

Code of Ethics for Port Authority Vendors

SERVING IN THE PUBLIC INTEREST



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Introduction

The Port Authority of New York and New Jersey has long been committed to getting the job done with unyielding honesty and integrity — to earning and maintaining the public trust. Our commitment extends to doing business only with those Vendors — suppliers, contractors, and professional services firms — that operate lawfully, and in accordance with applicable regulations.

But it is important to go further.

When they work with us, Vendors are also working in the public service. And just as we require legal and ethical compliance from ourselves — we require the same from the Vendors we team up with.

To that end, we have prepared this Code of Ethics for Port Authority Vendors (“Code”). The Code is publicly available, so that everyone can see the standards we are holding our Vendors to. The Code requires Vendors to comply rigorously with all legal obligations — and to behave ethically and with integrity (as set out in this Code) when they are engaged in activities on our behalf.

Vendors should review this Code carefully. If the Port Authority enters into an agreement with a Vendor, or renews, extends or amends an existing agreement, it is on the understanding that the Vendor has read and agreed to abide by the Code, and the Code is hereby made a part of any such agreement.

Definitions and Scope

Vendor means any entity, other than a government agency, that has entered into a written agreement with the Port Authority to supply goods or services. Examples of “Vendors” include construction, engineering, or design firms; companies that provide security; or entities that sell computers or heavy equipment to the Port Authority.

“Vendor” does not include an entity that enters into a written agreement with the Port Authority that is principally focused on the use of real property; such agreements include leases, easements, and space permits. Such entities are subject to a Code of Ethics for Port Authority Lessees, which will be issued during 2019.

In the Port Authority’s discretion, this Code may be applied to entities that are not “Vendors” within the formal definition set out above.

Vendor’s Employees means those officers, employees, directors, or agents of a Vendor participating in work on behalf of the Port Authority or supervising such work.

Port Authority means The Port Authority of New York and New Jersey and any of its subsidiaries.

Port Authority Employees are officers or employees of the Port Authority. “Port Authority Employees” also includes any member of the Port Authority’s Board of Commissioners or any member of the Board of Directors of a Port Authority subsidiary.

Port Authority Premises means land, appurtenances, facilities, buildings or other structures owned, occupied or controlled by the Port Authority, or any portion thereof, including but not limited to:

- ▶ Improved or unimproved land;
- ▶ Airports, aviation, marine, air or bus terminals, including docks, hangars and gates;
- ▶ Rail stations, rail cars, railroad tunnels, structures and bridges, railroad tracks and railway easements;
- ▶ Tunnels and bridges;
- ▶ Fuel or cargo storage facilities;
- ▶ Office buildings or office space;
- ▶ Security and other operational centers;
- ▶ Retail space located in office buildings, shopping concourses and terminals; or
- ▶ Parking space or parking garages.

The requirements of this Code must be complied with in connection with any work being performed on behalf of the Port Authority. In addition, Vendors and Vendors' Employees must comply with the requirements of this Code whenever they are on property owned, used, or controlled by the Port Authority.

An entity that is seeking to participate in the Port Authority's procurement process is subject to a further set of rigorous ethical obligations, as well as the requirements of this Code. These are available on the Port Authority's website, including in the Guide to Procurement. This Code is not intended to define the ethical rules that govern the procurement process.

Our Standards

In connection with the work they are doing for the Port Authority, Vendors and Vendors' Employees must follow the law and regulations applicable to work they perform on behalf of the Port Authority. In addition, they must rigorously adhere to the requirements of this Code, as set out below.

Commitment to Diversity and Inclusion

The Port Authority embraces a workplace where the values of diversity and inclusion support varying perspectives and backgrounds to produce a richer environment. The Port Authority does not tolerate any form of discrimination.

The Port Authority expects all of our Vendors to demonstrate a similar commitment to business practices that support diversity and inclusion. Vendors should demonstrate their commitment by making every effort to provide business opportunities to Port Authority certified minority, women-owned, small, and disadvantaged business enterprises (MWSDBEs), including opportunities to be part of their supply chain, or perform as subcontractors, and/or take actions to have a workforce whose makeup is representative of the communities in which they operate.

Honest and Accurate Reporting

All records created or compiled by a Vendor or the Vendor's employees and provided to the Port Authority must be accurate and complete, to the best of the Vendor's knowledge. Such records should contain no misrepresentations or material omissions.

This obligation applies to a wide range of records, including invoices or bills; reports of test results; or a description of the means by which an entity is meeting goals as to MWSDBE participation in public projects.

If a Vendor cannot say for certain that a set of records is accurate and complete, it must explain why that is the case when the records are provided to the Port Authority.

If a Vendor determines that a set of records previously provided to the Port Authority was not, in fact, accurate and complete, the Vendor must immediately explain why — and correct the records if requested to do so by the Port Authority.

Vendors must always provide honest and accurate reports as to compliance with MWSDBE obligations and commitments, and it is intolerable if they do not. An intentional false statement or misrepresentation as to MWSDBE compliance can be a serious crime — and is a violation of this Code. Investigations of MWSDBE fraud will be pursued vigorously by the Port Authority's Office of Inspector General.

Books and Records

A Vendor must maintain its books and records related to Port Authority matters in an organized and accessible fashion.

The Port Authority must be able to conduct a comprehensive and prompt audit as to whether the Vendor has properly performed its obligations in compliance with the law and this Code.

Gifts, Gratuities and Favors

The Port Authority Employee Code of Ethics imposes a strict, bright-line gifts policy — a Zero-Tolerance Policy — on all Port Authority Employees. Port Authority Employees are prohibited from soliciting or accepting gifts, gratuities or favors from third parties with whom the Port Authority does or is likely to do business. This Code prohibits Vendors and Vendors' Employees from offering or giving gifts, gratuities or favors to Port Authority Employees or to any member of the Port Authority Board of Commissioners.

What is a gift or gratuity? A gift or gratuity is anything of value for which a payment at fair market value is not expected or received. This includes cash, special discounts, offers of employment (to both Port Authority Employees and their family members), meals, alcoholic beverages, entertainment, sports tickets, hotel accommodations or transportation.

The Code's strict prohibition on gifts, gratuities and favors between Port Authority Employees and Vendors or Vendors' Employees is designed:

- ▶ To safeguard against the possibility that Vendors, Vendors' Employees, or Port Authority Employees might abuse their positions to the detriment of the public; and
- ▶ To avoid even the appearance of any impropriety that might undermine public confidence and trust.

This Zero-Tolerance Policy applies regardless of actual intentions. In other words, even if a gift, gratuity or favor does not, or is not intended to, influence an action or decision by a Port Authority Employee, it is prohibited by this Code.

There are a few limited items which do not constitute “anything of value” and therefore are not subject to this Code’s Zero-Tolerance Policy on gifts and gratuities:

- ▶ It is generally permissible to publicly present a modest award, plaque, or small ceremonial item to mark a special achievement or retirement;
- ▶ It is generally permissible to occasionally offer an item of nominal or trivial value such as a cup of coffee on the job, card on a birthday, or small branded items such as pencils or pens;
- ▶ It is generally permissible to offer Port Authority Employees discounts that are broadly and widely available to the general public or to all employees of any entity located at a particular Port Authority facility, as provided in a concessions agreement or other lease;
- ▶ And, finally, at a business meeting being held for a bona fide business purpose, nominal refreshments can generally be offered to Port Authority Employees, such as non-alcoholic beverages and modest snacks.

This Code strictly prohibits all acts of extortion, commercial or governmental bribery or kickbacks involving Vendors or Vendors’ Employees on Port Authority Premises or in connection with Port Authority business, regardless of whether Port Authority Employees are involved. Any act of extortion, commercial or governmental bribery, or kickbacks threatens public safety and security as well as the orderly administration of Port Authority Premises. Such acts may also be violations of federal, state or local law. All allegations of extortion, bribery or kickbacks must be reported immediately to the Port Authority’s Office of Inspector General.

Fair Employment Practices

In connection with work they are performing on behalf of the Port Authority, Vendors and Vendors’ Employees must not:

- ▶ Discriminate based on any legally protected characteristic, including age, disability, ethnicity, gender, genetic information, marital status, national origin, political affiliation, pregnancy, race, religion, sexual orientation, gender identity, veteran status, military status, or union membership.
- ▶ Engage in sexual harassment.
- ▶ Charge workers recruitment fees or knowingly employ workers through an agency charging workers such fees — though it is permissible to make use of a hiring agency that itself charges fees, so long as the fees are not passed on to workers.
- ▶ Fail to promptly pay wages and benefits.

Vendors and Vendors’ Employees must treat all members of the public with whom they come into contact with respect and dignity and must take no action that endangers the safety, health or well-being of any member of the public. Consistent with the need to promote public safety and the orderly administration of Port Authority Premises, Vendors and Vendors’ Employees must also treat all individuals working on Port Authority business or Premises (regardless of the individuals’ respective employers) with dignity and respect, and must take no action that endangers the safety, health or well-being of any other worker.

Protected Information

A Vendor may sometimes be given access by the Port Authority to non-public information that is related to the business or operations of the Port Authority, including information relating to security or public safety. Such information is generally labeled either “Confidential” or “Confidential and Privileged” (collectively, “Protected Information”).

Vendors and Vendors’ Employees must never use Protected Information for any purposes other than complying with their contractual obligations to the Port Authority, or with applicable law and regulations. Vendors and Vendors’ Employees must never disclose Protected Information to any member of the public, or to a Vendor’s other business partners, unless required to do so by subpoena, public information request or other legal process. If there is a possibility that Protected Information may be provided in response to a legal requirement, the Port Authority should be given ample notice and an opportunity to be heard, to the extent doing so is lawful, so that the Port Authority may determine how to proceed.

All Vendors and Vendors’ Employees given access to Protected Information by the Port Authority must comply with the provisions of the Port Authority Information Security Handbook (the “Handbook”) concerning the permitted uses and treatment of Protected Information. **The Handbook may be accessed at <http://www.panynj.gov/business-opportunities/pdf/corporate-information-security-handbook.pdf>.**

Federal and state law, including securities laws and trade secrets laws, impose strict limits on the ability of anyone to make use of confidential information. These limits are enforced in a number of ways, including by means of criminal punishments. Vendors and Vendors’ Employees are responsible for understanding and following federal and state laws with respect to the use and disclosure of confidential information.

Intellectual Property

In connection with promotional or marketing materials, a Vendor or Vendor’s Employee cannot use the Port Authority’s name or logo, or any images of Port Authority Employees or property.

Should a vendor seek to make use of such materials, explicit permission must first be obtained from the Manager of the Integrity, Compliance and Contract Review section of the Port Authority’s Procurement Department. An email detailing the request should be sent to procurement_compliance@panynj.gov.

Port Authority Information Technology

During the course of performance of work for the Port Authority, some Vendors or Vendors' Employees may be given access by the Port Authority to Port Authority information technology ("Port Authority IT"), as necessary for the business purposes of the Port Authority, and only if they comply with applicable rules and regulations. Port Authority IT includes but is not limited to:

- ▶ Servers, desktop computers, software, peripherals, data storage devices, desktop phones (including VOICE over IP or VoIP) and smartphones, phone numbers, laptop computers, tablets, kiosks, terminals and other electronic devices;
- ▶ Computer networks, including Wi-Fi and virtual private networks ("VPN"); and
- ▶ Software, databases and any other means of automated information exchange or data access.

Port Authority IT must be used by Vendors and Vendors' Employees only for purposes of carrying out operations required by or permitted by their respective agreement(s), and for no other purpose. No Vendor or Vendor's Employee may conduct personal or non-Port Authority-related business using any Port Authority IT.

Vendors or Vendors' Employees must not access or attempt to access portions of the Port Authority's computer network, databases, digital records or information, except as necessary for the business purposes for which access was granted by an authorized Port Authority Employee.

Without explicit and specific permission from an authorized Port Authority Employee:

- ▶ Passwords provided to a Vendor or Vendor's Employee may not be shared with any other entity or person;
- ▶ No external device may be plugged into or connected to a Port Authority computer network;
- ▶ No data may be removed from the Port Authority's computer network; and
- ▶ No electronic data may be removed from Port Authority Premises.

The Port Authority reserves the right to inspect, monitor, and/or log all activities conducted using Port Authority IT without providing prior notice or subsequent notification that it has done so. Vendors or Vendors' Employees have no expectation of privacy when using or accessing Port Authority IT.

Employment of Former Port Authority Employees

Current or former employees are obligated under the Employee Code of Ethics and Port Authority policies not to work on certain Port Authority-related matters as follows:

- ▶ For a period of one year following their departure from the Port Authority, they may not work as an employee, agent, consultant, principal, or expert witness on behalf of any third party on any transaction or other matter in which the Port Authority is a party or has a direct and substantial interest;
- ▶ For a period of two years following their departure from the Port Authority, they may not act as an employee, agent, consultant or principal on behalf of any third party in connection with a solicitation, bid or proposal for any new contract or business arrangement with the Port Authority. The two-year bar applies only to solicitation activities; and
- ▶ They may never work as an employee, agent, consultant, principal, or expert witness on behalf of any third party on any transaction or other matter in which (a) the Port Authority is a party or has a direct and substantial interest; and (b) they participated, directly or indirectly, while employed by the Port Authority.

Vendors are of course free to hire current or former Port Authority Employees. However, Vendors are prohibited by this Code from requiring a current or former Port Authority employee to perform work that the Vendor knows or has reason to know would cause the employee to breach the ethical obligations described above. Any waiver of a current or former Port Authority employee's post-employment ethical obligations must be obtained by that employee through the Port Authority Ethics Board's waiver process. If the Vendor has any questions about this process, or wants to confirm that waivers have been appropriately obtained, they may write to the General Counsel of the Port Authority or his or her designee prior to the commencement of work which could cause a breach.

For the purpose of the above, "employment" includes any full-time or part-time work undertaken for the benefit of the Vendor, or under the direction or control of the Vendor.

Duty to Report Misconduct and to Cooperate

Vendors and Vendors' Employees are required to immediately report to the Port Authority any information they acquire concerning a violation or any potential violation of this Code or of law or regulations pertaining to their work on behalf of the Port Authority. Vendors and Vendors' Employees also have a duty to immediately report to the Port Authority if they become aware of any activities on Port Authority Premises involving any person or persons that might constitute a crime or other violation of law, or which might threaten public safety, including but not limited to physical violence or harm, and must actively cooperate in any investigations or audits conducted by the Port Authority.

Under the Port Authority's False Claims Policy, the Port Authority has expressed its commitment as a public agency to safeguard the public's money. If Vendors or Vendors' Employees help to identify a financial fraud affecting the Port Authority, the agency is prepared to recognize and reward that help by sharing any financial recovery that the Port Authority achieves.

How to Report

In the case of concerns that violence may be imminent, immediately call 911.

Concerns involving possible fraud, waste or abuse should be raised by promptly calling or e-mailing the Port Authority's Office of Inspector General. Reports to the Office of Inspector General will be treated as confidential to the maximum extent possible consistent with the need to conduct a prompt and thorough investigation. The Office of Inspector General also accepts anonymous reports.

Cases not involving alleged fraud, waste or abuse, such as discrimination or harassment, may be reported via the Port Authority's Voice of the Employee (VOICE) helpline or webpage. VOICE reports may be made anonymously if preferred. Such complaints may also be made to the Office of Ethics and Compliance. Contact information for making reports to the Port Authority is set out on the final page of this Code.

Questions as to how the Code applies in a particular circumstance should be directed in the first instance to the Port Authority's Office of Inspector General or to the Office of Ethics and Compliance.

No Retaliation

To facilitate reporting, this Code strictly forbids all Vendors and Vendors' Employees from taking any retaliatory action against individuals who make such reports.

What is "retaliatory action"?

Retaliatory action is any adverse job-related action taken by, or at the direction or request of, a Vendor or a Vendor's Employee as a result of any individual's (1) good-faith report with respect to a violation or potential violation of this Code or the law; or (2) cooperation in any investigation of misconduct conducted by the Port Authority or by federal, state, or local law enforcement officials.

"Adverse job-related action" has a broad meaning. It includes any material alteration to existing terms, conditions, and privileges of employment, such as dismissal, demotion, suspension, compulsory leave, disciplinary action, creation of a hostile work environment, negative performance evaluation, any action resulting in loss of staff, office space or equipment or other benefit, reduction in compensation, failure to appoint, failure to promote, or any transfer or assignment or failure to transfer or assign against the wishes of the affected employee.

Vendors and Vendors' Employees must actively cooperate in any investigations or audits conducted by the Port Authority.

Any retaliatory action as defined by this Code will be treated as a violation of this Code at least as serious as the underlying issue reported, if not more so.

Vendors' Duties

Duty with Respect to Employee Violations of this Code

Upon learning that a Vendor's Employee has violated this Code, the Vendor must immediately notify the Port Authority Office of Inspector General. **A Vendor's Employee who has violated this Code must immediately be prevented from participating in any further work on behalf of the Port Authority, unless and until the Port Authority issues a contrary directive.**

Duty with Respect to an Effective Compliance Program

Vendors are expected to have procedures and policies in place to promote compliance with this Code and the law.

The Port Authority will not prescribe the details of how a compliance program should function. Different circumstances may call for different programs.

Upon request by the Port Authority's Office of Inspector General, a Vendor must provide a written description of the compliance program that it is relying on in connection with its work for the Port Authority. The Office of Inspector General will assess the Vendor's program, with due regard to the size of the relevant Port Authority project and any integrity risks that are specific to the industry in which the Vendor is operating. The Port Authority reserves the right to request changes in a Vendor's compliance program to assure that it is sufficiently rigorous.

Incorporation of Terms

If the Port Authority enters into an agreement with a Vendor, or renews, extends or amends an existing agreement, it is on the understanding that the Vendor has read and agreed to abide by the Code, and the Code is hereby made a part of any such agreement.

Penalties

Violations of the law or of this Code may subject a Vendor or a Vendor's Employees to civil or criminal penalties.

In addition, in the case of violation of any provision of the law or this Code, the Port Authority may pursue any available remedy, including, but not limited to, determining that a Vendor is in material breach of its contract and/or that, in the future, the Port Authority will have no further commercial dealings with the Vendor. Violations of this Code may be reported to federal, state or local law enforcement officials as appropriate.

To Make a Report:

Office of Inspector General

5 Marine View Plaza - Suite 502

Hoboken, NJ 07030

HOTLINE: 973-565-4340

FAX: 973-565-4307

InspectorGeneral@panynj.gov

The Voice of the Employee ("VOICE") Helpline

Available 24/7, administered by a third-party vendor to ensure anonymity, if preferred

PHONE: 866-279-6844

ONLINE: <https://panynjvoice.tnwreports.com>

Office of Ethics and Compliance

4 World Trade Center

150 Greenwich Street

New York, New York 10007

PHONE: 212-435-6607

ethicscompliance@panynj.gov

4 World Trade Center
150 Greenwich Street
New York, NY 10007

www.panynj.gov

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