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United States Steel Corporation Sheet and Tin Operations Fairless Works and United Steelworkers of America Local Union 5092

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BOARD OF ARBITRATION

Case No. USS-5102-S

March 31, 1966

ARBITRATION AWARD

UNITED STATES STEEL CORPORATION
SHEET AND TIN OPERATIONS
Fairless Works

and

Grievance No. SFL-64S-43

UNITED STEELWORKERS OF AMERICA
Local Union No. 5092

Subject: Foremen Performing Bargaining Unit Work

Statement of the Grievance: "We, the undersigned, claim that the Company is depriving us of our contractual rights under the Basic Labor Agreement between the USWA and USSC, dated April 6, 1962 as amended June 29, 1963."

This grievance was filed in the First Step of the grievance procedure June 18, 1964.

Contract Provisions Involved: Sections 2-A and 13 of the April 6, 1962 Salaried Agreement, as amended June 29, 1963.

Statement of the Award: The grievance is denied.

BACKGROUND

Case USS-5102-S

Salaried employees in the Accounting Department of Fairless Works grieve that Supervisors performed duties of bargaining unit salaried jobs of Head Maintenance Spares Attendant and Maintenance Spares Attendant in violation of Sections 2-A and 13 of the April 6, 1962 Salaried Agreement, as amended June 29, 1963.

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The job of Head Maintenance Spares Attendant was described on July 1, 1954 with the Primary Function of -

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"Directing the receiving, stocking, and disbursing activities and the preparation of proper records of parts and materials received, stored and disbursed."

It was classified at 6.2 for Salaried Job Class 6 and shows, in the first four factors, ability to verify incoming stores by physical count and visual inspection to assure compliance with orders of specifications, and to detect shortages, damage, and errors in size, class, and type. The job uses micrometers, calipers, scales, measuring tapes, power saws, and hand tools. Among other duties, it -

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"1. Verifies receipts by physical count, weight or visual inspection for compliance with orders for spare parts and materials.

"2. Checks incoming shipments of spare parts for possible damage, properly identifies and tag the parts, and prepare receiving reports.

"3. Prepares control records of operating division spare parts stored in areas controlled by Spares and Maintenance Accounting."

The job of Head Maintenance Spares Attendant in part also directs the job of Maintenance Spares Attendant which was also described on July 1, 1954, and classified at 4.2 for Salaried Job Class 4. That job is classified on the basis of ability to receive, verify incoming material, and disburse spares and castings and repair and maintain records of the receipt and disbursement.

Since 1954 an area of Fairless Works known as Center Bay has been maintained as a warehousing location for spare parts which the different divisions did not want to store in their own areas. There, the two jobs have participated in the taking of physical inventory. Early in 1964 six Maintenance Spares Attendants and one Head Maintenance Spares Attendant worked under an Accounting Department Supervisor. Of the six Maintenance Spares Attendants, one incumbent was assigned to an outside yard where he controlled stock. His work was supplemented in the office by one incumbent who kept the records for material. One incumbent operated a power saw. One incumbent was assigned to the Mobile Repair Shop. Two incumbents were assigned to receiving and disbursing in Center Bay proper, where they worked with the Head Maintenance Spares Attendant.

Parts were received in Center Bay either from outside vendors or Central Shops. Maintenance Spares

Attendants prepared a tag for these items and also maintained a central inventory in the Center Bay Office. Specific numbered areas were assigned as storage locations for parts for different departments.

In January of 1960 a procedure was established for the issuing and receiving of spare parts. The following direction is given for receiving parts:

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- "1. Spares coming in against purchase orders must be properly checked, before writing up receiving report. Check the packing list with purchase order. If you find a discrepancy, record it on purchase order and receiving report along with a discrepancy report.
2. After material is properly checked, a 'Spares Physical Control Card' is written up and filed under division concerned by manufacturer, drawing No. and mark item No., for material with non-existing cards.
3. An orange tag is made up with proper information and is tagged to each item. Make sure information is the same on upper and lower part of tag."

The Company also established a procedure for the physical inventory of spare parts in Center Bay for the guidance of the Head Maintenance Spares Attendant and the Maintenance Spares Attendant. The purpose of the procedure was stated as follows:

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"The purpose of this procedure is to outline the method to be used in taking the physical inventory of the Spares stored in Center Bay. Due to the time required to complete this inventory and the constant movement of spares into and out of storage, strict compliance with this procedure is necessary in order to insure an accurate inventory."

The procedure is described as follows:

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"The attendant will proceed systematically through each bay, examining each item in the bay he is inventorying. Upon examining each item, he will first take the plain tag marked number 1 and attach it to the item being inventoried. He will then examine the print punched cards and try to associate one with the item. If this is possible, he will mark the number of the plain manila tag he has already fastened on the piece onto the right hand portion of the print punched card (write large and clear - see below.)"

Over the years proper control of spare parts throughout Fairless Works, and also in Center Bay, was a persistent problem. Since the two jobs of Head Maintenance Spares Attendant and Maintenance Spares Attendant are scheduled to work on day turn only, it happened occasionally that spares came into Center Bay on other turns and were misplaced. Also, shortage of manpower made proper control less than complete. In addition, over the years, tags were destroyed or became illegible.

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Sometime in 1963 the Company instituted a Company-wide spares control program and, initially, issued some basic guidelines to be followed by each individual mill. Under a succession of Supervisors, Fairless Works started to take a complete physical inventory of Center Bay in 1963. Since the incumbents of the two jobs were too busy with their regular duties at that time, the Company assigned another salaried employee to undertake this task. Following his suggestion, green tags were put on items which could not be readily identified from available records, and lists of "green tag items" were distributed to the various operating departments.

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Early in 1964 while inventory was still being taken by this employee, Management at Fairless Works decided to approach the spares control program in a different manner and to devise an over-all program for all spares at every single location of the mill. Two Supervisors prepared a Control Program for the following purpose:

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"The purpose of this manual is to outline the specific procedure to be used at Fairless Works for identifying a spare and the proper method of recording the pertinent information required for manual and mechanical control of the spare. Additional instruction sheets for this manual will be issued if required.

"The context and requirements of this manual are an abridgement of the Corporation's Manual 'Inventory Management Program for Spares and Replacement Parts' that covers instructions for the complete Spares Program."

Under this program, it was planned to store spares at Fairless Works in designated storage locations, where "Attendants will be available around the clock to receive, disburse, and control the stored spares."

Center Bay is described in this Manual as an area where all divisions will store crane spares, motor pool, line shaft assemblies, large gearing, and other spares requiring heated inside storage and overhead crane service.

As the first step in implementing the control program, the Manual prescribed the identifying of spares and recording data required for manual and mechanical control. In the introduction to the Manual it is stated that "to accomplish these prerequisites requires the fulltime effort of qualified personnel. Therefore, Works Management has assigned Operating Department Maintenance Foremen to work, as directed by the Spares Committee, to complete this initial phase of the Spares Program." (Underscoring added.)

In the introduction to this inventory program, it is stated:

"Every department has spares in their own area and in Center Bay. Over half of these spares are now identified with tags or painting. In most cases the identification information on the spares is sketchy and is not adequate for our purpose. In many cases there are records -- for the most part just as inadequate -- covering spare parts."

The Foremen are then directed to make positive identification of each spare part by checking it against a drawing, parts catalogue, purchase order or some other credible source. The Manual goes on to state:

"On a gear, for example, count teeth, locate keyway, right hand or left hand, use scale to check dimensions against print. Do not merely look at a spare and attempt to identify it from memory. In the past, identification errors have led to serious mill delays and unnecessary expense."

After the spare has been tagged, the Foreman is directed to complete a Field Worksheet. Besides writing a detailed description on this Field Worksheet, the Foreman is also directed to indicate whether a given spare should be scrapped or repaired, or, in the case of a partial assembly, completed, how the spare should be prepared for storage, and where it should be stored.

From the Field Worksheet the Foreman is then directed to complete a spares record.

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The identification of spares is described in the procedure as follows:

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"Presently, slightly more than half of the spares in Center Bay are properly identified. The maintenance foremen, assigned to the spares program, will identify all Center Bay spares for their cost center responsibilities, before identifying spares in the operating departments. Complete instructions for identifying, classifying for ultimate storage location, and scrapping procedures are detailed in the 'Control Program Manual.'"

In accordance with this procedure, ten Maintenance Foremen were assigned to perform the inventory of spares in Center Bay. After some training, they started work in June of 1964; at the time of the hearing their task had not yet been completed. They were not assigned fulltime to this task, but only to the extent they had time available in addition to performing their regular duties.

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Individual Foremen identified between five and fifteen spares per turn each. In many instances, there were no ready references to purchase orders, and manufacturers' catalogues had to be consulted.

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The Supervisor of the Spares Program estimated that about one-third of all spares in Center Bay were sufficiently identified to complete the Field Worksheet without any further difficulty; that another one-third of all spares had some identification which enabled the Supervisors to go to some other source of information from which the Field Worksheet could be completed, and that the remaining one-third was without any identification. According to Union estimates the completely unidentified spares amounted to only 1% of the roughly 3,000 items located in Center Bay. To date, even the Foremen have been unable to identify a large number of spares which now have all been collected in one location in Center Bay.

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While the Maintenance Foreman took physical inventory in Center Bay, they received the assistance of Maintenance Spares Attendants, in moving items or opening boxes. In November of 1964 the Company transferred the functions of receiving and disbursing spare parts from the two salaried jobs to production and maintenance jobs. This action of the Company was grieved, and the grievance has been sustained by the Board in Case USS-5158-S.

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The Union takes the position that this special inventory should have been taken by employees assigned to the two salaried jobs of Head Maintenance Spares Attendant and Maintenance Spares Attendant. In the Union's opinion, even initiation of the Spares Control Program did not justify assignment of this task to Foremen on a special part-time basis. In fact, the Manual instructed the Foremen not to rely on their own knowledge but to take actual measurements and to refer to source materials, whenever possible, for positive identification of spares. Spare parts

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located in given operating divisions were identified by their own Foremen, Millwrights, Motor Inspectors, and Expeditors; therefore, the Union concludes, identification need not have been assigned to Supervisors exclusively.

The Company submits that the specific initial work required by the Spares Control Program has never been performed at Fairless Works before, and is not bargaining unit work. It demands critical decisions of judgment which can only be made by Supervisors, such as establishing reorder points, order quantities, danger points of inventory, and deciding on disposition and proper storage of spares. Past experience in Center Bay had shown, that, for accuracy in identification of spares, the Company had no alternative but to employ the expert knowledge of Maintenance Foremen since Center Bay stored spares for all departments of the mill.

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In its brief, the Company justifies the use of Supervisors in Center Bay as follows:

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"The Company submits that it has the right to review, verify and correct records as it deems necessary to properly control assets of the Corporation. In carrying out its responsibility, Management has the right to investigate and record necessary information to develop sound and effective control procedures."

The Company considers the preparation of Field Worksheets, tags and spares records as only incidental to the basic judgment decisions required by Maintenance Foremen under the Spares Control Program.

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Finally, the Company argues that seniority rights of salaried employees were not affected since Maintenance Spares Attendants continued to perform their duties while the inventory was in progress and assisted the Maintenance Foremen until the reorganization of November, 1964 which is discussed in Case USS-5158-S.

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FINDINGS

Since 1954 the salaried bargaining unit jobs of Head Maintenance Spares Attendant and Maintenance Spares Attendant performed all warehousing functions in Center Bay. Their work included clerical duties, such as maintaining inventory control of spares, and warehouseman functions, such as moving spares, opening boxes, and sawing rounds to size.

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The one-shot assignment of Foremen to the identification of spares in Center Bay and the preparation of Field Worksheets, tags, and spares records was an initial step essential to institution of a new control program, designed to identify, and dispose of, lost or misplaced spares which had accumulated at that location and related to the over-all effort of the Company to inventory all spares, including those at other locations throughout the mill. In this respect, preliminary work for the Spares Control Program was quite different from the routine recurring inventory performed by the jobs of Head Maintenance Spares Attendant and Maintenance Spares Attendant in Center Bay, and initiated only because of the Company's decision to wipe out accumulated results of inefficiencies in spares control stemming from inadequate over-all controls and

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over-all inventory-taking in all departments. This basic reorganization does not reflect adversely on the work of the salaried employees who up to this time had performed all warehousing functions in Center Bay in accordance with established procedures.

The record shows that the work performed by the Foremen differed, both in method and purpose, from inventories taken by salaried employees previously, and that the Maintenance Foremen were best qualified to identify a wide variety of parts and their potential uses for maintenance anywhere in the plant. 32

In some respects, the forms used by the Maintenance Foremen were similar to those used by the Maintenance Spares Attendants. However, completion of forms was only an incident to the main job of positive identification and ultimate disposition. Since Foremen identified only between five and fifteen spares per turn, their record keeping was minimal. Furthermore, utilization of Maintenance Foremen did not affect directly the seniority rights of salaried employees who worked right alongside the Maintenance Foremen. Replacement of salaried employees with production and maintenance employees created different problems which were grieved and adjudicated in Case USS-5158-S, also issued today. 33

In balance, the Board finds that, in the terms of the Experimental Agreement effective August 1, 1963, the record keeping in Center Bay by the Maintenance Foremen in connection with the initiation of the Spares Control Program was "negligible in amount" which, under the facts of this case, would have been "unreasonable to assign to a bargaining 34

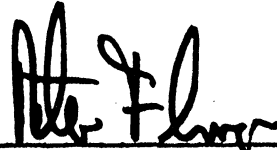
unit employee." The record does not permit a finding that the two salaried jobs actually would have been able to initiate the new program and that such special inventory reasonably could have been assigned to salaried bargaining unit employees.

AWARD

The grievance is denied.

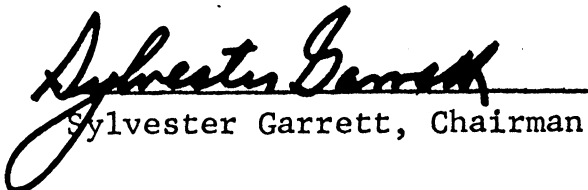
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Findings and Award recommended pursuant to Section 7-J of the Agreement, by



Peter Florey
Assistant to the Chairman

Approved by the Board of Arbitration



Sylvester Garrett, Chairman