



AGENDA
Regular Commission Meeting
Port of Portland Headquarters
7200 N.E. Airport Way, 8th Floor
January 11, 2012
9:30 a.m.

Minutes

Approval of Minutes: Regular Commission Meeting – November 9, 2011
Approval of Minutes: Regular Commission Meeting – December 14, 2011

Executive Director

Approval of Executive Director's Report – December 2011

General Discussion

2011 Federal Legislative Review and 2012 Look Ahead	<i>RICK FINN</i>
2012 Oregon State Legislative Session Overview	<i>ANNETTE PRICE</i>
Regional Industrial Land Supply	<i>KEITH LEAVITT MARK CLEMONS, GROUP MACKENZIE</i>
Metropolitan Export Initiative	<i>SUSIE LAHSENE NOAH SIEGEL, CITY OF PORTLAND</i>
2012 Port of Portland Transportation Improvement Plan – General Discussion and Public Hearing	<i>SUSIE LAHSENE</i>

Action Items

1. COLLECTIVE BARGAINING AGREEMENT – AVIATION
MAINTENANCE CONTRACT *BRENDA MEECE*
Requests approval of a new two-year collective bargaining agreement between the Port of Portland and the District Council of Trade Unions, Locals 48 and 483.
2. COMMISSION PROJECT LABOR AGREEMENT USE *TOM PETERSON*
POLICY NO. 6.1.15
Requests approval of a Commission policy that sets forth the decision-making framework that Port of Portland personnel must follow in deciding whether to use Project Labor Agreements on Port-controlled public improvement contracts.

COLLECTIVE BARGAINING AGREEMENT – AVIATION MAINTENANCE CONTRACT

January 11, 2012

Presented by: Brenda Meece
LR Consulting LLC**EXECUTIVE SUMMARY**

This agenda item requests approval of a new two-year collective bargaining agreement between the Port of Portland (Port) and the District Council of Trade Unions (DCTU), Locals 48 and 483.

BACKGROUND

On April 6, 2011, the Port and the DCTU, representing approximately 90 employees who perform maintenance work at PDX, as well as Hillsboro and Troutdale airports, entered into collective bargaining for a new contract to replace the agreement that expired on June 30, 2011. On December 16, 2011, the parties reached tentative agreement, and on January 4, 2012, the DCTU ratified this agreement. Key terms of the changes to this agreement are outlined below:

Term of Agreement: July 1, 2011, through June 30, 2013.

Wages: No base wage increases during the term of the contract except for the Baggage Handling System Technicians. Effective the first payroll period following Commission approval, this classification's rate, except for the Building Maintenance Mechanic who bid into this classification, will increase from the current rate of \$32.96 per hour to the current Electricians' rate of \$33.97.

Each employee who was on the Port's payroll on the date of the contract ratification vote will receive a lump sum amount of \$750.

Each employee who is on the Port's payroll on July 1, 2012, will receive a lump sum amount of \$750.

Benefit: Effective immediately, adds one additional personal holiday.
Deletes requirement that an employee be employed for 30 days in order to receive holiday pay.

Adds language to provide for a sick leave usage program that adopts a standard for when an employee is considered to have unacceptable sick leave usage and would be subject to progressive disciplinary action.

Changes the prescription safety glasses replacement provision in the current contract to the same as the Port policy for purchasing prescription safety glasses. This policy provides for reimbursement of prescription safety glasses up to \$100 per contract year. This amount can be carried over one year to a maximum of \$200 if the benefit is not used the previous contract year.

Other: Adds language that outlines the introductory period for PDX employees who are transferred to a higher classification at PDX as well as employees who are transferred from another Port division or employee group to PDX.

Revises the Alcohol and Controlled Substance Policy to reflect changes to Port policy.

Adds language that provides for removal of lower level disciplinary action documents from an employee's file after three years if no other disciplinary action has been taken.

Other miscellaneous language changes.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That approval is given to enter into a collective bargaining agreement with the District Council of Trade Unions, Locals 48 and 483, for a two-year agreement beginning July 1, 2011, setting forth wages, fringe benefits and working conditions for employees providing maintenance work at the Port of Portland's international and general aviation airports, consistent with the terms presented to the Port of Portland Commission; and

BE IT FURTHER RESOLVED, That the Executive Director or his designee is authorized to execute the necessary documents on behalf of the Port of Portland Commission in a form approved by counsel.

COMMISSION PROJECT LABOR AGREEMENT USE POLICY NO. 6.1.15

January 11, 2012

Presented by: Tom Peterson
Chief Engineer**EXECUTIVE SUMMARY**

This agenda item requests approval of a Port of Portland (Port) policy that sets forth the decision-making framework that Port personnel must follow in deciding whether to use Project Labor Agreements (PLAs) on Port-controlled public improvement contracts.

BACKGROUND

Project labor agreements are labor agreements that are binding on all contractors, subcontractors and labor unions for all trades on a construction project. Under some circumstances, PLAs can help owners efficiently manage major construction projects by helping to stabilize costs and limit the potential of labor-related project delays. However, PLAs are not appropriate for every construction project. This policy will help Port personnel determine when a PLA is appropriate and will require the Port to develop a PLA Use Procedure to establish a transparent, methodical process to follow when evaluating the potential benefits of a PLA.

This policy was developed to proactively address a recent resurgence in construction industry interest in PLAs. Interest in PLAs has increased, among other reasons, due to a 2009 Presidential Executive Order encouraging federal agencies to use PLAs on large-scale construction projects (defined as individual contracts of more than \$25 million).

The policy establishes the key criteria which must be met to implement a PLA on a Port-managed construction contract. The policy would require that PLAs be considered on a project-by-project basis only, when internal evaluation of the potential benefits of PLA indicates that a PLA would truly advance legitimate Port interests. Factors to be considered as part of that evaluation include:

- The size and complexity of the project
- The importance of the project and the need to adhere to a certain timeline
- The risk of a labor disruption during construction
- The impacts of a labor-related delay on construction
- Availability of the applicable labor pool

The policy would also require that all Port PLAs be consistent with the public policy interests embodied in competitive bidding laws. Specifically, any Port PLA must allow impartial and open competition, to protect both the integrity of the public contracting process and the competitive nature of public procurement. Port PLAs must also promote efficient use of Port resources.

If this policy is adopted by the Port Commission, Port personnel intend to establish a PLA Use Procedure as directed within the Policy. The procedure, which is currently under development, will establish the evaluation process for evaluating PLAs, an approval process when PLAs are recommended by Port staff, and minimum requirements of any Port PLA. As directed under the Commission policy, the procedure would require Commission approval of any staff PLA recommendation. The procedure would also create a public process that allows pre-project input on any PLA recommendation from interested stakeholders, such as the contracting community, small business representatives, and aviation and marine funding sources. Consistent with federal policy, the proposed procedure currently limits consideration of PLAs to Port-managed construction contracts of \$25 million or more.

In drafting both the policy and the procedure, Port personnel considered PLA policies in use at other ports, including the Port of Seattle and other west coast ports. The Port also reviewed its proposed PLA policy and procedure with other local public agencies, labor organizations, construction contractor organizations, small business organizations, the Federal Aviation Administration and airlines serving PDX. Feedback from those stakeholders will be addressed in the final procedure, when adopted by the Port.

EXECUTIVE DIRECTOR'S RECOMMENDATION

The Executive Director recommends that the following resolutions be adopted:

BE IT RESOLVED, That the Port of Portland Project Labor Agreement Use Commission Policy No. 6.1.15, dated January 11, 2012, is hereby approved as proposed; and

BE IT FURTHER RESOLVED, That a copy of the Port of Portland Project Labor Agreement Use Commission Policy No. 6.1.15, dated January 11, 2012, be attached to the minutes of this meeting.

PORT OF PORTLAND COMMISSION POLICY

PROJECT LABOR AGREEMENT USE

POLICY No. 6.1.15

Approved Commission Meeting of January 11, 2012

Definition; Purpose; Application

Project labor agreements (“PLAs”) are generally labor agreements binding on all contractors, subcontractors, and labor unions for all trades on a construction project. For purposes of this policy the term PLA encompasses all pre-hire collective bargaining agreements for Port-controlled public improvement projects, including PLAs, community benefit agreements, community workforce agreements, and similar agreements. This policy sets forth the decision-making framework that Port personnel must follow in deciding whether to use PLAs on Port-controlled public improvement projects. This policy does not apply to public improvement projects where the Port does not contract directly with the prime construction contractor, including tenant-controlled public improvement projects on Port property.

Policy Statement

PLAs Must Advance the Port’s Legitimate Interests. The Port may only pursue a PLA if Port personnel have first reasonably determined, through documented evidence developed under a written PLA use procedure adopted by Port management, that using a PLA on a particular project will advance the Port’s legitimate interests in producing labor-management stability, achieving efficiency, managing construction costs, and ensuring legal compliance. In determining whether the use of a PLA will advance such interests, Port personnel may consider factors such as:

- The size and complexity of the project;
- The importance of the project and the need to adhere to a certain timeline;
- The risk of labor disruption on the project and the circumstances that are present that may lead to a heightened risk of labor disruption, such as the history of labor unrest in the area, the anticipated working conditions of the particular project relating to the environment or work schedules, and the expiration of one or more collective bargaining agreements;
- The impacts of a labor disruption to the Port and its stakeholders, on the operation of the facility, and on the region;
- The costs of a delay should a labor disruption occur; and
- The available labor pool relative to the particular skills required to complete the project.

This list is not exclusive; other factors advancing the legitimate interests described above may be considered in determining whether a PLA is appropriate.

PLAs Must Advance the Interests Embodied in Competitive Bidding Laws. In addition to furthering the Port’s legitimate interests, all Port PLAs must be consistent with the interests embodied in applicable competitive bidding laws. In determining whether the use of a PLA will be consistent with such interests, the following requirements apply:

- Consistent with the Oregon Public Contracting Code, Port PLAs must be used and structured in a manner that allows impartial and open competition, protecting both the

integrity of the public contracting process and the competitive nature of public procurement.

- The use of a PLA must be reasonably intended to promote efficient use of Port resources, maximizing the economic investment in public contracting within Oregon.

Commission Approval. Prior to using a PLA on any Port-controlled public improvement project, Commission approval shall be sought. Commission PLA approval procedures must be established in a PLA Use Procedure to be developed by Port personnel.