

# **OPERATING ENGINEERS LOCAL #137 LABOR MANAGEMENT COOPERATION TRUST**

## **Summary**

The Operating Engineers Local 137, the CIC, and the BCA agreed to establish a Target Fund named the Operating Engineers 137 Labor Management Cooperation Trust Fund (LMCT).

1. What is the Labor Management Cooperative Trust (LMCT)?

The purpose of the LMCT fund is to increase market share by taking back projects where non signatory contractors have established a foothold.

2. How will the LMCT increase market share by taking back private work?

The LMCT fund will pay for an approved portion of Health and or Annuity funds contributions on projects approved for LMCT relief to make signatory contractors more competitive with open shop competition.

3. Are prevailing rate projects eligible for LMCT relief?

State and Federal prevailing rate projects are not eligible for LMCT relief. The Trustees may designate Local Municipal prevailing rate projects for LMCT relief, and should this occur, all Employers who have registered with the LMCT will be notified. All private projects are eligible for LMCT relief.

4. Who can apply for this funding relief?

Any contractor signatory to the Collective Bargaining Agreement between the International Union of Operating Engineers Local 137, the CIC, and the BCA.

5. Who is eligible to receive LMCT relief?

Any signatory contractor who is current in payment of all wage and Fringe Benefit contributions in the Collective Bargaining Agreement.

6. What are the criteria to be current in contributions?

Contributions to all Funds must be paid within 30 days after the close of the month to be considered current and eligible for LMCT relief. In addition, contractors with a signed Settlement Agreement will also be considered current and eligible for LMCT relief. Therefore, the Contractor must be current in both their monthly obligations due under the CBA as well as monthly obligations due under a settlement agreement. Contractors must remain current in contributions on the day the project starts and also remain current in all contributions due during the life of the project or the award will be forfeited.

**IMPORTANT:** Contributions are due at the Fund Office no later than 30 days after the month in which work was performed. For example, for work performed in September 2018, contributions are due at the Fund office no later than October 30, 2018. The LMCT Fund does not recognize the date the Contractor completes a report nor does it recognize the date the envelope is post marked.

If an executed acknowledgement form regarding the timing of contributions, as stated above, is not at the Fund Office it will render your Company ineligible to be awarded LMCT funds.

7. Other than being delinquent in contributions, is there any other way a Contractor can forfeit an LMCT Award?  
Yes, if a Contractor is found to be employing non-Union Operating Engineers on any project, the Contractor will forfeit the LMCT Award.
8. How does the LMCT fund define the start of a targeted project?  
The first monthly remittance report requesting relief to be applied to that project constitutes the start of the project. It should be noted that the date is the month in which work was performed regardless of when the report is received.
9. How do I nominate a project for LMCT relief?  
Any contractor who is interested in bidding on a non-prevailing rate project and knows that there is open shop competition, may contact the Local 137 Fund Office by email for an application.
10. What Assistance am I asking for?  
You are asking for assistance on the total dollars that equate to the number of hours you have requested to compete with open shop Contractors on the project.
11. When must the Application be submitted back to the Fund Office?  
The deadline for submitting an application is five (5) business days prior to the bid due date.
12. What relief can I apply for?  
The amount requested is the approved portion of Fringe benefits covered by the Health or Annuity Fund contributions for hours worked on the targeted project.

13. Who approves or denies the Application?

The review committee, comprised of Labor and Management trustees, will review the application and then decide whether to make funds available for the project and if so, the amount of the LMCT grant.

14. How am I notified if my project is approved?

When a project is approved an email notification will be sent to all registered contractors and the CIC by email, along with a Project Approval Form. All signatory contractors should complete a registration form and email it to the Fund Office.

15. How long is the grant effective?

A grant of LMCT relief is effective for 90 days. If the project is delayed, the contractor must reapply or contact the Fund Office and inform them the reason for the delay.

16. What happens if I am awarded the targeted project?

At the time a Contractor is awarded a targeted project, the Contractor should contact the Fund Office. The Fund Office will then send the Contractor an acknowledgement letter regarding the provisions of the LMCT Fund grant. The Contractor who is awarded the targeted project must submit an award letter to the Benefits Fund Office.

17. How do I get the LMCT relief?

A Contractor that has been awarded a project must complete a separate remittance report for the targeted project listing all employee names, identification numbers and hours worked. The Contractor does not send payment for the Health or Annuity Fund, these contributions will be paid by the LMCT up to the amount approved for the grant.

18. What if I complete the project early and do not use all of the hours I estimated on the Application?

Any surplus remaining after the project is completed will revert back to the LMCT Fund. LMCT relief is a “use it or lose it” Fund.

19. What if it takes more hours to complete the project than the amount approved in the grant?

Contributions made by the LMCT Fund are exhausted when the original dollar amount approved is reached. The Contractor is then responsible for all fringe benefits until the project is completed.