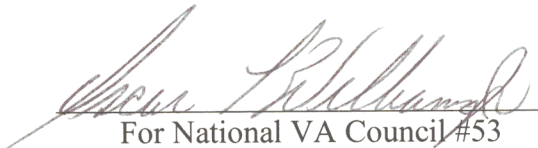


MEMORANDUM OF UNDERSTANDING

The following constitutes agreement between the Department of Veterans Affairs, Veterans Health Administration (VHA) and the American Federation of Government Employees, AFL-CIO, National Veterans Affairs Council #53 (NVAC) concerning implementation of the VA Directive 7100 "Competitive Sourcing" within VHA.

1. VHA shall require its management officials to make competitive sourcing determinations in accordance with applicable laws, regulations, and government-wide policy that exists at the time of the determination.
2. At each semi-annual meeting, VHA shall brief AFGE/NVAC on competitive sourcing information that impacts bargaining unit employees.
3. VHA will provide to the NVAC its inventory of all in-house commercial activities performed and approved by the Department and provide a statement when the inventory was last updated. The inventory shall include information on all completed competitive sourcing reviews.
4. Local AFGE Presidents will be notified when competitive sourcing decisions are made that impact local bargaining unit employees.
5. The Union shall have a representative on the review team to review identified functions and materiel/equipment at VISN or by affected AFGE local sites.
6. All NVAC local presidents will receive a legible copy of this MOU.


For the Department, VHA


For National VA Council #53

1-30-03
Date