

## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement is made and entered into this 9th day of ~~March~~, April 2020, by and between the Mechanical Contractors Association of Detroit Inc. (“MCA” or the “Association”) and Pipefitters, Steamfitters, Refrigeration and Air Conditioning Service Local Union No. 636 of Metropolitan Detroit Area, Michigan (“Local 636”) (together referred to as the “parties”).

### WITNESSETH:

**WHEREAS** MCA and Local 636 are party to a current collective bargaining agreement running from June 16, 2016 through May 31, 2022 (the “CBA”) and,

**WHEREAS** the parties wish to amend their CBA in the following manner,

### **NOW THEREFORE IT IS AGREED:**

1. Paragraph 40 of the CBA is amended to read as follows:

Unless provided otherwise by the JAC pursuant to Paragraphs 76-82, all fund contributions under this Agreement owed on behalf of any individual shall be forwarded to the depository designated by the Trustees of the Joint Funds as provided in the applicable Trust Agreements. The parties agree that every Employer who is signatory or is otherwise bound to this Agreement shall pay contributions to the various Trust Funds on a weekly basis no later than the second Tuesday following the completed work week for which they are due e.g. a work week end date of Sunday March 8, 2020 means fringe benefit contributions must be paid and received by the depository by Tuesday, March 17, 2020.

2. Article VI paragraph 75(d) is amended to delete the phrase “to make payment of contributions on a weekly basis and” from the first sentence in the subsection. The remainder of the subsection shall remain as written.
3. Article IX, Joint Administrative Committee, JAC, is amended by the addition of the following paragraphs:

76. Upon request and if approved in the sole discretion of the JAC, in lieu of weekly payment of fringe benefit fund contributions as required by **Paragraph 40** an Employer may be authorized by the JAC to pay monthly, subject to the following provisions.

77. Under no circumstance will monthly payments be allowed if the Employer does not post and maintain a financial guarantee in the form of an acceptable surety bond, letter of credit, or cash deposit to insure the payment of wages, fringe benefit contributions

and liquidated damages required under the terms of this Agreement (Financial Guarantee Bond). Whether a Financial Guarantee Bond will be allowed, or whether the Financial Guarantee Bond proffered by an Employer is acceptable, is determined in the sole discretion of the JAC. The acceptable amount of the Financial Guarantee Bond shall be determined in the sole discretion of the JAC.

78. The original copy of any approved Financial Guarantee Bond shall be deposited with the Representatives of the JAC.

79. As noted above, any Employer who obtains the required Financial Guarantee Bond in the form of a cash deposit must provide the cash deposit in the same amount as would be required for any other acceptable form of Financial Guarantee Bond. The cash deposit shall be placed in an account administered by the representatives of the JAC. The account shall, at all times, be separate from all other accounts and shall never be commingled with accounts for any other purpose. If an Employer who has provided a cash deposit subsequently submits a surety bond or letter of credit that is acceptable in the sole discretion of the JAC, such cash security deposit shall be returned to the Employer.

80. For Employers who provide an approved Financial Guarantee Bond, the due date for fringes will be as determined by the JAC and will be based on the TPA's ability to post hours and fringes by the end of the month following the last day of the completed work month (Work Month). Monthly payments must include contributions due for all whole weeks in the Work Month, with contributions owed for any partial week at the end of a Work Month payable the following month.

81. If an Employer is late in the payment of monthly fringe benefit fund contributions, in whole or in part, twice in any twelve month period such Employer must increase the amount of the required Financial Guarantee Bond in an amount determined by the JAC, and such increased amount will remain in effect so long as required by the JAC. Failure to do so timely will automatically revoke the Employer's ability to pay monthly.

82. Notwithstanding, at any time for cause as determined in the sole discretion of the JAC, the JAC may revoke an Employer's ability to pay monthly and such Employer will be required to pay fringe benefit fund contributions weekly pursuant to Paragraph 40. Such weekly payments will commence as of the end of the work week during which notice of revocation is provided, with the first weekly payment to include all outstanding fringe benefit payments due and owing as of the end of such work week. All applicable liquidated damages, interest, and attorneys' fees will accrue and be owed on any late weekly payments.


4. The parties agree to delete the term "Article X", as well as current Paragraphs 76, 77 and 78 of Article X, and, amend and renumber Paragraph 79 as Paragraph 80 to read as follows:

Failure to submit timely weekly fringes, unless the Employer is making monthly fringe contributions, approved by the JAC, under the provisions of Paragraphs 76-79 above, will result in the denial of manpower and the imposition of interest charges that are applied for late monthly payments.

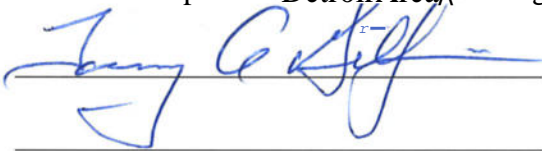
5. Article XI is renumbered Article X and the remaining Articles are renumbered accordingly.
6. Paragraph 80 of the current agreement is renumbered as Paragraph 83 and the remaining paragraphs are renumbered accordingly.

**WHEREFORE** this Memorandum of Agreement has been executed by the duly authorized representatives of the parties on the day and date first written above.

Mechanical Contractors Association  
of Detroit, Inc.

  
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Pipefitters, Steamfitters, Refrigeration and  
Air Conditioning Service Local Union No.  
636 of Metropolitan Detroit Area, Michigan

  
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