

**LETTER OF AGREEMENT**  
between the  
**STATE OF ALASKA**  
and the  
**PUBLIC EMPLOYEES LOCAL 71**  
representing the  
**LABOR, TRADES and CRAFTS UNIT**

**Article 7.04 - Contracting Out**

**22-LL-187**

It is agreed between the parties that the following terms and conditions of employment apply to all employees covered by the Labor, Trades, and Crafts Unit agreement. No provision of the July 1, 2021 through June 30, 2024 master agreement not specifically referenced is modified by this agreement.

1. **Article 7.04.B** is amended as follows:

B. When considering contracting out services which would result in the layoff of permanent or probationary employees covered by this Agreement, the agency will meet with the Union to discuss the need to conduct a feasibility study. If the parties do not meet or cannot agree, a feasibility study shall be conducted. Decisions to contract out shall be made only after the affected agency has conducted a written feasibility study or has written approval from the Union to waive the feasibility study. A feasibility study shall determine the potential costs and benefits that would result from contracting out the work in question. The study shall include all costs associated with contracting out the work in question including, but not limited to, wages, benefits, administrative costs, including the cost to contract out and contract administration, agency overhead, program supervision, and audits.

This agreement will be effective upon signing and will remain in effect through June 30, 2024. This agreement is entered into solely to address the specific circumstances of this particular situation. It does not establish any practice or precedent between the parties. This agreement shall not be referred to in any other dispute, grievance, arbitration, hearing, or any other forum, except as may be necessary for the execution of its terms.

**FOR THE STATE OF ALASKA:**

**/\*Signature on File\*/**

Kate Sheehan, Director  
Division of Personnel & Labor Relations  
Department of Administration

2/17/22  
Date

**FOR PUBLIC EMPLOYEES Local 71:**

**/\*Signature on File\*/**

Jordan Adams  
Business Manager

2/16/2022  
Date