

ALBERTA UNION OF PROVINCIAL EMPLOYEES

BARGAINING UPDATE

DECEMBER 11, 2020

**ALBERTA HEALTH
SERVICES (AHS)**
GENERAL SUPPORT SERVICES
LOCALS: 054, 056, 057, 058, 095
& Lamont Health Care Centre GSS

SUPPLY CHAIN PROCUREMENT: PRIVATIZATION MEANS DYSFUNCTION

AHS GSS AUPE members continue to prepare the fightback against the UCP's plan to privatize important public health care services. To do so, we need to know what we're fighting against, so we're arming ourselves with information about the struggles to come.

One of the UCP's many job-cremation schemes is forcing Alberta Health Services to privatize jobs in contracting, procurement, and supply management. These workers manage AHS's inventory of material, handle shipping and receiving, ensure that supplies are replenished and properly distributed, and coordinate the transportation of materials to worksites across the province. In other words, they make sure that AHS has the necessary medical supplies at hospitals and clinics to be able to provide the public with healthcare.

While this might seem somewhat abstract to members of the public, we as workers know privatization has serious negative impacts. Workers and patients will feel the pain of privatization.

We've been researching what happens when other jurisdictions have privatized their health care supply chains, and the results are predictable: total dysfunction, lack of ability to respond to crisis, and no accountability for important mistakes that cost lives and livelihoods.

In this bargaining update, we'll look in detail at what happens when this essential work becomes subject to profiteering companies.

Albertans will lose jobs

While AHS's Implementation Plan is light on specific details, we know that we're facing massive job losses among in the

sector. One of the few details in the plan, already, is the closure of the procurement office in Red Deer, which will be combined with the office in either Edmonton or Calgary. Workers in the remaining offices can expect more work for the same pay.

Once the privatization plan advances, we can expect further layoffs in procurement, towards a fully privatized model. In this case, we might see a third-party company take on the role of supply chain procurement—possibly hiring a few of the laid off AHS workers, if they're lucky, at significantly reduced wages and benefits.

The many workers who will lose their jobs at AHS will be the first to feel the pain of a privatized supply chain. But the effects of the change will ripple through the entire healthcare system, potentially leading to disastrous consequences for all healthcare workers.

Crisis in PPE Availability

In 2018, after decades of cuts to the National Health Service (NHS), the United Kingdom created the NHS Supply Chain—a manager of the organization's privatized contracts for supply chain procurement. The immediate result was the full privatization of IT and logistics, and a broken-up and privatized procurement system.

It couldn't have come at a worse time. When the COVID-19 pandemic hit in early 2020, the privatized supply chain system was unable to order and distribute sufficient PPE for British health care workers, leading to a massive PPE shortage in the pandemic's first wave.

(Continued on page 2)



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Thomas Harvey, who had been a nurse for 20 years, was given “gloves and a flimsy apron” to protect himself from the virus at work. He told his employer that he needed more PPE and was informed that they had none. Harvey caught COVID-19, and died from the disease in April. His death was the direct result of an inventory system that had become completely dysfunctional because of privatization.

Suppliers in the privatized system engaged in serious profiteering, hiking prices for PPE up by 825 per cent in some cases. As a measure to promote “efficiency,” the privatized procurement companies had an automated system to ration demand of goods like PPE. So when demand spiked with the pandemic, the system automatically denied orders and withheld PPE.

Here in Alberta, our public procurement system was a model during the first wave of COVID-19 last spring. Because we had a PPE stockpile, we were able to properly supply our own co-workers in health care, and even send \$41 million worth of PPE to other Canadian provinces. The UK, on the other hand, had a privatized supply system and was not even able to handle demand for its own workers.

We Don't Need Just-in-Time, We Need Just-in-Case

One of the reasons why privatized procurement systems just don't work for health care is because they rely on the business model of the private sector. When it comes to supply chain management, that model has a name: Just-in-Time.

Just-in-Time logistics is a management style that was developed by Toyota in the second half of the twentieth century. Unlike American car companies, Toyota prioritized the constant flow of goods through its supply chain. In other words, rather than have car parts sit in a warehouse until they were needed, those parts would arrive just in time—minimizing idle time and storage costs.

When it comes to health care, that philosophy leads to obvious problems. In the UK, it meant storing reserves of PPE was viewed as an unnecessary cost—why pay to store N95s when

we can just order them on the market so they only arrive when they're actually needed? Except when crisis hit, the market responded by dramatically increasing prices, and preventing frontline workers from accessing essential PPE.

As early as 2006, the Wall Street Journal—not exactly a friend of public services—was sounding the alarm that the just-in-time model was leaving the United States unprepared for future pandemics.

“The widely embraced “just-in-time” business practice,” the columns reads, “which attempts to cut costs and improve quality by reducing inventory stockpiles and delivering products as needed, is at odds with the logic of “just in case” that promotes stockpiling drugs, government intervention and overall preparedness.”

We Fight Back

For all their talk about how health care workers are heroes, the UCP doesn't care about us. We know that their words are empty slogans, and they would easily let health care workers get sick with COVID-19 if their corporate friends could make a profit off it.

We're the only ones we can depend on—we're all we've got. That's why we're organizing to stop the privatization of AHS GSS services, defend our jobs, and defend public services. We don't just want to go back to the way things were before—we want to expand the role of the public sector, to be able to properly prepare for any other crises we might face in the future.

Send an email to Kate Jacobson and Farid Iskandar, your AUPE organizers, to join the fight. And reach out to your Local's negotiating representatives to see how you can get involved and spread the word of these incoming cuts at your workplace.

We're going to continue researching the effects of privatization on workers and patients. In the next weeks, we'll be looking at food services, protective services, and IT staff.

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