

MANAGING RISK

RELIANCE[™]
AEROTECH SERVICES



“We work with customers through our Aviation Staffing Firm (ASF) Audit process to provide education on how to effectively work with contracted workforces to increase return on investment.”

Ron Jordan
General Manager
Aircraft Technology Magazine



Do You Know Your Staffing Risk Factors?

Recent fines by the FAA for aircraft repair stations violating employee screening regulations raises an important question for maintenance organizations that outsource staffing services. Do you know your risk factors with your vendors?

Our experience talking with aircraft maintenance and HR managers would indicate no. As many as half of the managers we talk with are unsure or do not know what types of insurance their contract labor firms carry. And a significant number of maintenance organizations accepted contractors from staffing firms without thorough screening investigations.

So what do you need to know about your staffing firm to ensure you're not putting your maintenance organization at risk?

Four Things You Absolutely Need To Know About Your Aviation Staffing Firm

1. Do they have aircraft liability insurance? Aviation specialists like Reliance Aerotech Services maintain a comprehensive aviation liability policy that includes hangar keeper's coverage and aviation products liability. If your supplier of contract labor only has a general business liability policy, you're putting your maintenance organization at risk. Insurance is there for a good reason – accidents happen. Make certain your vendor has you covered if one should happen in your facility.

2. How do they screen for worker status? Federal officials are putting closer scrutiny on the people in maintenance organizations to ensure the safety and security of the air transportation industry. And there is a lot to check. Criminal history, drug use, skills, qualification standards, FAA standing, and legal worker status. And that's just the start. Make certain the staffing firm you use undertakes the full screening necessary to ensure the contractors in your facility won't land you on the wrong side of the law.

3. Do their "creative" payroll practices put you at risk? Here's one that can hurt your company in the pocket book. There are some staffing organizations that classify their workers as 1099 Independent Contractors. Others fail to comply with labor law mandates such as the Service Contract Act or pay non-taxable "per diem" as part of their employee overtime compensation to avoid paying taxes on overtime hours. What's the big deal? Plenty. This can embroil your organization in a costly legal battle over workplace injury claims, overtime pay and income tax rules. And history shows it's a battle you're going to lose. As the Joint Employer of the assigned workers, you're responsible. Make certain the contractors in your facility are properly classified and compensated.

DEPENDABLE AVIATION SOLUTIONS

4. What is the financial strength of their company? With tight maintenance schedules and stiff penalties for late delivery you can hardly afford to have your contracted workforce go AWOL. But it happens when staffing firms can't meet payroll obligations. Make certain the staffing firm you use is professional, well-capitalized and ready to be with you for the long term.

Mitigate Risk with the Aviation Staffing Firm (ASF) Audit

Reliance Aerotech Services has developed the Aviation Staffing Firm (ASF) Audit to help maintenance organization's navigate this maze of questions to ensure they're not at risk with their staffing program. The ASF Audit guides organizations through the key questions they need to ask staffing firms regarding insurance liability, FAA compliance, quality assurance and screening procedures, and the paper work they need to receive from these vendors to confirm that the answers they are being given are correct.

Only through a clear, methodical audit process can you be certain you're not putting your maintenance organization at risk when you engage a staffing firm in your facility.

To request your copy of the Aviation Staffing Firm Audit please go to www.reliance.aero



To learn more about how to mitigate risk with your aviation staffing program, please contact:

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