

DRAFT – PDX Workplace Initiative

March 4, 2015

At the Port of Portland we believe that people are our greatest asset. Nowhere is this more evident than at Portland International Airport (PDX). Whether an employee works for the Port of Portland (Port) or one of the many contractors and concessionaires, everyone who works at the airport—from roadway to runway—“owns” the customer experience and works hard every day to create a comfortable, efficient and convenient environment for our visitors.

PDX is considered one of the best airports in America. We are proud of that. Our innovative programs such as local concessions, airport art and music, small business participation, local iconic brands that represent the region, street pricing, light rail access, convenient parking and rental cars, among others, set us apart and give PDX a decidedly Portland feel. Through this Initiative, we strive to fine tune the balance between what makes PDX exceptional for our customers and what will continue to make PDX a preferred place to work.

The Port believes that minimum compensation levels are best set by the state. Because the Port will implement this initiative on a contract-by-contract basis, requirements to increase minimum compensation will lead to uneven treatment. In contrast, an increase in the state minimum wage would ensure even treatment. The Port understands that an effort is underway to increase the minimum wage in Oregon, and the Port supports this effort. The Port is adopting this Initiative with a minimum compensation level to ensure that to the extent possible PDX workers participate in increased compensation, whether or not the state minimum wage is increased.

With this effort we hope to enhance the worker experience at PDX. Our goal is to remain a highly desirable workplace and our objective is to continue to provide an excellent working environment in terms of safety, security and opportunities for advancement and mutual success.

Through collaboration with all of our stakeholders we will seek to generate and make investments in innovative new approaches to attract and retain the very best airport workers. We will continue to provide a work environment that offers a high level of satisfaction and enhances overall quality of life.

Upon adoption of this Initiative by the Port of Portland Commission, staff will draft rules or policies consistent with the Initiative to further clarify its implementation.

Definitions and Descriptions

“PDX Employers” in this Initiative refers to PDX terminal concessionaires and certain airline subcontracted service providers as determined by Port staff. PDX Employers does not include airlines, entities airlines own or control, construction contractors or other contractors who do work at PDX only from time to time.

“Large Employers” in this Initiative refers to PDX Employers with 50 or more full time equivalent employees at PDX.

“Successor Employer” in this Initiative refers to a PDX Employer that replaces a Large Employer, providing substantially similar services. Employees hired by a Successor Employer as required below may only be terminated for just cause during the first 30 days of employment. Thereafter, their employment will be at will.

“PDX Labor Pool” refers to a list compiled by Port staff of employees in good standing with PDX Employers who are laid off by a PDX Employer. The purpose of the PDX Labor Pool is to provide a mechanism for assisting retention of PDX Employer employees at PDX. To remain in the PDX Labor Pool, such laid off employees must adhere to the reasonable requirements of Port staff in terms of providing the Port with information, including but not limited to, current contact and qualifications information, updating such information as requested by the Port, applying for jobs, and attending job fairs. Laid off employees may stay in the PDX Labor Pool for six months. Laid off employees will be matched with positions for which they are qualified with PDX Employers offering such positions as described herein. The Port may outsource the administration of the PDX Labor Pool to ensure consistent application and objectivity. PDX Employers will be encouraged to provide clear descriptions of the qualifications for each position to aid evaluation of qualified candidates.

Worker Benefits; Minimum Total Compensation

Integral to ensuring that work at PDX remains desirable are benefits and compensation. Therefore, the Port of Portland will:

1. Require that contracts entered into between the Port and PDX Employers on or after the adoption of this Initiative contain a commitment from the PDX Employer to provide Minimum Total Compensation to its employees of not less than \$13.00. Minimum Total Compensation includes hourly wages, plus hourly Benefits Package Costs to the PDX Employer. Benefits Package Costs include costs to the PDX Employer, including but not limited to, medical, dental and vision insurance benefits (not including penalties under the Affordable Care Act), retirement contributions, bonuses, value of daily food allowances and Tri-Met pass costs. Benefits Package Costs excludes taxes.
 - Implementation timeline: September 2015
2. Create an employer consortium for eligible PDX employees to extend the Tri-Met annual pass benefit. This action would create a significant benefit, which could be offered to employers to provide annually to their eligible airport employees. This would include the added value of reducing the PDX carbon footprint.
 - Implementation timeline: Estimated 6-12 months

Job Pathways

To fully achieve the goal of PDX being a workplace of choice, airport workers need opportunities for career development. Information resources, events and apprentice programs will help PDX current and future employees learn, grow, succeed and pursue positions that expand their career prospects. In addition, the airport’s workforce and business outreach must extend equal opportunity to all individuals. Small businesses and those owned by minorities and women should see PDX as an opportunity-rich environment to compete for goods and/or services contracts. The Port’s robust minority contracting programs will be enhanced and the Port’s larger business partners will be encouraged to meet greater levels of minority participation in sub-contracted work.

The ongoing pursuit of advancing workers through any number of job pathways at the airport and diversifying the business owners therein will greatly benefit airport customers and the community. Therefore, the Port of Portland will:

Regarding all PDX Employers

1. Contracts entered into between the Port and PDX Employers on or after the adoption of this Initiative by the Port of Portland Commission must contain a commitment from the PDX Employer to make a good faith effort to consider hiring each new employee hired on or after September 1, 2015, from the PDX Labor Pool, and only after making such good faith effort may the PDX Employer hire each such new employee from outside the PDX Labor Pool. For purposes of this provision, the “good faith effort” requirement will be met if the PDX Employer (a) hires an individual from the PDX Labor Pool, or (b) interviews not fewer than three individuals from the PDX Labor Pool who are qualified for the job, unless fewer qualified individuals are available, in which case the PDX Employer will interview all available qualified individuals.

This provision does not apply in the event a PDX Employer is (a) hiring a family member or immediate relative as defined by the U.S. Office of Personnel Management, or (b) transferring an existing employee from another location operated by such PDX Employer. Notwithstanding this provision, in the event a PDX Employer is opening a new location at PDX, up to 20 percent of the staff for the new location may be transferred from the PDX Employer’s other location(s), if any, to ensure business continuity.

- Implementation timeline: September 2015
2. Serve as a resource for information about job opportunities within PDX and related fields. Jobs posted could include postings from the concessionaires, airline service providers, and other appropriate listings. This could include an online presence and a physical presence in the PDX Conference Center, with a computer and other printed materials available to all employees.
 - Implementation timeline: September 2015
 3. Continue the Port’s Mentor/Protégé Program to build working relationships between leaders of mature, established companies and targeted emerging minority-owned and women-owned companies.
 - Implementation timeline: In place
 4. Continue to promote and seek to increase opportunities for minority-owned and women-owned small business to serve as contractors at PDX, operate as concessionaires at PDX or provide goods and/or services related to the airport concession program through the Disadvantaged Business Enterprise (DBE) Program and the Airport Concessions Disadvantaged Business Enterprise (ACDBE) Program.
 - Implementation timeline: In place
 5. Continue to require that all PDX contracts, concessions and procurement opportunities that are processed through the Port procurement process make good faith efforts to include Disadvantaged, Minority, Women and Emerging Small Businesses in Port related business opportunities. Our FY 2014-15 overall goal for small business participation is 10% of contract dollars awarded directly and as subcontracts.
 - Implementation timeline: In place
 6. Continue to require all PDX contractors provide on-the-job training opportunities for approved and registered apprentices on construction projects over \$500,000 with an overall target for registered apprentice participation at 15% of total labor hours.
 - Implementation timeline: In place
 7. Implement new electrician apprenticeship program with IBEW.

- Implementation timeline: Spring - Summer 2015

Regarding Successor Employers of Large Employers

Contracts entered into between the Port and Successor Employers who succeed Large Employers on or after the adoption of this Initiative by the Port of Portland Commission must contain a commitment from the Successor Employer to hire each new employee from the qualified employees of the Large Employer being replaced. Only in the event there are insufficient such qualified persons may the Successor Employer hire each such new employee from the PDX Labor Pool or outside the PDX Labor Pool. When more than one qualified candidate is available, the Successor Employer may interview any number of the qualified candidates. Displaced employees who are not hired by the Successor Employer may join the PDX Labor Pool.

This provision does not apply in the event a Successor Employer is (a) hiring a family member or immediate relative as defined by the U.S. Office of Personnel Management, or (b) transferring an existing employee from another location operated by such PDX Employer. Notwithstanding this provision, a Successor Employer may transfer up to 20 percent of the new staff from its other location(s), if any, to ensure business continuity.

Labor Harmony

The Port of Portland is aware that decisions regarding labor organizing remain with the employee and employer. The unique nature of the work at PDX necessitates an ongoing, disruption-free environment to serve airport customers. The Port will remain neutral regarding union organizing, and we believe early communication and planning between the employer and employees is key to the success of all parties. Therefore, the Port of Portland will:

1. Require contracts entered into between the Port and PDX Employers on or after the date this Initiative is adopted by the Port of Portland Commission provide that the PDX Employer must submit a specific written plan to the Port on how it will maintain a positive working relationship with its employees. The plan may include any agreement the employer has with its employees, as well as programs the employer uses to maintain a positive relationship with its employees, such as compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, etc. The employer should respond to the questions on attached Exhibit A, which specifically addresses possible approaches for avoiding poor relationships with its employees. As required by applicable public records law, the plan may be made publically available, and the contract will allow the Port to terminate the contract in the event of the employer's repeated, serious failures, in the discretion of the Port, to adhere to its plan.
 - Implementation timeline: September 2015
2. Consistent with the PDX Permit process applicable to all free speech activity, continue to allow activities related to union organizing once a permit has been obtained. There is no charge for Free Speech Permits, including those issued to labor unions in conjunction with labor protests, strikes, etc.
 - Implementation timeline: In place

3. Continue to require project-specific evaluations of whether a Workforce Partnership Agreement or other type of Project Labor Agreement (PLA) (as defined in Port Commission Policy 6.1.15) would be beneficial for construction contracts over \$25,000,000 at PDX, requiring Port management to analyze each evaluation and make a determination on the merits.
 - Implementation timeline: In place
4. Remain neutral regarding union organizing, respecting the employee and employers' rights.
 - Implementation timeline: In place

Safety, Training and Equipment Standards

The Port of Portland prioritizes the safety of airport workers and customers above all other goals. While many workers are not employees of the Port, this safety-focused culture must extend to all employers operating at PDX. Our focus in this initiative is to promote a genuine and lasting interest in safety and health among employers with actionable requirements and training opportunities. Therefore, the Port of Portland will:

1. Revise future Port operating agreements with airline service providers (ASP) and concession leases to allow the Port, in its reasonable discretion, to terminate the contract in cases of serious and continuing violations of applicable laws and regulations, after thirty (30) days written notice.
 - Implementation timeline: September 2015
2. Support public health authorities in providing training to avoid potential PDX employee exposure to hazardous or toxic substances or diseases.
 - Implementation timeline: In place
3. Ensure Port contracts contain language requiring contractors to abide by all applicable local, state and federal laws and regulations in operating at PDX.
 - Implementation timeline: In place

Whistleblower Protections

The Port of Portland's goal to remain a workplace of choice for all employees at PDX can only be achieved in an environment where employees feel safe to voice their concerns about potential violations without fear of retaliation. The Port will work to ensure that every employee fully understands his or her rights and has a way to safely and confidentially communicate concerns. In addition, the Port will work with employers to help ensure compliance. Therefore, the Port of Portland will:

1. Provide information to PDX employees on whistleblower protection laws. Publish and distribute whistleblower contact numbers for various agencies. Require contractors to submit annual reports on violations of applicable laws.
 - Implementation timeline: September 2015
2. Revise future Port operating agreements with ASPs and concession leases to require the ASP or concessionaire to comply with (among other applicable laws and regulations) all laws, regulations and policies concerning employer retaliation against individuals who engage in

legally-protected reporting conduct. Strengthen the Port's contractual termination rights for failure to comply.

- Implementation timeline: September 2015

Standardized Permitting/Contracting

Attracting and retaining the very best employees at PDX requires all parties to work closely with clarity of vision and intent. The Port of Portland seeks to work with current and prospective PDX Employers to be innovative. Through new operating contracts and selection criteria the Port will work to ensure its PDX Employers provide the best possible working conditions where employees can thrive and succeed. Therefore, the Port of Portland will:

1. Revise future Port agreements with PDX Employers to require the PDX Employer to submit for the Port's review a written plan detailing the minimum level of working conditions the ASP or concessionaire will maintain for its workers at PDX. The plan may include compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, etc. PDX Employers may use their response to question 1 of attached Exhibit A to meet this plan requirement if they wish. The contract will include termination provisions for serious, repeated failure, in the discretion of the Port, to comply with the minimum level plan provided by the PDX Employer. As required by applicable public records law, the plan may be made publically available.
 - Implementation timeline: 2015
2. Enhance RFP criteria for evaluating/scoring concessions proposals to include items such as wages and benefits, quality of safety training, and career development programs.
 - Implementation timeline: next PDX Concession RFP
3. Revise future Port agreement with PDX Employers to encourage employers to make a good faith effort to provide conditions of employment consistent with the following while reasonably balancing the needs of their businesses:
 - Provide regular full-time employment of at least 30 hours per week to all employees unless not reasonable due to business necessity.
 - Provide part-time employees additional hours (up to 40 hours when reasonably possible) of work that become available due to employee turnover, increased business or other reasons, rather than engaging new part-time employees to work those hours.
 - Keep the hours of work for each employee at more than the level required to maintain eligibility for benefits provided by the employer or required by law unless not reasonable due to business necessity.
 - On or before a new employee's first day of work, provide the employee's work schedule and the minimum number of expected work hours the employer expects to assign to the employee each month.
 - Provide as much notice as possible of changes to work schedules and expected work hours.

- If work schedules are not consistent, post the work schedule for all employees in a conspicuous place so as to permit all employees to read the work schedule. Posting the work schedule by electronic means accessible is encouraged.
- Allow an employee to agree with another employee to work in place of such employee who has been scheduled to work a particular shift.
- Avoid scheduling split shifts unless not reasonable due to business necessity.
- Schedule non-exempt employee days off consecutively unless not reasonable due to business necessity.
- Implementation timeline: next PDX Concession RFP

Exhibit A

PDX Employer Plan for Managing Employee Relations

In order to ensure safe, efficient operations at PDX, the Port of Portland and the public are interested in each PDX Employer's plan for maintaining a positive relationship with its workforce. Maintaining a positive relationship with workers is important for keeping PDX among the best airports in the United States. A plan for maintaining a positive relationship with workers can take many forms and may be based on myriad approaches. We request that you describe your approach and your plan, responding to the issues below. You may supplement the responses below with any agreement or other plan details you wish to provide. As required by applicable public records law, all agreements and plan details may be made available to the public.

1. What compensation plans, benefit offerings, incentive programs, education and training programs, advancement opportunities, etc. do you offer your employees?
2. Does your company have a collective bargaining agreement with your work force? If not, does your company have a labor harmony/labor peace agreement with a union interested in organizing your employees for purposes of collective bargaining?
3. Please describe your company's approaches to the following issues:
 - a. Maintaining positive relationships with your employees.
 - b. Labor organizing activities by your employees at PDX.
 - c. Communications between employees and management.
 - d. Resolving disputes between employees and management.
4. Please describe any other plans or approaches your company is committed to for purposes of maintaining a positive relationship with you workers.