

EXPEDITED ARBITRATION PURSUANT TO  
JOB EVALUATION PILOT LETTER OF AGREEMENT  
RE BUYER POSITION

BETWEEN:

UNITED STEELWORKERS, LOCAL 5890

UNION

AND:

EVRAZ INC. NA

COMPANY

## DECISION

### I. BACKGROUND

1. In the 2011 bargaining the parties agreed to restructure the Office and Technology (“O&T”) Division. The restructure included the removal of the Buyer position from the Admin Clerk Pool (Job Class 8) to a stand-alone position. There are currently five full-time Buyer positions.

2. In the Job Evaluation Pilot Letter of Agreement (“LOA”), the parties agreed to develop a concise job evaluation form and a process for the parties to agree on the job class for a new job. The LOA applies to positions both in O&T and Production and Maintenance (P&M). The LOA provides that in the event the parties are unable to agree on a job class, the matter would be referred to an expedited arbitrator for a binding non-precedent decision which is to be made on the basis of a revised proposal of each party. The arbitrator must pick one of the two proposals with no compromise decision being allowed.

3. On February 16, 2012 the Company and Union signed off on a job evaluation form:

## UNION EXHIBIT # 4

FACTOR	CLASSIFICATION	DESCRIPTION	JOB CLASS FACTOR
1	Training and Experience	Training and experience and time required for proficiency on job	Range 0 - 6.0 Less than one year .75 and 1.5 for every year after that
2	Mental Skills and Effort	Mental Skill and Effort	Range 0 - 6.0
3	Manual Skills	Includes physical effort and tools and equipment	Range 0 - 6.0
4	Responsibility	Responsible for material, operations and supervision	Range 0 - 8.0
5	Safety	Includes hazards, surroundings and working conditions	Range 0 - 6.0
6	Education	Any educational component to the position that requires employee to be off site to obtain	One Job Class per year of education required. Range 0 - 4.0

*J. MacLachlan*  
Signed on behalf of USW

*C. Collins*  
Signed on behalf of the Company

Feb. 16, 2012  
Date

This job evaluation form is based on a total of 34 job class factors.

4. The February 16, 2012 job evaluation form was used by the parties to complete job class evaluations for a number of P&M positions. Following completion of the job class evaluations for the P&M positions, the parties directed their efforts to the O&T positions, starting with the Buyer position. The parties were unable to agree on the appropriate Job Class ("JC") for the new Buyer position in the O&T division. As a result the determination of the appropriate job class was referred to me for a decision.

5. On November 15, 2013 each party provided me with its proposal and an explanation of the proposal. By agreement the parties each provided a rebuttal to the other's submission.

6. The Union proposes the Buyer be JC17; the Employer proposes JC11. The respective proposals submitted based on the agreed job evaluation form are as follows:

FACTOR	CLASSIFICATION DESCRIPTION	UNION ASSESSMENT	EMPLOYER ASSESSMENT
1	Training & Experience	6 out of 6	2.25 out of 6
2	Mental skills & effort	4 out of 6	3.5 out of 6
3	Manual Skills	0 out of 5	1 out of 5
4	Responsibility	6 out of 8	3 out of 8
5	Safety	1 out of 5	1 out of 5
6	Education	2 out of 4	.5 out of 4
	TOTAL	19 out of 34	11.25 out of 34

The Collective Agreement provides that O&T employee positions shall be rated between JC0 to JC17; the P&M job classes are JC1 to JC31 (Article 15).

7. The Union says that Factor 1-Training and Experience should be rated 6 out of 6 because it takes four years to be proficient in the Buyer position. The position involves a significant scope of work involving purchasing for repairs, inventory buying for the warehouse, refractory buying for Production and non-inventory buying (for Maintenance, Production, I.T., Research and Development, Turvey Centre), processing service purchase orders and doing contract release purchase orders. It involves learning the scope of work for the other Buyer positions to cover holiday relief and sickness. Purchasing consists of two completely different purchasing systems and the Buyer needs to be familiar with various parts/equipment and know where to purchase items. The Buyer needs to multi-task and be able to resolve accounts payable and receiving issues, as well as being capable of reviewing drawings and documents geared towards an industrial setting.

8. The Union says that the Factor 2 – Mental Skills and Effort - 4 out of 6 is necessary because of the high stress and high demand position which requires multi-tasking, including negotiating with vendors, contractors and communicating well with Maintenance, Production, Stores, Warehouse and Accounts Payable personnel. The person needs to be organized, competent and efficient with the ability to handle conflict and act in a professional manner; the position requires the mental skill to understand all of the processes.



9. As the Buyer job is extremely important to operations, the Union says Factor 4 – Responsibility supports a rating of 6 out of 8. The Buyer has a high level of responsibility working in a busy demanding environment. The Buyer is responsible for ensuring that parts, products and repairs arrive on a timely basis so there is no interruption of mill production; the Buyer must use due diligence in getting the product in a most cost-efficient and timely manner. Buyers are required to use their discretion when going out for quotes or multiple quotes and to evaluate the quotes based on pricing, delivery and quality. Once the vendor is chosen, documents are recorded in a spreadsheet explaining why the vendor was chosen; back-up documentation provided is forwarded to the manager. Buyers are responsible for obtaining cost savings for the Company through quoting, inventory reduction, and requesting price adjustments, including those related with volume buying.

10. The Union says Factor 6 – Education - should be rated 2 out of 4 because the position now requires 3 supply management classes each of which consists of 3 months and are offered and scheduled at the University of Regina. It notes that the job description qualifications of the last O&T job posting in the Collective Agreement required “Successful completion of 3 recognized post-secondary supply management classes. Working knowledge and application of word processing and spreadsheet software.”

11. The Union supports its position with evidence of a bargaining unit employee who has approximately 21 years experience as a buyer. She notes that over the years the position has seen the assignment of additional duties including those formerly performed by two secretaries/receptionists, two assistant buyers and two buyers. Duties such as answering incoming calls, filing documents and typing purchase orders, quotes and contracts and the duties of the assistant buyer in doing inventory and non-inventory day-to-day buying were assigned to the buyers. Further, additional duties were added to the position of Buyer in 2011. These included completion and submission of cost saving reports to the purchasing manager as well as a purchasing report which can be detailed and time consuming. Buyers are required to complete spreadsheets outlining the particular vendors they had requested to supply quotes, with the successful bidder and the employee’s rationale for choosing the particular supplier.

12. The Union says the JC17 rating is based on a process of the Job Evaluation Committee where the factors were discussed and the evaluation resulted in the position being assessed as having 19 out of 34 job factors. This process included input of a long-experienced buyer and in the presence of the Manager of Purchasing, Canadian Operations. It also included a Union representative experienced in the Co-operative Wage Study (CWS) previously used by the parties as well as the involvement of Cindy Hinger, Labour Relations Specialist, who was experienced in job evaluation. The Union submits a July 13, 2012 memorandum prepared by Ms. Hinger as evidence that the parties agreed to a JC17 for the Buyer position or alternatively it supports such a conclusion.

13. The Company says that the proposed JC11 is justified for a number of reasons. Factor 1 - Training and Experience is 1.5 years or 18 months; this is defined by the number of training periods provided in the Collective Agreement and represents the training and development time to achieve the required competencies.

14. The Company says that Factor 2 - Mental Skills and Effort - should be looked at as those of an employee who works within established guidelines, with a supervisor available for questions outside of the guidelines. Purchase orders are pre-approved prior to being sent to the Buyer; while the position is required to run reports, it does not develop or analyze these.

15. It says that Factor 3 - Manual Skills - should be rated at 1 because the Buyer has a daily work station at a desk in an office environment with rare visits to plant floor.

16. Factor 4 - Responsibility - should be 3 based upon the fact the Buyer receives and completes requisitions for purchase of materials following the Company procurement policies and procedures. The Buyer requires supervisory preauthorization or final authorization prior to completing purchases.

17. In respect of Factor 6 - Education – there is a requirement for 3 recognized post-secondary supply chain management classes. The Company notes there is no time restrictions to complete these classes; there is a reasonable expectation that the three classes would consist of one semester of study. Employees formerly in the Admin Clerk-Pool JC8 performing the buyer

function required two recognized post-secondary accounting classes as well as a working knowledge and application of word processing and spreadsheet software.

## **II. ANALYSIS AND DECISION**

18. It is my conclusion that the appropriate job class for the Buyer position is JC11. The Company assessment of the agreed job factors is more reasonable than the Union's position that JC17 is appropriate based on its assessment of 19 points out of a possible 34 job factor points.

19. I do not accept the Union's submission that the parties had reached an agreement that the Buyer position should be JC17. Had there been such agreement, this matter would not have been referred to me for determination as the LOA provides for a referral to an Expedited Arbitrator "*if the parties cannot agree on a job class*".

20. The Union submission that there was an agreement is based on the meeting of the Job Evaluation Committee and Ms. Hinger's memorandum dated July 13, 2012. Ms. Hinger refers to discussions which resulted in a proposed position factor of JC18 being 10 classifications higher than the prior classification and a job classification which would be outside the range of the O&T Division job classes. The significant noted reasons for the increased job factor were Training and Experience (taking 4 years to become proficient in the position), Responsibility and Education. It notes: this work could no longer be performed by Administrative Clerks; the position to be an essential and demanding one in relation to production processes; the Education requirement was now a PMAC diploma as well as classes and seminars. Ms. Hinger writes that, on this basis, the job class was out of the range of the O&T Division.

21. My conclusion that no agreement had been reached as to the Buyer being JC17 is supported by subsequent events.

22. Ms. Hinger forwarded her memorandum to other Human Resources ("H.R.") representatives for review. When Andrea Wolters, in H.R., reviewed Ms. Hinger's memorandum, she had a number of questions and comments. Ms. Wolters notes that in respect of Factor 1 (Training and Experience), an employee had apparently qualified within two months of assuming the position. In relation to the Responsibility factor, Ms. Wolters notes she was of the understanding that the Buyer was responsible to ensure a part is ordered and then



communicate when that part can be expected to reach the required group. In respect of Factor 6 (Education) she notes the requirement was to have three post-secondary classes in supply management, not a diploma in PMAC.

23. There is further evidence that there was no agreement between the parties. Ms. Hinger in October 2012 (Employer Document R-7) notes in correspondence with Ms. Neald, Senior Manager, Compensation and Benefits, that they were discussing the Buyer position and how to factor/evaluate it in order to apply the appropriate job class. She notes that they agreed to start at a job base and were using Admin Clerk JC8 as the base job. She asks advice as to the proper compensation for the position beginning at JC8 and adding additional responsibilities and educational requirements for the Buyer position. In her reply, Ms. Neald notes that without a formal classification system, it is difficult to take the Admin Clerk role and add to it to get the appropriate classification. She notes that the factors, like those in the agreed job evaluation form, are weighted based on the importance to the organization. Based on the market price for the Buyer and Admin Clerk positions, Ms. Neald recommends a JC11 for the Buyer. Further, on October 30 Ms. Hinger replies to Ms. Schappert, a bargaining unit O&T division employee, that the parties had run into a snag with O&T as they did not have a baseline on which to begin evaluation and the parties are not in agreement as to a baseline to use to move forward (Employer Document R-8). Shortly after this Ms. Hinger left her employment with the Company.

24. As further evidence that there is no agreement between the parties, I note that the Union submitted an evaluation proposal on April 5, 2013 and as recently as November 8, 2013 at a joint Job Evaluation Committee meeting the Company presented a proposed job evaluation factoring form for consideration in relation to O&T positions. In this Company proposal the six job class factors would have a maximum of 19 points as follows: Training and Development – 3; Mental Skills – 4; Manual Skills – 2; Responsibility – 4; Safety – 3; Education (Experience) – 3.

25. In my opinion these parties have reached a stalemate in assessing the Buyer position job class in part as a result of trying to apply a job evaluation form based on a total of 34 job class factors in the context of the O&T division where the maximum job class is JC17. The agreed job evaluation form worked well in the P&M division where the job classes ranged from 1 to 31.

26. I understand that the parties have used the job evaluation form to establish job classes in P&M on the basis of crediting job class factors on a one-to-one basis for job classes. If the job class total out of 34 was 31 or greater, it would result in JC31. Where the job class factors total 18, the position would not be assigned to the top of the P&M range, namely JC31. The use of the same job evaluation form in O&T, without any adjustment in the ratings or the factors to be assessed to recognize a maximum job class of 17, presents inherent problems and could result in assessments beyond the maximum O&T job class range. This is what occurred when the job evaluation form based on 34 points was applied to the Buyer position for which the maximum job class factors were 17.

27. The Job Evaluation Committee's application of the evaluation form to the Buyer position resulted in a proposed job class of 21; this was downgraded to 19 and is now presented as JC17. It is not logical that a position that does not achieve the maximum points for each of the factors used to determine the appropriate job class ought to be rated at a job class higher than the highest job class negotiated for the parties in the O&T division. Nor is it reasonable that where the job factors may only be equal to one-half of the available factors, that the job could be evaluated higher than the agreed maximum job class. It is not reasonable to apply a factoring standard which could result in a job class higher than the maximum job class which can be available as a result of the evaluation without some adjustment for the maximum job class. The Union proposal for JC17, based on a job evaluation of 19 out of 34 factors, is not reasonable.

28. Since JC17 is the maximum for O&T, when an assessment is done on the 34 point scale, logic requires that any individual factor ought not to exceed one-half of the maximum factor points available in any factor classification. Otherwise, the result could be an assessment beyond the maximum agreed range. The difficulty in using a 34-point rating system to rate a position within a maximum of 17 job class rating, is illustrated by the Union proposals: 6 out of 6 for Training and Experience; 4 out of 6 for Mental Skills and Effort; 6 out of 8 for Responsibility.

29. Based on all of the materials presented to me I am satisfied that the Company's proposed JC11 more reasonably assesses the appropriate job classification, based on the negotiated maximum JC17 within the O&T division, than does the Union's proposed JC17.



30. The Company position for the Training and Experience factor recognizes 18 months of training. This is equivalent to the three 6-month training periods agreed to in the Collective Agreement. This represents the maximum negotiated training period applicable to O&T and applies to JC8 through JC17 (Article 15). Based on 34 job class factors, the February 16, 2012 job evaluation form provides in relation to Training and Experience: *"Less than one year .75 and 1.5 for every year after that."* The Union position is based on the Buyer position requiring Training and Experience factored at 6 out of 6 on the basis that it takes four years to be proficient as a Buyer. To achieve 6 out of 6 on this factor would require training and experience in excess of four years. In my opinion this is not supported on the submissions nor by the agreed negotiated training periods. I note that on April 5, 2013 the Union submitted a Job Evaluation which was based on the Buyer position taking two years to become fully proficient in the job. This appears to be much closer to the required Training and Experience. A 6 out of 6 rating is excessive and unreasonable.

31. The parties are in relative agreement on Factor 2 (Mental Skills) required for the position. On the 34-point maximum scale, the Union proposes 4 out of 6; the Company proposes 3.5. These positions provide substantive recognition of the significant mental skill and effort required by the Buyer position.

32. The parties view the Responsibility factor significantly differently. The Union proposes 6 out of 8 and the Employer proposes 3 out of 8. The Position Description describes the purpose of the Buyer position as follows: *To co-ordinate and expedite the purchases of materials and services, to support operations.* The working procedures include: receiving and completing requisitions for purchase of materials by selecting and assigning vendors and freight carriers; post prices, shipping and payment terms; abide by and enforce procurement department policies and procedures; interprets descriptive information to determine federal and provincial tax applications; analyze and research data pertaining to assigned commodity groups in awarding of orders, such as, vendors prices, terms, location, reliability, product quality requirements and availability, assists in negotiation from time to time; receives, visits and phones suppliers, places and expedites orders, settles claims and surveys products; researches prices; for the assigned commodity area prepares Request for Quotation forms and Purchase Orders; routes freight,

assigns carriers; makes recommendations to user departments as to availability of improved products; maintains supplier and product catalogues, prices lists. The Buyer has no direct reports. The Company position is that the Buyer requires supervisory pre-authorization or final authorization before completing purchases. The Union says that such is the duty of the Buyer. It is unclear where some or all of the actual authority may lie.

33. The agreed job evaluation form requires assessment of “responsible for material, operations and supervision.” The Buyer has responsibility “to co-ordinate and expedite the purchases of materials and services to support operations” based on received requisitions in accordance with procurement policies and procedures and to select and assign vendors and freight carriers. There is responsibility for materials which may understandably impact “operations”; but this appears to be different than responsibility for operations. The Buyer has no “supervision” responsibility. Given that JC17 is the potentially highest O&T job class, I am of the opinion that the Company job factor of 3 out of 8 is more reasonable than the Union’s 6 out of 8 on the 34-point scale.

34. The parties differ in terms of the proper factoring for Education. Based on the agreed job evaluation form with the 34-point scale, the Union claims a rating of 2 out of 4 and the Employer proposes a .5 out of 4. The job evaluation form provides that the Education required for the position be off-site and will receive one job class for each year of such education required.

35. The Collective Agreement provides that the Buyer position requires completion of three recognized post-secondary classes in Supply Management. The required three classes would likely require one semester. This represents approximately one-half year, which is consistent with the Company factor of 0.5. The Union position would give credit for two years of off-site education which is not required for the position.

36. The Company submits a new factoring model based on the agreed six factors, but with a total of 19 job factor points is the maximum. Based on this model, the Company suggests the factoring for the Buyer position would be 10.5 out of 19. The factors and ratings are as follows:

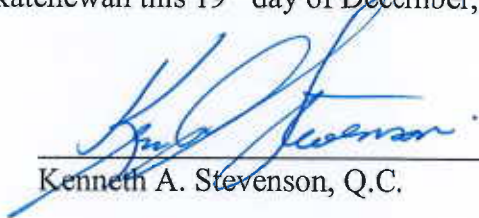
Training and Development	1.5 out of 3
Mental Skills	3 out of 4

Manual Skills	0.5 out of 2
Responsibility	2.5 out of 4
Safety	1 out of 3
Education	2 out of 3
<b>TOTAL</b>	10.5 out of 19

37. The LOA requires the parties to develop a job evaluation form. They have agreed to the February 16, 2012 form and not the new form proposed by the Company. Accordingly, my decision must be made based on the agreed form and I provide no comment respecting the Company's proposed form. It may be that it would be in order for the parties to consider whether or not it might be appropriate to develop separate job evaluation forms for O&T positions with a maximum JC17. Ms. Wolters notes that under the previous Co-operative Wage Study (CWS) there were separate systems of evaluation for the P&M and the O&T positions.

38. For the foregoing reasons, I choose the Company proposal that the Buyer position be JC11.

DATED at Saskatoon, Saskatchewan this 19<sup>th</sup> day of December, 2013.




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Kenneth A. Stevenson, Q.C.