

IMPACT STATEMENT

Legislation title: Direct the Office of Management and Finance and the Office of Equity and Human Rights to develop a Community Opportunities and Enhancements Program and funding plan. (Resolution)

Contact name: Jamie Waltz

Contact phone: 3-5253

Presenter name: Dante James, Tom Rinehart, Christine Moody

Purpose of proposed legislation and background information:

The City of Portland is committed to increasing diversity and equity in contracting, and has a variety of programs and strategies to provide opportunities for minority and women workforce and disadvantaged, minority-owned, women-owned, and emerging small businesses.

All City projects for construction services benefit from ongoing City investments in workforce training, contractor development, technical assistance, and apprenticeship and pre-apprenticeship programs. The Community Opportunities and Enhancements Program will allow the City to provide ongoing funding, collected as a percentage contribution from all public improvement construction contracts, to support these efforts on an ongoing basis.

The Community Equity and Inclusion Plan (CEIP), to be adopted by Council at the same time as this resolution, is intended to establish a single, consistent equity plan that is used for public improvement construction contracts valued at or above \$10 million using an alternative contracting method. This resolution complements the CEIP by directing the Office of Management and Finance (OMF), with the Office of Equity and Human Rights (OEHR), to establish a Community Opportunities and Enhancements Program (COEP) and funding plan that can support many of the City's social equity contracting goals as well as the goals required under the CEIP.

This resolution directs OMF and OEHR to develop a plan for the program and fund allocation and the administrative mechanisms for fund disbursement.

Financial and budgetary impacts:

This legislation will be applied to all public improvement construction contracts. The specific percentage collected per project will be determined through the development process. In previous agreements at OMF, Parks and Recreation, and the Water Bureau, 1% of hard construction costs has been allocated for these purposes. With a requirement that all public improvement construction contracts participate, one percent could generate significant ongoing funds for this purpose. The resolution directs OMF to work with the CBO and infrastructure bureaus to establish mechanisms for the collection and administration of funds derived from one percent of all public improvement construction contracts which will be used to support these purposes.

In addition to the collection of the funds, there will be administrative costs to administer, manage and oversee the funds and the grants. Program funding will need to come from the collections.

Community impacts and community involvement:

Through the proposed COEP and CEIP, the City of Portland has a unique opportunity to be creative about minority and women contracting goals and activities. The City has a responsibility to counteract the historical disparities that exist in the construction industry, which has prevented equity in construction contracting opportunities for minorities and women. Effort is needed to facilitate the entry of historically disadvantaged or underrepresented people, including racial and ethnic minorities, women, and low-income people, who are interested in careers in the construction industry. The City has a goal of increasing apprenticeship opportunities on public projects and ensuring successful completion and retention of workers in the trades. The COEP can help support these goals and activities.

Public input and community involvement has been conducted on the Community Equity and Inclusion Plan (CEIP). The community has not been explicitly engaged on the COEP, but this approach is not new to the City, and is consistent with feedback received on the draft CEIP regarding the importance of dedicating funding for technical assistance and workforce development.

The City has had experience with these types of funds as the Portland Water Bureau (PWB) has allocated funds from the two Community Benefits Agreement pilot projects (Powell Butte and Interstate Maintenance Facility) and Procurement Services and Portland Parks and Recreation collaborated on distributing funds from two Parks' projects using Community Benefits Plans. Currently PWB has funds to allocate for the Washington Park Reservoir Project; OMF has allocated funds for the Portland Building Reconstruction; and PBOT has allocated funds for the 10th and Yamhill Garage Project. These projects will serve as a foundation and starting point for development of the COEP as a Citywide program.

The City is also establishing a Community Equity and Inclusion Committee (CEIC) through the Community Equity and Inclusion Partnership Agreement as part of the resolution directing implementation of the CEIP. One of the roles of the CEIC will be to provide suggestions and advice on potential uses of the COEP. The ongoing assessment of contractors' efforts under the CEIP for large contracts will also inform where there are gaps in availability, capacity and skills.

Budgetary Impact Worksheet**Does this action change appropriations?**☐ **YES:** Please complete the information below.☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount