

Local 32BJ Commercial Building Contract Nears Expiration

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The collective bargaining agreement between Local 32BJ of the Service Employees International Union and the Realty Advisory Board on Labor Relations, Inc. ("RAB"), covering many landlords, building cleaning and contractors, managing agents, and the like will expire at midnight on December 31, 2011. This contract includes most Class A commercial buildings in the five boroughs of New York City, as well as many other commercial properties in the Metropolitan area. Also expiring at that time are contracts for buildings in the Hudson Valley (including Westchester County), parts of New Jersey (such as the Jersey City Gold Coast), and Fairfield County, Connecticut (including Stamford and Greenwich).

Although bargaining continues between the RAB and Local 32BJ, the union has taken strike votes and said it will strike if there is no agreement by December 31, 2011. Such a strike would affect not only building services, such as cleaning and building maintenance, but also many other building operations personnel, such as security desk employees, elevator operators, and other classifications. A strike may also disrupt deliveries to tenants, as well as construction and maintenance work, if employees of delivery companies, building contractors, and electrical, telecommunications, and other personnel refuse to cross picket lines. In some cases, operations could be directly affected if an employer's employees refuse to cross the picket lines. Building tenants that do not have contracts with Local 32BJ or have union-represented workforces would also be affected if the building service workers were to strike.

Many landlords and managing agents have already contacted tenants to advise them of the steps that they may take to continue operations in the event of a strike. If you have not heard from your building's landlord or management company, we strongly urge you to contact it and inquire as to whether your location is involved and what its plans are should a strike occur.

What Employers Should Do Now

Each affected employer should ascertain the following information from its landlord(s):

- Which, if any, of the landlord's locations are covered by contracts with Local 32BJ that are scheduled to expire at the end of this month? Within the next three months?
- Which, if any, of the buildings' employees are represented by Local 32BJ?

- If any employees are covered by contracts with Local 32BJ that are set to expire as of December 31, 2011, has the building made alternate arrangements to perform the work that is now performed by Local 32BJ employees?
- What are the landlord's/managing agent's plans or expectations with regard to other necessary personnel (such as boiler, engineering, etc.) in the event of a strike? Does the landlord/managing agent expect these employees to report and cross a Local 32BJ picket line? Does the landlord/managing agent have contingency arrangements for such essential services in the event other unions refuse to cross a picket line and work at the site?
- What arrangements will the landlord and/or its managing agent make to (i) provide essential services, and (ii) provide cleaning, elevator, and security/concierge services regularly performed by personnel represented by Local 32 BJ?
- What alternate arrangements are contemplated for building cleaning and janitorial services in the event of a strike?
- What arrangements will the landlord and/or its managing agent make to ensure access to the building for tenants, their employees, guests, service providers, and deliveries without the need to cross picket lines?
- Will the landlord and/or its managing agent establish "reserved gates" for strikes? If so, where will they be located? Will the other entrances be adequate for your needs?

Each employer should ascertain the following with regard to its own operations:

- Are there any locations where the company is having construction/renovations, etc., performed where contingency plans will be needed to ensure that there will continue to be access to the property for general contractors, subcontractors, and their deliveries in the event of a strike and picket activity?
- Are there vendors and other service providers supporting the company that deliver to, and/or perform work at, its locations whose operations and/or deliveries may be impacted by the presence of picketers in the event of a labor dispute that involves pickets and/or other activity at the company's locations?
- Are there other vendors, such as food service, catering, delivery, and other services, that have unionized employees and deliveries that will need to be addressed in the event of a labor dispute that involves pickets and/or other activity at the company locations?

One important concern should be the building's plans to provide for access to the building without the need to cross a picket line. This can be accomplished in many circumstances by the landlord or its managing agent establishing a reserved gate. By establishing and maintaining a reserved gate, buildings may be able to limit picketing to a particular entrance and allow tenants' employees, guests, and deliveries to pass

through other entrances without having to cross picket lines. In some circumstances, a particular entrance can be designated for use by specific parties at limited times. If your landlord establishes a reserved gate, it is important to advise all your employees, expected guests, and delivery persons to follow the posted instructions to help insure that the “reserved gate” remains in effect.

If your building management won’t disclose its plans, or balks at setting up a reserved gate, you should review your lease for a “labor peace” clause or similar provision requiring the landlord to avoid labor disputes that disrupt tenant’s operations, and seek to enforce this provision.

If any part of your workforce is represented by a union, you should review the no-strike provisions of your collective bargaining agreement and ascertain whether they are sufficiently broad to prohibit sympathy strikes.

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We will be pleased to answer questions that you may have or to assist with planning for these contingencies. Please contact:

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