

May 14, 2008

## Offshoring scheme delayed

**Capgemini has announced they've decided to delay the offshoring of Society work for an "assessment" of "delivery alternatives."**

**"Cap's offshoring plan is deeply troubling," said Society President Rod Sheppard. "Their 'business model' is unwise in a critical industry like electricity, and discriminates against Canadian labour."**

Society-represented employees of Inergi and New Horizon System Solutions received an e-mail early Friday morning that the Canada Day deadline for their jobs to be shipped out of the country was "deferred until further notice."

*This decision comes as a result of a requirement to perform a full assessment of delivery model alternatives and how they fit with the current and future business needs of our clients. We expect this assessment will take a number of months to complete and implementation will not occur until sometime after October 2008.*

The Society welcomes that Cap's services to Society employers will be subjected to "due diligence." The best possible service, according to Society officials, is provided by the Society-represented employees who've been doing the work for years.

"We told Cap managers in February we'd take our concerns to our employers and the government, and we did," said Sheppard (see **NewsFLASH** 2007:05). "This delay is the direct result of the pressure we brought to bear on the problem with the resources we had at our disposal. If these employees hadn't



**Inergi Local VP Elaina De Luca and New Horizon Acting Local VP Simon Huang**

been represented by a union, we'd be kissing that work goodbye for Canada Day."

"There's a great deal of relief out there," said **Elaina De Luca**, the Inergi Local VP. "But, naturally, a lot of my members are concerned they're in a kind of limbo. They're really upset that Capgemini doesn't seem to see the human aspect of what they're doing."

A member of the Inergi Local wrote to thank De Luca “on behalf off all us on the endangered species list.”

“This is a significant delay, and gives us some breathing room,” said **Simon Huang**, Acting VP of the NHSS Local. The “bottom line,” he said, is that “everyone wants to hear a concrete thing, that there’ll be no offshoring.”

The NHSS Local filed a grievance in February alleging the Cap offshoring scheme amounts to an end-run around their “purchased service” (contracting out) language. (See article, below.)

The Society, Sheppard said, will not let up the pressure. “We acknowledge and applaud Capgemini for their willingness to show some flexibility. We’re looking forward to working with them in good faith to save these Canadian jobs.”

Capgemini announced its Rightshore® (that’s right, they trademarked it) scheme on February 7<sup>th</sup>. If implemented, it would result in the offshoring of dozens of jobs in Data Centre Services, Applications Management, Service Management group, and Desktop Services (Technical Change), at least 29 Society positions from Inergi and 69 from NHSS. Most bizarrely, Capgemini intends to move their “help desks” to Poland. The “help desks” advise Bruce Power, Hydro One, and Ontario Power Generation employees on their computer equipment, and fix problems for them.

## Arbitrator: No OPG offshoring before November

There will be no offshoring or “knowledge transfer” for now from NHSS to Capgemini’s Poland or India operations, Arbitrator William Kaplan has ruled.

“This is a great ruling,” said **Simon Huang**, Acting Local VP of the Society’s New Horizon System Solutions Local.

“It amounts to an injunction against offshoring of our OPG work while the Arbitrator is hearing the issue.”

Arbitrator Kaplan made the award on Saturday, May 10<sup>th</sup>, while setting a second date for the hearings into the NHSS Local’s PSA grievance. That grievance alleges that Capgemini’s scheme to offshore dozens of NHSS positions violates the Local’s “purchased service” process.

The second date was made necessary partly because Cap showed up with no brief to respond to the Society’s brief on the matter. In preparation for that second date, which has yet to be set, Kaplan ruled:

- ◆ There will be no “knowledge transfer” from OPG offshore while the Arbitrator is considering the matter
- ◆ Capgemini will take no action to offshore any NHSS work to India or Poland before November 1<sup>st</sup>, 2008
- ◆ Capgemini is ordered to notify the Arbitrator and the Society if any offshoring takes place in the interim
- ◆ Capgemini will submit a brief on the grievance to the Arbitrator by June 25<sup>th</sup>
- ◆ The Society will have 30 days from submission of the management brief to submit a reply

NHSS’s contract does not include specific protection against offshoring; however, it does retain a contracting-out process from the Ontario Hydro, Purchase Service Agreements (PSAs). Under the PSA process, the decision to contract out is a joint one, with the Society having specified rights to participate in any such decision. So the NHSS Local filed a grievance, alleging that Capgemini had done an end-run around the collective agreement. The Society argues that Capgemini’s offshoring initiative is in essence a PSA. Capgemini holds that they don’t need to implement the PSA process—they’re not really offshoring, they say, because the work is still within Capgemini.

The Society’s case was argued by Mr. Jim Hayes, of Cavaluzzo Hayes Shilton McIntyre & Cornish. Appearing at the arbitration for the Society were Huang, NHSS unit direc-

tors **Gordon Higuchi** and **Steve Marcille**, and delegates **Derek Francis** and **Frank Szalontai**; Society President **Rod Sheppard**; Society Staff Manager **Dan Kellar**; and

Society Staff Officers **Blaine Donais**, **André Kolompar**, and **Raymond Wong**. Inergi Local VP **Elaina De Luca** also attended as an observer.

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