

Section Six - Job Quality, Workforce Training, Employment and Service Continuity

Qdoba has been a part of the Sea-Tac Airport community for over a decade. We are proud of the contribution that we have been able to make in the lives of our customers and employees. It would not be an exaggeration to say that the employees at Qdoba are like a family. As a testament to the quality of the jobs we provide in terms of compensation, development opportunity and work environment, we have many long-term employees. The one exception is that the management staff at Qdoba have all advanced as a result of our development and training programs.

In addition to our management staff, featured in Section Five, we are proud to feature some of these long-term employees in this proposal:

Paula Melendez, Second Cook & Master Trainer, 9 years

Paula joined the Sea-Tac Team in November 2006. She advanced in the operation through our Career Map program. Paula is responsible for all of our back-of-house cooking operations. Paula is the “matriarch” of the Qdoba family at Sea-Tac. As a master trainer, she is responsible for training new team members in back-of-house operations. New team members look to her and her expertise with enormous respect.



Alberto Ramirez, First Cook & Master Trainer, 7 years

Alberto joined the Qdoba at Sea-Tac in August 2008 and quickly became the energetic face of our kitchen operations. He is trained in both front-of-house and back-of-house kitchen operations, and is also responsible for training new team members. Alberto has established himself in the airport community. He is greeted frequently by both regular customers and airport employees. He not only has a true passion for Qdoba, but a passion for Sea-Tac customers, and the airport community he is proud to be a part of.



In addition to being like a family, the staff at Qdoba is made up of employees who are members of same families. We have several generations of families among our long-term employees. The Qdoba is unique because it affords these extended families the opportunity to share transportation and plan schedules around family commitments, as well as enjoy the support of their family members in the workplace. We have found that happy employees within our Qdoba “family” make for great team members.

1. Wages and Compensation – Employers should pay a living wage rate. With the adoption of City of SeaTac Ordinance 13-1020 (commonly referred to as Proposition 1) and the decision in Filo Foods, LLC v. City of SeaTac (Case No. 89723-9), this expectation requires wage rates consistent with Ordinance 13-2010.
 - a. State the starting pay scale for non-managerial, hourly employees anticipated to be employed in the operation and whether consistent with Ordinance 13-1020.
 - b. Describe other forms of compensation (tips, sales commissions, bonuses) and/or benefits provided.
 - c. Indicate your commitment to continued compliance with the future wage increases provided by Ordinance 13-1020.

Qdoba is committed to providing our employees with livable wages and benefits. We do not cut corners when it comes to this fundamental responsibility. Upon the recent Washington Supreme Court ruling with regard to the City of SeaTac Ordinance 13-1020, the company immediately made the decision to compensate all of its employees – including seasonal, short-term and former employees – according to the minimum wage requirement retroactively to January 1, 2015. This amounted to nearly \$170,000 in retroactive compensation. Qdoba is fully committed to the current and future compensation standards of the Ordinance and we now compensate all employees no less than \$15.24 per hour. Due to the increase in the minimum wage for new hires, we have adjusted all of our wage categories in order to maintain the same consideration for tenure and performance among our current employees. This means that most other employees received an increase in compensation as well. Qdoba also compensates employees for overtime hours beyond 40 hours in a work week at one and one-half time their regular hourly rate of pay. Qdoba also has a bonus and incentive pay program for management staff with rewards based unit performance.

2. Paid Time Off - Employers should provide a minimum level of sick and safe time or paid time off (“PTO”) to their employees, at a rate of at least one hour for every forty hours worked, either cash-out unused PTO at year-end or allow employees to carry over a minimum of 40 hours of PTO from year to year, and allow the reinstatement of any accrued PTO if an employee returns to employment after separation or transfer. Note that these expectations may actually exceed the requirements of Ordinance 13-2010. Provide information about the degree to which these expectations will be met and/or exceeded.

Qdoba believes in providing benefits that safeguard and sustain the health and well-being of our employees and that meet or exceed those required by Ordinance 13-1020. We provide management, team leaders and team members annual paid vacation benefits and sick pay benefits so our team members have periods of rest and relaxation and can maintain a work-life balance. Vacation/Paid Time Off (PTO) is earned during each pay cycle so there is no period of time in which employees do not have access to PTO. We strongly encourage eligible team members to take full advantage of their vacation benefits each year, and we are committed to fully relieving employees of their duties while on vacation. Sick pay benefits are intended to provide income to eligible employees during periods of absence from work due to illness, injury, bereavement, maternity related conditions and family care (by the employee for a spouse, child, or parent), or as otherwise provided by law.

For our management staff, vacation/PTO benefits accrue based on the employee’s continuous years of employment from their date of hire. Sick pay benefits also accrue bi-weekly from the

employee's hire date. For our team leaders and team members, a vacation bonus is earned by working a minimum of 1,560 hours within their anniversary year. The vacation bonus is paid out based upon each employees' hours worked from the last six months of their anniversary year and their calculated average of hours worked is paid out as vacation hours. Qdoba also observes paid holidays each fiscal year for eligible employees. Due to the nature of our business, particularly in the airport environment where we are expected to serve customers 365 days a year, it is inevitably necessary for some employees to work on a holiday. However, we compensate our employees who work holidays with additional pay. If a team member (non-exempt) is required to work on a paid holiday, he or she will receive holiday pay in addition to one and one-half times their regular hourly pay. If an exempt employee is required to work on a holiday, or their regularly scheduled day off is a holiday, he or she will receive one compensatory day off. Team Leaders and Team Members who work on Thanksgiving or Christmas will receive pay at one and one-half times their regular rate of pay.

For our Qdoba, we commit that we will provide vacation/PTO and holiday pay for all employees at a scale of one hour for every 40 hours worked to fulfill the expectations of the Port in the operation of our business. We also warrant that we remain in full compliance with the Port's street pricing policy.

3. Affordable Care Act Compliance – Employers should provide health insurance to their full-time employees, consistent with the requirements of the Affordable Care Act ("ACA"). Employers should provide information about the provision of health insurance to full-time employees consistent with the requirements of the ACA.

With the changing health care landscape and the Affordable Care Act (ACA), Qdoba has evolved its employee benefits in order to remain compliant with the spirit and intent of the ACA. Qdoba understands the requirement of the ACA that at least one plan be offered to full-time employees that provides minimum essential coverage and at an affordable employee share. This means that the employee share cannot be more than 9.5% of the employee's income. The plans offered by Qdoba align with the "metal tiers" of the Health Insurance Marketplace in order to be easily understood by our employees in evaluating their health care options. All of these plans are offered as a means of providing "affordable" health care benefits to our full-time employees. Qdoba is prepared to provide the Port more information about these plans upon request.

- Health Partners Choice Core Plan
 - Health Partners Choice Wellness Plan
 - Silver Core Plan
 - Silver Wellness Plan
 - Bronze Core Plan
 - Bronze Wellness Plan
4. Employee Training - Outline employee training practices, including a brief description of customer service, merchandise/menu and store operations training or any other training programs unique to the proposed concepts provided to employees.

Training takes place at all levels in the Qdoba organization. New team members receive training in accordance with Qdoba's Hourly Team Member Career Map. Every new hire is educated

about the Qdoba brand experience pillars (grilled, fresh, fun), company values and history, as well as Safety and Sanitation which is key to everything we do. Depending upon whether the new hire is intended to become a certified line server or certified cook, different elements of training are emphasized, such as customer service training, kitchen systems, recipes and Point-of-Sale training.

A career at Qdoba offers several opportunities for advancement. A first step can be to a Team Leader position, which supports the management team in all aspects of service, quality, cleanliness, staffing, food cost, production and maintenance. An internal candidate for Team Leader will receive 60 hours of training in accordance with Qdoba's 5-Step Teaching Method (Prepare-Tell-Show-Do-Review) for Team Leaders. Qdoba trainers certify Team Leaders at the completion of their program. A certified Team Leader will be able to lead a shift, open and close the store, and handle customer issues.

Qdoba's Leadership Education and Development (LEAD) program is the training and development program designed to train employees for the Restaurant Manager (RM) role. The program provides a future RM with the foundations of operational, business and leadership knowledge and behaviors for success at Qdoba.

In real world situations, 70% of LEAD takes place on the job. LEAD candidates learn all things Qdoba alongside their Certified Training Managers (CTMs) and District Managers (DMs). We know that learning comes from doing and experiencing the context of what it means to act as a Restaurant Manager, more so than relying on instruction and/or theory. We strive to expose the LEAD candidate to real-world experiences guided by expert trainers. Twenty percent of the LEAD training is discussion-based with the District Manager and/or Trainer. The structured discussions introduce concepts and situations, set expectations and help frame thinking around common problems, situations, goals and company culture. This portion of the program also includes workshops, guided learning experiences and visits to other locations to learn from experienced Restaurant Managers. The remaining 10 percent of the program centers on handouts, videos, readings, etc. that are meant to enhance the training experience. For internally promoted LEAD candidates, the program is a 4-week curriculum.

Qdoba has a requirement that guest service employees must speak English, however some back-of-house employees came into the organization with limited spoken English proficiency. All of our training manuals are available in Spanish in order to open initial doors to a career at Qdoba. We are pleased that many of our Qdoba team members have been able to improve their English proficiency through on-the-job training.

New Qdoba Uniforms



5. Employment Continuity Pool – Employers should provide a commitment to interview qualified, non-managerial, non-supervisory and non-confidential employees from the Port’s Employment Continuity Pool, managed by a third party vendor, before considering applications outside the pool. If the award of this opportunity may result in the operation of four (4) or more units at Sea-Tac, you are expected to provide a commitment to hire such employees from the pool. For employees that may be hired from the pool, employers should indicate a commitment to retaining those employees for a minimum of a 90-day “trial period” and the conditions for such “trial period.” If you do not believe that participation in the Port’s Employment Continuity Pool will be applicable, please explain in your submittal.

Qdoba will be able offer the best possible job security for our employees with continued employment in the new restaurant space, if we are selected to remain at the airport. Our hope is that operations in the existing Qdoba location will remain in service until the new space is available for occupancy to avoid even short-term furloughs or layoffs. During the redevelopment of the overall Sea-Tac Airport Dining and Retail program, we are committed to turning first to the airport’s Employment Continuity Pool for access to experienced, tenured airport employees as hires are needed in the new restaurant space. Because this location will be one of the first to transition in the new program, we will have the ability to contribute to employment continuity in the airport as later phases of the program transition, and potentially displace employees. Unless terminated for cause, Qdoba commits to retaining such employees for a minimum of 90-days of trial employment.

6. Service Continuity Assurances – If the award of this opportunity may result in the operation of four (4) or more units, the Commission expects that the company will document good faith discussions with labor organizations representing incumbent employees. If applicable, provide documentation, such as phone logs, emails, journals, agendas and/or notes that show these efforts. If you believe that this assurance is not applicable to your proposal, please explain in your submittal

This proposal relates to a single-unit opportunity, and if successful with this proposal, Qdoba does not anticipate that it will operate more than this particular unit at Sea-Tac. However, Qdoba does seek to assure the Port that we have operated in the airport for more than 10 years with no labor disruptions in our operation. In fact, the workforce of non-represented employees, such as those at Qdoba, have co-existed in harmony with the represented workforce of other employers for the entire length of our tenancy. We do not anticipate this to change in a new operation.

Summary

- Qdoba is committed to meeting or exceeding the requirements of Ordinance 16-1020 and the expectations of the Port of Seattle with regard to vacation/PTO and sick pay.
- Qdoba is committed to providing a variety of “affordable” health care coverage options to its full-time employees in accordance with the provisions of the Affordable Care Act (ACA).
- Qdoba will continue to develop its internal training programs to provide opportunities for advancement. We will seek to promote internal talent as we have done since 2005.
- Qdoba commits to offering a continuation of employment for our employees to the greatest degree possible in accordance with the Port’s construction and phasing schedules. For future hires, Qdoba will turn first to the Employment Continuity Pool for qualified, tenured employees before turning to the open marketplace. In addition, employees with satisfactory performance will enjoy a 90-day period of trial employment.