

**DRAFT MOTION
OF THE PORT OF SEATTLE COMMISSION
REGARDING QUALITY JOBS, SERVICE CONTINUITY, AND
EMPLOYMENT CONTINUITY**

**PROPOSED
OCTOBER 28, 2014**

TEXT OF THE MOTION

The Commission hereby directs the Chief Executive Officer, when soliciting new operators as leases expire in or after 2015, to utilize a combination of national/regional “prime” lessee/operators and direct leases with small, local, and/or disadvantaged businesses. Generally, a prime operator is a company that operates four or more units under one or more contracts awarded as a result of a competitive request for proposals process. The Commission further directs the Chief Executive Officer, when recruiting and selecting restaurant, retail, duty free, and personal services operators to replace existing operators at the Airport, to incorporate employment continuity, quality jobs, and labor organization discussion expectations into solicitation processes to the maximum degree possible consistent with the principles described in the Statement in Support of the Motion and Statement of Policy Direction below.

STATEMENT IN SUPPORT OF THE MOTION

In the last decade, the Port of Seattle (the “Port”) has developed a model for its Airport Dining and Retail (ADR) offering at Seattle-Tacoma International Airport (“Sea-Tac”) that is characterized by a combination of national “prime” lessee operators and direct leases with local, small, and disadvantaged operators.

Employment in the Sea-Tac Airport Dining and Retail program has grown by more than 100 percent. At the end of 2013, there were approximately 1,640 individuals employed in the program. For some, these jobs represent long-term employment to support families; for others they provide a springboard to education and other employment opportunities.

During the planning phase of the Airport Dining and Retail Master Plan, the Port has considered the issue of stability in the dining and retail workforce as the program enters several years of lease transitions. Specifically with regard to employees, Commission provided direction to staff on February 14, 2012: *“to maximize continued employment opportunities and job security for qualified workers wishing to continue working in the program in the event their employer does not remain an airport lessee.”*

In addition, the Commission has expressed intent that ADR employment includes “quality jobs.” In January 2014, the Commission announced its intention to develop employment policies that support the Port’s mission as an economic development agency. The Commission, along with other regional and national policy makers, recognizes the economic and societal impacts of income inequality and the decline of the middle class.

In order to accomplish these important objectives, the Port (or its designated contractor) will create and manage an Employment Continuity Pool and incorporate the Commission’s “Expectations of Employers Regarding Quality Jobs” into the formal Request for Proposal and Competitive Evaluation process for awards of contracts to restaurant, retail, duty free, and personal services operators (ADR Employers).

The objective of the Employment Continuity Pool is to make employment transitions more secure and smooth for both employers and employees. If employees feel a greater sense of security that they will maintain employment at the Airport, albeit with a new employer, they will be more likely to make a seamless transition from one employer to another. New and incumbent operators will benefit by having ready access to a pool of qualified employees for hire when needed for their operations. The objective of the Expectations of Employers is to encourage prospective ADR operators/lessees to commit to the provision of quality jobs.

STATEMENT OF POLICY DIRECTION

When soliciting new operators as leases expire in or after 2015, the Port will utilize a combination of national/regional “prime” lessee/operators and direct leases with small, local, and/or disadvantaged businesses. Generally, a prime operator is a company that operates four or more units under one or more contracts awarded as a result of a competitive request for proposals process. The Commission directs the Chief Executive Officer, when recruiting and selecting restaurant, retail, duty free, and personal services operators to replace existing operators at the Airport, to incorporate employment continuity, quality jobs, and labor organization discussion expectations into solicitation processes to the maximum degree possible consistent with the following principles:

Employment Continuity Pool

- The Port (or its designated contractor) will create and manage a database of all non-management, non-supervisory, and non-confidential employees who wish to continue working in the Airport Dining and Retail program (the Employment Continuity Pool or “Pool”).
- Only non-managerial, non-supervisory, and non-confidential employees, who have been continuously employed in the dining and retail program for 12 months or more, maintain a schedule of 16 or more hours per week, and whose primary place of employment is at the Airport may be included in the Pool.
- Employers are expected to consider employees with relevant experience and qualifications, to the degree that such applicants are available in the pool.

- Current employees are not required to participate in the Pool, but must submit relevant documentation in order to be included. The Port will provide eligible employers with the requirements for the relevant documentation. Only those workers who provide the requested information will be included in the Pool.

Expectations of Employers regarding Quality Jobs:

The Commission expects that employers in the ADR program at Sea-Tac provide quality jobs to their employees. For purposes of the ADR program, quality jobs include the following specific components:

- **Wages and Compensation:** The Commission's expectation is that employers pay a living wage rate consistent with the King County Self-Sufficiency Standard. In 2015, that W-2 reported wage will be approximately \$11.22. The Commission further expects that employers provide a minimum level of benefits to full-time employees, such as health care, pension or other retirement contributions, educational cost reimbursement, or other workforce development opportunities. Including such benefits at a minimum value of \$2.50 per hour would establish a reasonable minimum total compensation rate of \$13.72 in 2015. ADR employees would benefit from minimum wages and total compensation at these levels and will receive an increase annually on a percentage basis to reflect the rate of inflation. These expectations do not apply to seasonal, temporary, or part-time ADR employees.
- **Paid Time Off (PTO):** The Commission expects employers to provide their employees with a minimum level of PTO. It is reasonable that workers accrue at least one hour for every forty hours worked, that they be allowed to begin to use it no later than after 180 days of employment, that they be able to carry over a minimum of 40 hours from year to year, and that an employee would have any accrued PTO reinstated if he or she returns to employment after separation or transfer.
- **Affordable Care Act Compliance:** The Commission expects employers to provide health insurance to their employees, consistent with the requirements of the Affordable Care Act (ACA) rather than accept the penalties of the ACA in lieu of providing stipulated health care benefits.

Labor Organization Discussion:

The Commission expects prospective respondents to requests for proposals for ADR "packages" of four or more units to have had discussions with labor organizations representing incumbent ADR employees and to develop plans to address and mitigate the impact of work stoppages on airport operations prior to responding to such requests for proposals, but does not mandate that respondents reach agreement with labor organizations.

Recruitment and Selection of New Airport Dining and Retail Operators/Lesseees:

The Chief Executive Officer is directed to manage the recruitment and selection of new ADR operators in or after 2015 consistent with the following direction:

- Whether using a Request for Proposals or a Competitive Evaluation process, the staff shall articulate the Commission's expectations regarding employment continuity, quality jobs, and labor organization discussions, as outlined above.
- The criteria used for selecting a prospective ADR operator shall include the commitment of prospective prime operators/lessees to hire – and of other prospective operators to interview from – the Employment Continuity Pool and provide quality jobs to its employees. The degree of this commitment will be evaluated and scored in the same fashion as other expectations in an ADR solicitation.
- The staff is further directed to ensure that the relative weighting of the criteria related to these expectations is substantial enough to encourage prospective ADR operators to meet these expectations and to result in the choice of an operator committed to these expectations when two or more prospective operators are otherwise similar in their abilities and characteristics. This includes contributing to the port-wide Century Agenda strategic objective of promoting small business growth and workforce development.

Reporting Requirements:

On a regular basis, following the issuance, evaluation, and selection of new ADR operators pursuant to a Request for Proposal or a Competitive Evaluation process, staff shall report to the Commission on how effectively these directives are being met and whether staff believes any adjustments to future criteria or weighting in solicitations is appropriate to meet the Commission's strategic direction as set forth in this Motion.