

Applying Living Wage at the San Jose Airport

Concept paper by Working Partnerships USA

Introduction

The application of city policies to the San Jose Airport (SJC) will often require special consideration and expertise. It may be necessary to account for a variety of unique legal limitations as well as complex contracts that exist between the City, the airlines, subcontractors, and other employers. Also, and of paramount importance, is the airport's vulnerability to disruption of operations and/or threats to public safety. As a major economic engine for the local community and with more than 10 million passengers per year, SJC must consistently protect passengers and residents from harm, address ongoing security issues, and maintain stable operations. Questions regarding the capacity of contractors to provide training, maintain security and assure stability of service that had not been discussed in other living wage programs will demand attention at the airport.

In response to the uncommon vulnerability of the airport, the City should establish a comprehensive living wage policy that applies to all employers. Because of the complex nature of the contracts that currently exist at SJC, the City's living wage resolution that passed in 1998 cannot accomplish this airport-wide goal. In order to expand living wage and employment standards to all workers employed at SJC, a city ordinance is needed. Such an ordinance would apply a similar set of wage and employment expectations to all employers at the Airport regardless of the type or terms of the contract to which they are a party.

Maintaining a reliable and well trained workforce

Creating a work environment at the San Jose airport that ensures maximum public safety, reliable security and exceptional customer service requires more than an increase in wages. It demands a culture that promotes training, job stability, retention and an ongoing effort to attract the highest quality airport employees and contractors that are available. To that end, the following recommendations should be inserted into a San Jose airport living wage ordinance:

- **Job training:** Job training standards should be added in the third tier review section of the living wage ordinance as a criterion used by the City to evaluate all contractors at SJC. Training programs should supply workers both with basic skills regarding their occupation as well as security procedures. All workers should be prepared to identify suspicious behavior and know how to respond in the case of an emergency.
- **Worker retention:** In an effort to retain skilled employees, the City should improve worker retention language so that trained staff have incentives to stay at the airport. To help prevent employee turnover, the City should increase noticing requirements for employees to alert workers when a service provider contract has been terminated and a new vendor has been selected. Prior to contract termination, each successor service provider should hand deliver written information regarding the change to make certain that all workers are adequately informed. In addition, new services providers should allow existing workers to be retained on the job for at least 90 days.
- **Responsible contractors:** To effectively implement higher employment standards at SJC, all airport contractors and sub-contractors must make a full commitment to comply with the new requirements. A proven method to achieve that commitment is to take steps to recruit and maintain responsible contractors that have adhered to airport employment standards in the past and do not have a history of previous contract violations. Responsible bidder language which provides this information about a firm's prior behavior should be inserted into the third tier review section of the ordinance. In addition, the third tier review section should explicitly require information on whether a bidder maintains a grievance procedure, a question currently included in the City's Employee Work Environment Questionnaire.
- **Stability of Airport Operations:** Because the airport functions as a system dependent on the functioning of all of its parts, a disruption in any one area is likely to have significant repercussions throughout the institution. In light of this situation, it is unnecessary and probably imprudent to conduct an individual

evaluation of each contract to determine whether it is vulnerable to service and/or labor disputes, as is called for in the city living wage policy. At the airport, the City should simply make a blanket determination that disruptions will lead to unacceptable consequences and labor peace provisions should apply. In addition, at the airport the losses to the public and to the city that may result from a failure of a firm to meet its contractual obligations may be extremely serious. Therefore, the economic penalties associated with such failure should be more stringent than those in the current city policy.