circumstances which are beyond the employee's control.

Section 2. The Employer agrees that the Labor Organization may designate employee members as representatives elected or appointed to a Labor Organization office or as a delegate to any Labor Organization activity necessitating a leave of absence, end upon written notifications to the Employer by the Labor Organization, such employee shall be granted consistent with existing regulations, annual leave or approved leave without pay, providing such employee can be spared from his job without serious detriment to the Employer's operations.

Section 3. At the request of the employee, leave without pay may be granted in lieu of annual or sick leave by the Officer in Charge to an employee for reasons acceptable to the best interests of the exchange, Such leave will not be granted for a period exceeding one year except for military service.

ARTICLE XX  
ABSENCE FOR MATERNITY REASONS

Section 1. Regular full-time and regular part-time employees may request sick leave, annual leave and/or leave without pay when incapacitation related to pregnancy and confinement has been properly established by medical authority. An absence covering pregnancy and confinement will be treated as any other medically certified temporary incapacitation.

Section 2. An employee should report pregnancy as soon as it is known, and furnish the Exchange with a medical certificate authorizing continued work and the date that she must cease work prior to confinement.

Section 3. Requests for leave not supported by a medical certificate will, if approved, be charged to annual leave or to leave without pay. For employees who plan to return to work, a grant of leave without pay beyond the period of incapacity for duty is at the discretion of the Officer in Charge.

ARTICLE XXI  
TIME OFF TO VOTE

All employees will be given time off with pay to vote in State and National elections as required by local custom or state law. The amount of time off granted an employee will be determined based on the individual circumstances affecting each employee. Time off to vote must be requested in advance by the employee from his immediate supervisor. Officers in Charge will schedule such absence so as to least interfere with the Exchange operations.

ARTICLE XXII  
INSURANCE

Section I. All full-time employees hired to fill a permanent position are eligible for the Basic Life and Health Benefits Plan. However, the Basic Life and Health Benefits Plan is not compulsory. The cost of the plan is shared by the participating employees and the Employer. Benefits of this plan are included in the Basic Life and Health Benefits Plan Booklet

Section 2. A committee composed of three (3) employees nominated by the Labor Organization and three (3) employees assigned by the Employer will meet as required to discuss items of concern as related to Insurance.

ARTICLE XXIII  
NORMAL RETIREMENT AND RETIREMENT BENEFITS

Section I. The normal retirement date for employees is the first day of the month coincident with or next following the employee's 62nd birthday or the completion of five (5) years on continuous service whichever is later.

Section 2. Employees may voluntarily elect to retire before their normal retirement age if they have reached their 55th birthday and completed 30 years of continuous service or if they have reached their 60th birthday and completed 20 years of continuous service without any reduction for early retirement.

Section 3. Subject to the consent of the Navy Resale and Services Support Office, employees may retire before their normal retirement age if they have reached their 52nd birthday and have completed five (5) years of service. In that case, their accumulated benefit would be reduced by 1/3% for each month (4% each year) up to normal retirement age.

Section 4. Accumulated hours of unused sick leave, as of the date of retirement will be converted to an equivalent period of credited service. The conversion to credited service will be on a basis whereby 173 hours of unused sick leave becomes equivalent to one month's service. Unused sick leave is only used in counting the number of years and months of credited service for benefit computation purposes. It is not used for the purpose of meeting length of service or age requirements for retirement.

Section 5. All full-time or part-time employees working more than twenty (20) hours a week and at least five (5) months a year, are eligible to join the retirement plan.

Section 6. The retirement plan is contributed to by the employee and the employer. Retirement annuity is payable to the employee commencing on the first day of the month following his 62nd birthday or the completion of five (5) years of continuous service, whichever is later.

Section 7. A committee composed of three (3) employees nominated by the Labor Organization and three (3) employees assigned by the Employer will meet as required to discuss items of concern as related to Retirement.

#### ARTICLE XXIV PROMOTIONS

The Employer will make maximum effort to utilize the skills, talents and experience of the employees in order to achieve higher morale and reduce turnover. The Employer and the Union agree that all vacant positions in the unit are to be filled on the basis of merit, efficiency and experience; the objective being to select from among the best qualified persons available from all appropriate sources. When more than one employee applies for a vacancy, and if all other qualifications are equal, the Employer will give primary consideration to the employee with the greatest length of DOD NAFI service as a regular employee. All vacancies in the unit; above the level of AS Grade 1, PS Grade 2 and NA Grade 2 will be posted for a period of seven (7) calendar days except as noted below. Vacancies in certain entry level positions for which there is a high turnover rate will not be posted as the vacancies exist but will be posted without vacancy at least twice yearly to determine what employees in the work force would be interested when a vacancy in those positions does exist. The names of those employees interested will be kept on file in Personnel Office and they will be contacted when a vacancy exists to determine if they are further interested in being considered for that position. Notices of vacancies will be dated and numbered in continuous sequence before posting on Navy Exchange bulletin boards. Employees will have the opportunity to apply for such positions on the Application for Job Opportunity form which can be obtained from the Navy Exchange Personnel Office.

ARTICLE XXV  
SENIORITY

Section 1. Seniority is defined as all regular civilian employment with and DOD NAFI wherein the employee's wages re paid from non-appropriated funds.

Section 2. If, in accordance with existing regulations, more than one employee requests vacation during the same period, and if all other considerations are equal, the Employer agrees that the employee with the greatest length of service will be given primary consideration.

Section 3. The Employer and the Union agree that all vacant positions in the unit are to be filled on the basis of merit, efficiency and experience; the objective being to select from among the best qualified persons available from all appropriate sources. When more than one employee applies for a job vacancy, and if all other qualifications are equal, the Employer will give primary consideration to the employee with the greatest length of service.

Section 4. Requests from an employee to transfer from one activity to another or from one shift to another will be considered by the Employer when a vacancy exists and if more than one employee has made the same request and if all other considerations are equal, the employer agrees to give primary consideration to the employee with the greatest length of service.

ARTICLE XXVI  
REDUCTION-IN-FORCE

Section 1. Reduction-in-force actions will be conducted in accordance with the provisions of the DN Manual. The Navy Exchange has a reduction-in-force when it releases an employee from his job by separation, demotion, re-assignment requiring displacement or leave without pay for more than 30 calendar days because of lack of work or funds, reorganization, reclassification due to change in duties, or, because the need to make a place for a person exercising reemployment or restoration rights requires the Exchange to release the employee. Transfers of functions, the release of an employee from a job in which he is serving under a specifically limited temporary promotion, the release of an employee in a deferred retirement status, and the release of a reemployed annuitant from his job do not constitute reduction in-force. When an employee is placed on a leave without pay status for a period of 30 calendar days or less because of operational requirements, the reduction-in-force procedures will not be applied. Such decisions will be made by the Officer In Charge based on the operational needs on the Navy Exchange. If an employee is placed in a leave without pay status for a period of 30 calendar days or less because of operational requirements, the employee may elect to charge the time off as annual leave or the time off may be taken as authorized leave without pay. When it is necessary to continue the leave without pay status beyond 30 calendar days, reduction-in-force procedures will be applied.

Section 2. The decision to conduct a reduction-in-force of non-management employees, the time and the size of the reduction is a management decision exercised by the Employer. When a decision has been reached to effect a reduction-in-force, the Labor Organization and the employees affected will be advised as soon as possible of the reduction and the procedures that will be followed.

Section 3. The following retention groups are established by job title, series and grade, (i.e. Sales Clerk, Food Service Worker, etc.) and the employees listed in seniority order within each group (DOD NAFI service as a regular employee, adjusted for performance rating credit and/or time in a non-pay status as a result of an adverse disciplinary action if applicable):

Group I - Regular non-probationary employees

Group II - Regular probationary employees

Temporary employees, intermittent employees, regular employees whose current annual performance rating is “unsatisfactory” or who have been issued a final letter of removal for unsatisfactory work performance, employees occupying a position because of a temporary promotion for a specific period of time and reemployed annuitants eligible to draw an annuity from and DOD NAFI are considered non-competing employees and are not assigned to groups.

Section 4. Reduction-in-force actions are taken in inverse order, Group II the first to be affected. Employees affected by the reduction-in-force will be those employees with the least seniority and in the lowest retention group of the job title being reduced. When an employee in Group I is affected in his current job title, he shall have the right to retreat to his last previously held job in the Exchange, provided the employee seeking to retreat his seniority over the incumbent he is still fully qualified, to perform the job, the job is encumbered, the grade and wage for the previous position are not now higher than for the job from which he is being released, and he indicated in writing within 5 calendar days after receipt of the specific notice of reduction-in-force action that he intends to exercise his reversion rights. RIFed employees will be considered for placement in other vacant positions for which they are qualified that may be available in the Exchange when being filled. Regular non-probationary employees affected by a reduction-in-force will have their names placed on a Priority Consideration Placement List for consideration for future vacant positions for which they may be qualified. An individual placed on the list will remain on the list for a period of one year from his release date, or until his date of recall or until his date of reemployment or until the employee's written request for removal, whichever occurs first.

Section 5. Pay retention of affected employees will be in accordance with the provisions of PPM Supplement 532-2.

Section 6. Advance notice of a least 30 calendar days will be given to regular employees. The notice shall contain the employees' right to appeal the adverse action via the appeal procedures set forth in the DN Manual. Allegations by an employee that he is better qualified than another person will not be considered under the appeal or grievance procedures. Regular non-probationary employees separated due to reduction-in-force are entitled to severance pay in accordance with the provisions of the DN Manual.

#### ARTICLE XXVII SEVERANCE PAY

Severance pay will be granted in accordance with the provisions of the ON Manual.

Eligible employees will receive severance pay as follows:

Employed for more than one year but less than two years: one week's basic pay.

Employed for more than two years but less than three years: two week's basic pay.

Employed for more than three years but less than four years: three week's basic pay.

Employed for four years or more: four week's basic pay.

## ARTICLE XXVIII DISCIPLINARY ACTION

Section 1. The Employer agrees that discipline will be administered in a fair and impartial manner and that no employee will be discharged or otherwise disciplined except as provided in the applicable provisions of the DN Manual and other applicable regulations of higher authority. The employee will be advised specifically in writing of the details of the offense with which he *is* charged necessary to enable him to understand the charge and to defend himself against it.

In cases of unsatisfactory work performance, the employee's progress will be reviewed on a frequent basis with the objective of keeping the employee informed and providing any necessary guidance and training in order that the employee has the opportunity to correct any deficiencies.

Section 2. The Employer will provide the employee with two (2) copies of any disciplinary action letters, one copy of which the employee could make available to the Labor Organization or to a representative of the employee's choice.

Section 3. This section applies to instances where management has determined that is necessary to recover monies due the Navy Exchange from an employee by withholding monies from an employee's compensation. In these instances it will be the responsibility of management to thoroughly investigate the matter to insure that sufficient evidence exists to adequately substantiate that the withholding of monies from employee's compensation is appropriate and correct.

## ARTICLE XXIX RESPONSIBILITIES AND PROHIBITIONS

Section 1. The Employer agrees to recognize the officers and duly designated representative of the Labor Organization, and shall be kept advised in writing by the Labor Organization of the names of its officers and representatives.

Section 2. Reasonable time during working hours will be allowed representative for meetings with management Also, reasonable time will be allowed for representatives to discuss with an employee or employees, matters directly related to group work situations in the immediate vicinity of his work area. Representatives will guard against the use of excessive time in handling of Labor Organization matters. Officers of the organization will be allowed to meet during working hours for the purpose of preparing an agenda for meeting with management In most instances, one hour should be sufficient<sup>1/2</sup> and under no circumstances should meetings exceed three (3) hours. The employer shall make adequate facilities available for those meetings.

Section 3. In accordance with applicable directives of the Office of Personnel Management time used by representatives of the Union for Union activities must be identified for record purposes so as to distinguish it from production functions. Therefore, when a steward is required to stop work to conduct authorized Union business, he will obtain oral permission from his supervisor and request an Absence Record Slip provided by management.

Completion of the Absence Record Slip will be accomplished by the steward. In order to minimize unproductive time, the steward will contact the supervisor of the employee to be visited prior to contacting the individual employee. In the event the supervisor denies permission to conduct business with the employee at the time, the supervisor will inform the steward as to the reason for denial and advise him as to when he can reasonably expect to be able to contact the employee. When the supervisor summons the employee in response to the request, the supervisor will designate an area for the conduct of the Union business. Upon his return to his work assignment, the steward will notify his supervisor of his return and turn in his completed Absence Record Slip. Completion of an Absence Record Slip is required to properly record a Union member's time not allocated to production. Time off the job will be paid and charge to excused absence. Solicitation of memberships and activities concerned with the internal management of the Labor Organization, such as the collection of dues, membership meetings, campaigning for officers, conduct of elections, and distribution of literature or authorization cards, will not be conducted during working hours.

Section 4. The Employer will give due consideration, when requested, for the use of Exchange facilities outside regular working hours, normally prior to the beginning of a shift and during lunch periods.

Section 5. The Labor Organization agrees to submit all material for screening and authorization by the Officer in Charge prior to distribution or pasting on Navy Exchange bulletin boards.

#### ARTICLE XXX COMMITTEES AND STEWARDS

Section 1. The Labor Organization shall be entitled to designate its committees and stewards from the employees as follows:

- a. A steward shall be designated as needed, in each facility, with duties as follows:
  - (1) The investigation and presentation of grievances in accordance with the provisions of the agreement.
  - (2) The transmission of such messages and information which shall originate with, and are authorized by, the local Labor Organization or its officers, provided such messages and information have been reduced to writing.
- b. A building chairman in each building where employees work. His duties shall include coordination of stewards' activities and acting as liaison between stewards and overall grievance committee.
- c. A committee (limited to a maximum of three (3) employees) for each service performed by the Navy Exchange, such as "Food Service", "Store", etc. The duties of each committee shall include coordinating the Labor Organization, screening of grievances referred to them, assisting stewards and building chairmen in organizational activity, and seeing that the provisions of this agreement are observed.

- d. An overall grievance committee (limited to a maximum of seven (7) employees) for the unit, composed of Chairman, Vice Chairman, Secretary, Sergeant-at-Arms, Trustee and Delegates as may be required by the bylaws and constitution of the Labor Organization. This committee shall preside at all employee meetings as authorized by the local Labor Organization for Navy Exchange Employees. The duties of the committee shall include the screening and presentation of grievances as necessary and representing Exchange employees in meetings with the employer.

ARTICLE XXXI  
DEDUCTION OF UNION DUES FROM PAYROLL

Section 1.

- a. Effective with the first pay period occurring after the execution of this Agreement, the Employer shall deduct union dues in the amount specified on Standard Form 1187 each pay period from the pay of all employees who voluntarily authorize such deduction and who are employed within the Unit, described below, for which the Labor Organization holds exclusive recognition, in accordance with the provisions set forth herein.
- b. The Unit to which this agreement is applicable is composed of all eligible employees of the Navy Exchange, Naval Training Station and Naval Hospital, Great Lakes, Illinois, including military personnel who work in a non- managerial capacity during off-duty hours, with the following exceptions:
  - (1) Personnel employed in a managerial or supervisory capacity who are designated by title a manager, supervisor, staff assistant, personnel assistant and security assistant, plus those personnel who are designated by title as Head Sales Clerk or Head Counter Clerk who are responsible for a work area shift;
  - (2) Personnel employed in an office clerical capacity;
  - (3) Temporary employees (as defined in the Navy Exchange Manual);
  - (4) Employment of military personnel will be in accordance with the applicable provisions of the Navy Resale Manual and other applicable regulations of higher authority.

Section 2. Union dues (the regular, periodic amount required to maintain an employee in good standing in the Labor Organization) shall be deducted by the Employer from an employee's pay each pay period, when the following conditions have been met:

- a. The employee is a member in good standing in the Labor Organization;
- b. The employee has voluntarily authorized such a deduction on Standard Form 1187 (Allotment Form);
- c. The employee's earnings are sufficient, after all legal deductions, to cover the full amount of the allotment;
- d. Section A of the Allotment Form has been completed and signed by an official of the Labor Organization and the form has been received by the payroll office.

Section 3. The Labor Organization shall be responsible for insuring that the Allotment Form is purchased and made available to the members, and shall insure that the employees are fully informed and educated concerning the program for payroll deduction of union dues, its voluntary nature, the use of the required form and the procedure for revocation of allotments.

Section 4. Deduction of union dues shall begin with the first pay period which occurs after receipt of a correctly executed allotment form by the Navy Exchange Payroll Office.

Section 5. If the amount of regular dues is changed by the Labor Organization, the Exchange Payroll Office will be notified in writing by the Labor Organization of the new rates and the effective date of the amended dues structure. The amended amounts will be withheld effective with the payroll for the first pay period during which the notice is received in the Payroll Office, unless a later date is specific by the Labor Organization. Only one such change may be made in any period of twelve (12) consecutive months.

Section 6. The dues withheld each pay period shall be transmitted by the Employer to the Labor Organization by check not later than five (5) work days after remittance, the Payroll Office shall provide the Labor Organization with a list of employees for which dues were withheld.

Section 7. An employee may at any time revoke his allotment after it has been in effect for one (1) year by completing and submitting Standard Form 1188 (or individual substitute) to the Payroll Office. Upon receipt of the revocation form, or request, the Payroll Office will discontinue the withholding of dues from the employee's pay effective the first full pay period beginning on or after 1 March. The Payroll Office shall notify the Labor Organization of all such revocations received by mailing the carbon copy of the revocation form or request, to the Labor Organization. The Employer shall maintain a supply of Form 1188 for distribution to employees in the event that they request a revocation form.

Section 8. An employee's voluntary allotment for payment of his union dues shall be terminated with the start of the first pay period following the pay period in which any of the following occur:

- a. Loss of exclusive recognition by the Labor Organization;
- b. Separation of the employee from the unit, (as a result of resignation, retirement, transfer or other separation from the rolls of the Exchange, reassignment, promotion to management (except temporary promotion), or other personnel action);
- c. Upon receipt of notice from the Labor Organization that the employee is no longer a member in good standing.

Section 9. The Labor Organization agrees to notify the payroll office in writing when an employee with a current allotment authorization ceases for any reason to be a member in good standing with the Labor Organization in order that his allotment for dues may be terminated. The Labor Organization will also send to the Payroll Office promptly, any written revocation of allotment received by Labor Organization.

Section 10. The Labor Organization shall furnish the Employer at the earliest practicable date with the name, address and title of the official of Labor Organization authorized to certify Section A of Standard Form 1187 on behalf of the Labor Organization. The Labor Organization shall be responsible for giving the Employer prompt written notification of any changes in the name, address or title of the official of the Labor Organization.

Section 11. This agreement for Voluntary Allotment of union dues shall become effective when duly signed by the appropriate officials of the Employer and the Labor Organization and shall continue in full force and effect for as long as the Labor Organization continues to be recognized by the Employer on an exclusive recognition basis for the employees involved. It may be amended or modified by the Employer and Labor Organization from time to time by mutual agreement. Modification or amendment of this Agreement may be required because of changes in applicable laws, rules, regulations or policies issued by higher authority after the date of this Agreement. Such amendments will be effective on a date determined to be appropriate under the circumstances.

#### ARTICLE XXXII UNION OFFICE SPACE

The Employer will provide the Labor Organization with a suitable office space to include the necessary utilities. The assignment of the office space will be at all time subject to use for Navy Exchange business purposes.

#### ARTICLE XXXIII GRIEVANCE PROCEDURE

Section 1. This article is intended to provide an orderly and sole procedure for the processing of grievances of the parties and employees of the unit as specifically set for the Title V11 of the Civil Service Reform Act, Section 7121. Grievances, to be processed under this article, shall pertain only to the interpretation or application of express provisions of this agreement. The following negotiated grievance procedure does not cover any other matters, including matters for which statutory appeals procedures exist, and shall be the exclusive procedure available to the parties and the employees in the unit for resolving such grievances.

Section 2. Under the negotiated grievance procedure, grievances can be presented and processed by the Employer; by the Union in its own behalf or on behalf of any employee in the unit represented by the Union; or by an employee on the employee's own behalf with the exclusive representative maintaining the right to be present during the grievance proceeding, in accordance with Section 7121 of Title VII of Civil Service Reform Act.

Section 3. Grievances or complaints of employees in the unit concerning matters other than interpretation or application of this Agreement will be processed under the procedures established in the SECNAVINST 5300.22 Series. An employee may handle his own grievance or select his own representative in such proceedings. However, the Labor Organization shall be given the opportunity to be represented, when requested or approved by the employee, at formal discussions between management and employees or employee representatives concerning such grievances, and at the appropriate time make its views known. The right of the employee and Labor Organization representatives to be present during discussions of such grievances shall be subject to necessary requirements as to security and confidentiality of information. The right of the Labor Organization to be present does not extend to informal discussions between an employee and a supervisor. However, if such discussions lead to consideration of possible modifications of personnel policies or other matters which management is obligated to discuss with the Labor Organization, decisions on such matters will not be made by management until this obligation is discharged. Such decisions will not conflict with any existing agreement with the Labor Organization.

Section 4. Questions as to the interpretation of published agency policies or regulations, provisions of law, or regulations of appropriate authorities outside the agency shall not be subject to this negotiated grievance procedure regardless of whether such policies, laws or regulations are quoted, cited or otherwise incorporated or referenced in this agreement. Should an employee or group of employees in the unit, or parties, initiate a grievance or complaint on matters other than the interpretation or applications of the agreement, such as those involving interpretation or application of agency regulations, regulations or directives of higher authority, or matters for which statutory appeals procedures exist, such grievances or complaints may be presented under procedures established in the SECNAVINST 5300.22 Series and shall not be resolved through the procedures established in this article. The following matters are excluded from the negotiated grievance procedure: reduction-in-force actions; job rating decisions and positions; decisions relative to a letters of caution for unsatisfactory work performance; allegations or complaints relative to discrimination based on color, race, religion, sex, age, national origin, physical or mental handicap; proposed or actual disciplinary action; denial of in-grade increment and salary retention decisions; adverse actions due to political involvement; adverse actions due to security regulations and failure to be cleared for sensitive duties; non-selection for promotion from a group of properly ranked and certified candidates; letters of caution; termination for failure to qualify during the probationary period; salary retention decision; classification and pay decisions; withholding of within-grade increases; and, non-selection for promotion when the sole basis is the allegation that the individual is better qualified than the person selected.

Section 5. Any grievance not taken up with the employee's immediate supervisor or with appropriate representatives of the Labor Organization or Employer within thirty (30) calendar days after the occurrence of the matter out of which the grievance arose, shall not be presented nor considered at a later date except cases where the employee or complaining party could not reasonably have been aware of being aggrieved. Extensions may be mutually agreed upon to provide for unusual cases.

Section 6. The following grievance procedure applies to all eligible employees of the unit and the parties:

- a. Step 1. Informal Step. An employee shall first take up his grievance informally with his immediate supervisor. The immediate supervisor will meet with the employee in an attempt to resolve the grievance. The employee may, upon request be represented by a union representative. The supervisor must give his answer within seven (7) calendar days. The union and the employer anticipate that most employee grievances will be settled at this informal level.
- b. Step 2. If no satisfactory settlement is reached at the informal step and the employee elects to pursue his grievance under the following procedure, the employee shall reduce his grievance to writing. The written grievance will be submitted to the Department Manger or Branch Manager within seven (7) calendar days of the supervisor's informal decision. The written grievance shall contain the details of the complaint, the specific provisions of the agreement involved, and the corrective action desired by the employee. It must give the date of informal discussion, the date of informal decision, and identify the immediate supervisor. The Department or Branch Manager will meet with the employee and one union representative who shall be the union representative involve at the informal step, in an attempt to resolve the grievance within seven (7) calendar days of receipt. A written decision will be given to the employee within seven (7) calendar days of this meeting.
- c. Step 3. If a satisfactory settlement has not been reached at the previous step, the employee may submit his grievance within seven (1) calendar days to the Officer in Charge. The Officer in Charge or his designated representative will meet within seven (7) calendar days with the employee and union representative and attempt to resolve the grievance. A written decision will be given to the employee within seven (7) calendar days of the meeting.

Section 7. At each and every step of the grievance procedure, the Union and the Employer may call a reasonable number of relevant employee witnesses who shall suffer no loss of pay for such service. The parties shall, upon request of the other party, permit inspection of pertinent records insofar as permissible without violating laws, regulations, or government policy, for the purpose of substantiating the contentions of claims of the parties.

Section 8. Failure of the Employer to meet the time limits prescribed above shall permit the employee or the Union to move the grievance to the next step of the grievance procedure. Failure of the employee or the Union to meet the time limits prescribed above shall constitute withdrawal and termination of the grievance.

Section 9. The Employer and the Union recognize and endorse the importance of bringing to light and adjusting grievances promptly. The initiation of a grievance in good faith by an employee should not cast any reflection on his standing with his supervisor or his loyalty and desirability to the organization, nor should the grievance be considered as a reflection on the employee's supervisor.

Section 10. Upon completion of each formal step of his negotiated grievance procedure, management will give the original copy of the grievance form to the employee and forward a copy to the employee's representative.

#### ARTICLE XXXIV ARBITRATION

Section 1. Grievances subject to the negotiated grievance procedure that are not satisfactorily settled under the negotiated grievance procedure shall be subject to binding arbitration which may be invoked by either the Union or the Employee.

Section 2. On grievances covered by this agreement and which have been properly processed through the negotiated grievance procedure as set forth in this Agreement may be submitted to arbitration. If the parties fail to settle a grievance at Step 3 of the negotiated grievance procedure, the grievance may be referred to arbitration. In this event the Union shall notify the Employer in writing within fifteen (15) calendar days after receipt of the decision by the Officer in Charge at Step 3 that arbitration of the grievances is desired.

Section 3. Within seven (7) calendar days after receipt of the arbitration request, the Employer or his representative will meet with the Labor Organization representative to agree on the selection of an arbitrator. If agreement cannot be reached, then the parties will mutually request the Federal Mediation and Conciliation Service to submit a list of five (5) impartial persons qualified as arbitrators. Both parties will meet within five (5) working days after receipt of the list. If they cannot agree upon one (1) of the listed arbitrators, then the Employer and the Labor Organization will each strike two (2) names from the list of five (5) impartial persons submitted by the Federal Mediation and Conciliation Service. The remaining person will then serve as the duly selected arbitrators.

Section 4. The fees and expenses of the arbitrator shall be borne equally by the Employer and the Labor Organization. Travel and per diem will be paid at not more than the maximum rate payable under the Joint Travel Regulations.

Section 5. The arbitrator is requested by both parties to render his recommendation as quickly as possible, but in any event, no later than thirty (30) calendar days after the conclusion of the hearings.

Section 6. The Arbitrator shall have jurisdiction and authority to interpret this Agreement and apply it to the particular case under consideration. He shall also have the authority to decide questions of arbitrability. He shall, however, have no authority to add to, subtract from, or modify the terms of this Agreement. He shall not have the authority to decide matters in the agreement involving the interpretation or application of regulations of higher authority regardless of whether such policies are quoted, paraphrased or cited in this Agreement. His report shall be limited to the specific issues as presented by the agreement to arbitrate.

Section 7. The Labor Organization shall have the right to retain the services of an attorney, consultant, expert, or any other persons when it is determined that technical and specialized advice is necessary.

Section 8. The Arbitrator's decision is binding on the parties, however, either party may file exceptions to the Arbitrator's award with the Federal Labor Relations Authority under regulations prescribed by the Authority, in accordance with Section 7122 of Title 5 of the Civil Service Reform Act

ARTICLE XXXV

DISTRIBUTION OF THE AGREEMENT

This agreement shall be printed and a copy shall be provided by the Employer to all employees in the recognized unit, and to each new employee covered by this agreement.

CODE OF STANDARDS  
FOR  
THE LABOR ORGANIZATION

"...• Our primary responsibility is to the men and women of the United States Navy who use the facilities of the Navy Exchange."

"... We will cooperate fully with our customers, supervisors and staff of the Officer in Charge, and endeavor to raise our standards of craftsmanship." .

"... We recognize the human right to job satisfaction is relate to decent wages and working conditions and is basically related to what the individual puts into his job."