



(Continued) On May 13, 2016, management responded, stating that they would not bargain the QIP program, claiming there was no change in working conditions (Exhibit C). Management still had not made a presentation to the Union on the Housing-wide QIP, nor had the Union been invited to propose participants. In May 2016, the head of Housing Operations, Lori Michalski, also told Union Executive Vice-president, Sal Viola, that HUD Deputy Secretary, Nani Coloretti, wanted to institute a QIP throughout the entire agency. Michalski told Viola that a notice would be sent to the Council President under Article 49 of the CBA, providing details of the planned QIP, and inviting the Union to bargain, as required by both Article 55 and Article 49 of the CBA.. This promise was reiterated by Mark Zaltman, Chicago Branch Chief of the agency's Employee and Labor Relations Division. These representations by Michalski and Zaltman evidence management's recognition that the planned QSI would affect working conditions and was required to be bargained.

From May through September, the Union received no presentation on any planned QIP, and was not invited to select participants for any QIPs. However, on September 21, 2016, Deputy Secretary Nani Coloretti announced at a Department-wide Town Hall that there were process improvement plans underway throughout the Agency.

Subsequently, on October 6, 2016, the Union received a notice that a joint QIP meeting would be held with bargaining unit employees in the Office of Housing and the Office of General Counsel (Exhibit D). The subject matter for the two day meeting was represented to be to "evaluate and improve the closing process" for multi-family loans. A list of participants selected by management was attached to the notice (Exhibit E.) Again, no presentation of this planned QIP was made to the Union, and the Union was not permitted to select participants from the bargaining unit, as required by Article 55.

On October 12, 2016, the Union submitted yet another Demand to Bargain management's planned QIP program (Exhibit F). Two days later on October 14, 2016, ignoring the Demand to Bargain, management sent the Union another notice, advising that of upcoming "check-ins" for multifamily employees in the northeast region (Exhibit G). Materials attached to the notice reflect that participants in the "check-in" focus groups would be selected randomly, rather than in compliance with Article 55 of the Collective Bargaining Agreement (Exhibit H). The materials also show that the input from the employees selected by management would be used to make management decisions on their course of action.

On October 19, 2016, Union Regional Vice-president James Flynn was on a telephone conference with managers and Bargaining Unit Employees to discuss the aforementioned October 14, 2016, notification for the QIP entitled MFT-Northeast Check-in that management planned to implement on October 31- November 3, 2016. The meeting agenda provided by management stated that this QIP was part of the Agency's "Continuous Improvement Initiative". On that call, Agency managers stated that they were instituting a series of "check-ins" with bargaining unit employees in the northeast. The "check-ins" would involve "focus groups" consisting of employees selected by management, who would give "feedback" and suggest process changes that would improve the operation of the Office of Multi-family housing. Management stated that "Action Plans" would be created from the focus group recommendations which would be followed up with implementation at the Headquarters, Regional or Local level.

On October 24, 2016, the Union President was advised that management had also instituted a QIP in the Office of Fair Housing at the agency (a different organizational unit from multi-family housing). This QIP was a "process improvement process" organized by the agency's Office of strategic Planning and Management, called the "Toyota Process." The Union was told that the employees who were members

of the Toyota Process team had already been identified, and that they would “identify the areas where the Toyota Process might help us gain the greatest efficiency, improve quality of outputs, and or achieve greater consistency...” (Exhibit I).

On October 25, 2016, management advised the Union that it was terminated the process they had agreed to, collaborating with the Union on improvements to the protocols for processing reasonable accommodation requests (Exhibit J). Management stated that they were instituting the “Toyota Production System process” with respect to reasonable accommodation improvements.

In summary, management is implementing QIPs Department-wide, while attempting to obscure their efforts by calling the programs different names, such as “continuous improvement,” “process evaluation” and the “Toyota Process..” The Agency is failing to comply with the negotiated provisions of Article 55 of the CBA, and refusing in bad faith to bargain over procedures and protocols for employee participation in the ongoing QIPs.

The Union requests as remedies the following:

- 1) That all “continuous improvement,” “quality improvement, “Toyota Process” or other QIP initiatives immediately cease and desist until the Agency has both complied with pertinent provisions of the CBA;
- 2) That the Agency immediately engage in good-faith bargaining with the Union over Continuous Improvement programs; and bargained with the Union;
- 3) That the Agency be required to post, by electronic mailing to all bargaining unit employees a notice that they will not refuse to bargain over Continuous Improvement; and
- 4) Such other relief deemed appropriate to make the Union whole.

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