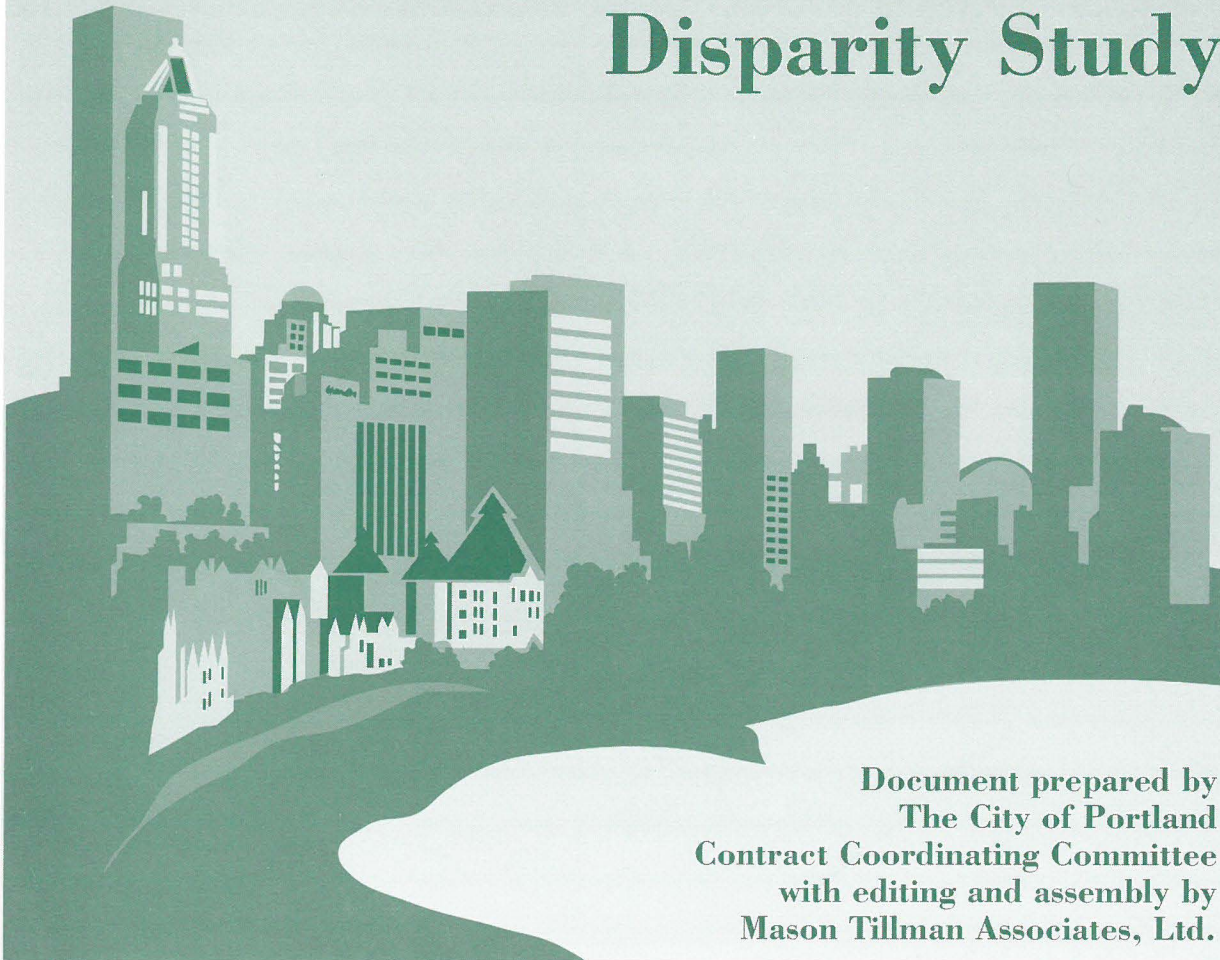


**Fair Contracting and
Employment Strategy:
The City of Portland's
Response to the Oregon
Regional Consortium
Disparity Study**



**Document prepared by
The City of Portland
Contract Coordinating Committee
with editing and assembly by
Mason Tillman Associates, Ltd.**



Barbara Clark
B131/R401

City of Portland
Vera Katz
Mayor

To: City Council
Executive Assistants
Bureau Managers
Portland Development Commission
Contract Coordinating Committee
Fair Contracting and Employment Forum

From: Dave O'Brien
Office of the Mayor

Date: January 21, 1997

Re: Page Replacements for Fair Contracting and Employment Strategy

Due to an error in the transfer of electronic files, the budget spreadsheets on pages 64 through 68 of the Fair Contracting and Employment Strategy are inaccurate. Attached are the correct spreadsheets for this part of the Funding Plan chapter. Please replace the existing pages 64 through 68 with the corrected ones enclosed here. I apologize for the inconvenience.

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Table H
Contractor Development Division, Bureau of Purchases
Proposed Summary Budget

| | Table I | Table J | Table K | Table L |
|---------------------------|--------------------|------------------------------------|---------------------|----------------------------|
| | FY 96-97 BUDGET | Mid Year Adjustment FY 96-97 | Revised FY 96-97 | FY 97-98 Add Package |
| 511000-FULL TIME EMPLOYEE | \$272,947 | \$12,963 | \$285,910 | \$68,809 |
| 512000-PART TIME/LIMITED | \$0 | \$0 | \$0 | \$0 |
| 514000-OVERTIME | \$0 | \$0 | \$0 | \$0 |
| 515000-PREMIUM PAY | \$0 | \$0 | \$0 | \$0 |
| 517000-BENEFITS | \$97,081 | \$4,537 | \$101,618 | \$24,083 |
| 518000-PAID ABSENCE | \$0 | \$0 | \$0 | \$0 |
| TOTALS | \$370,028 | \$17,500 | \$387,528 | \$92,892 |

| | |
|-----------------------|-------------|
| FTE Allocation | 6.00 |
|-----------------------|-------------|

| | Table I | Table J | Table K | Table L |
|--------------------------------------|-----------------|------------------|------------------|------------------|
| 521000-PROFESSIONAL SERVICES | \$10,000 | \$32,000 | \$42,000 | \$420,000 |
| 524000-REPAIR & MAINTENANCE | \$0 | \$0 | \$0 | \$0 |
| 529000-MISCELL. SERVICES | \$22,270 | \$10,270 | \$32,540 | \$5,000 |
| 531000-OFFICE SUPPLIES | \$1,530 | \$0 | \$1,530 | \$304 |
| 539000-OTHER COMMODITIES | \$4,000 | \$39,383 | \$43,383 | \$0 |
| 541000-EDUCATION | \$5,800 | \$0 | \$5,800 | \$3,000 |
| 542000-LOCAL TRAVEL | \$200 | \$0 | \$200 | \$0 |
| 543000-OUT OF TOWN TRAVEL | \$5,000 | \$0 | \$5,000 | \$0 |
| 546000-REFUNDS | \$0 | \$0 | \$0 | \$0 |
| 549000-MISCELLANEOUS | \$0 | \$24,758 | \$24,758 | \$55,000 |
| TOTAL EXTERNAL MAT & SERV | \$48,800 | \$106,411 | \$155,211 | \$483,304 |

| | |
|-----------------------|-------------|
| FTE Allocation | 8.00 |
|-----------------------|-------------|

| | Table I | Table J | Table K | Table L |
|--------------------------------------|-----------------|------------------|------------------|------------------|
| 551000 FLEET SERVICES | \$1,000 | \$78 | \$1,078 | \$169 |
| 552000-PRINTING/DISTRIBUTION | \$5,000 | \$0 | \$5,000 | \$0 |
| 553000-FACILITIES SERVICES | \$0 | \$1,100 | \$1,100 | \$0 |
| 554000-COMMUNICATIONS | \$0 | \$1,250 | \$1,250 | \$1,325 |
| 555000-DATA PROCESSING | \$0 | \$0 | \$0 | \$0 |
| 556000-INSURANCE | \$0 | \$0 | \$0 | \$0 |
| 557000-EQUIPMENT LEASE | \$0 | \$0 | \$0 | \$0 |
| 558000-INTRA FUND SERVICES | \$0 | \$0 | \$0 | \$0 |
| 559000-OTHER FUND SERVICES | \$0 | \$0 | \$0 | \$0 |
| TOTAL INTERNAL MAT & SERV | \$6,000 | \$2,428 | \$8,428 | \$1,494 |
| TOTAL MATERIALS AND SERV | \$54,800 | \$108,839 | \$163,639 | \$484,798 |

| | | | | |
|-----------------------------|------------|------------|------------|------------|
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 |
|-----------------------------|------------|------------|------------|------------|

| | | | | | |
|----------------------------|------------------|------------------|------------------|------------------|--------------------|
| TOTAL APPROPRIATION | \$424,828 | \$126,339 | \$551,167 | \$577,690 | \$1,016,488 |
|----------------------------|------------------|------------------|------------------|------------------|--------------------|

Table I
Contractor Development Division, Bureau of Purchases
Adopted 1996-97 Budget

| Budget Distribution by Fair Contracting Strategy Goals | | | | | | |
|--|--------------------|------------------------------|--------------------------------------|---------------------------------|------------------------------|------------------|
| | FY 96-97 BUDGET | Contracting Opportunities | Technical Financial Assistance | Monitoring and Compliance | Standards and Training | Employment |
| 511000-FULL TIME EMPLOYEE | \$272,947 | \$65,962 | \$4,549 | \$129,650 | \$4,549 | \$68,237 |
| 512000-PART TIME/LIMITED | \$0 | | | | | |
| 514000-OVERTIME | \$0 | | | | | |
| 515000-PREMIUM PAY | \$0 | | | | | |
| 517000-BENEFITS | \$97,081 | \$23,461 | \$1,618 | \$46,113 | \$1,618 | \$24,270 |
| 518000-PAID ABSENCE | \$0 | | | | | |
| TOTALS | \$370,028 | \$89,423 | \$6,167 | \$175,763 | \$6,167 | \$92,507 |
| FTE Allocation | 6.00 | 1.45 | 0.10 | 2.85 | 0.10 | 1.50 |
| 521000-PROFESSIONAL SERVICES | \$10,000 | | | \$10,000 | | |
| 524000-REPAIR & MAINTENANCE | \$0 | | | | | |
| 529000-MISCELL. SERVICES | \$22,270 | \$17,270 | | | | \$5,000 |
| 531000-OFFICE SUPPLIES | \$1,530 | \$370 | \$26 | \$727 | \$26 | \$383 |
| 539000-OTHER COMMODITIES | \$4,000 | \$2,000 | | | | \$2,000 |
| 541000-EDUCATION | \$5,800 | \$800 | | \$3,000 | | \$2,000 |
| 542000-LOCAL TRAVEL | \$200 | \$200 | | | | |
| 543000-OUT OF TOWN TRAVEL | \$5,000 | | | \$5,000 | | |
| 546000-REFUNDS | \$0 | | | | | |
| 549000-MISCELLANEOUS | \$0 | | | | | |
| TOTAL EXTERNAL MAT & SERV | \$48,800 | \$20,640 | \$26 | \$18,727 | \$26 | \$9,383 |
| 551000 FLEET SERVICES | \$1,000 | \$242 | \$17 | \$475 | \$17 | \$250 |
| 552000-PRINTING/DISTRIBUTION | \$5,000 | \$2,500 | | \$1,000 | | \$1,500 |
| 553000-FACILITIES SERVICES | \$0 | | | | | |
| 554000-COMMUNICATIONS | \$0 | | | | | |
| 555000-DATA PROCESSING | \$0 | | | | | |
| 556000-INSURANCE | \$0 | | | | | |
| 557000-EQUIPMENT LEASE | \$0 | | | | | |
| 558000-INTRA FUND SERVICES | \$0 | | | | | |
| 559000-OTHER FUND SERVICES | \$0 | | | | | |
| TOTAL INTERNAL MAT & SERV | \$6,000 | \$2,742 | \$17 | \$1,475 | \$17 | \$1,750 |
| TOTAL MATERIALS AND SERV | \$54,800 | \$23,381 | \$42 | \$20,202 | \$42 | \$11,133 |
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL APPROPRIATION | \$424,828 | \$112,805 | \$6,209 | \$195,965 | \$6,209 | \$103,640 |

Notes:

- A. Staff time attributed to Monitoring and Compliance have been primarily working on Disparity Study data collection and response during FY 1996-97.
 - B. Additional internal services (data processing, facilities, rent, etc.) are not included.
- Amounts are budgeted in Bureau 31910001.

Table J
Contractor Development Division, Bureau of Purchases
Proposed FY 1996-97 Budget - Mid Year Adjustment

| | Mid Year Adjustment FY 96-97 | Budget Distribution by Fair Contracting Strategy Goals | | | | | One-Time Start-up Costs Included in Adjustment |
|--------------------------------------|------------------------------------|--|--------------------------------------|---------------------------------|------------------------------|--------------|---|
| | | Contracting Opportunities | Technical Financial Assistance | Monitoring and Compliance | Standards and Training | Employment | |
| 511000-FULL TIME EMPLOYEE | \$12,963 | | | \$12,963 | | | |
| 512000-PART TIME/LIMITED | \$0 | | | | | | |
| 514000-OVERTIME | \$0 | | | | | | |
| 515000-PREMIUM PAY | \$0 | | | | | | |
| 517000-BENEFITS | \$4,537 | | | \$4,537 | | | |
| 518000-PAID ABSENCE | \$0 | | | | | | |
| TOTALS | \$17,500 | \$0 | \$0 | \$17,500 | \$0 | \$0 | \$0 |
| 521000-PROFESSIONAL SERVICES | \$32,000 | | \$25,000 | | \$7,000 | | \$7,000 |
| 524000-REPAIR & MAINTENANCE | \$0 | | | | | | |
| 529000-MISCELL. SERVICES | \$10,270 | | | \$10,270 | | | \$10,270 |
| 531000-OFFICE SUPPLIES | \$0 | | | | | | |
| 539000-OTHER COMMODITIES | \$39,383 | \$2,164 | | \$37,219 | | | \$39,383 |
| 541000-EDUCATION | \$0 | | | | | | |
| 542000-LOCAL TRAVEL | \$0 | | | | | | |
| 543000-OUT OF TOWN TRAVEL | \$0 | | | | | | |
| 546000-REFUNDS | \$0 | | | | | | |
| 549000-MISCELLANEOUS | \$24,758 | | | \$24,758 | | | \$24,758 |
| TOTAL EXTERNAL MAT & SERV | \$106,411 | \$2,164 | \$25,000 | \$72,247 | \$7,000 | \$0 | \$81,411 |
| 551000 FLEET SERVICES | \$78 | \$0 | | \$78 | | | |
| 552000-PRINTING/DISTRIBUTION | \$0 | | | | | | |
| 553000-FACILITIES SERVICES | \$1,100 | \$266 | \$18 | \$523 | \$18 | \$275 | \$1,100 |
| 554000-COMMUNICATIONS | \$1,250 | \$302 | \$21 | \$594 | \$21 | \$313 | \$1,250 |
| 555000-DATA PROCESSING | \$0 | | | | | | |
| 556000-INSURANCE | \$0 | | | | | | |
| 557000-EQUIPMENT LEASE | \$0 | | | | | | |
| 558000-INTRA FUND SERVICES | \$0 | | | | | | |
| 559000-OTHER FUND SERVICES | \$0 | | | | | | |
| TOTAL INTERNAL MAT & SERV | \$2,428 | \$568 | \$39 | \$1,195 | \$39 | \$588 | \$2,350 |
| TOTAL MATERIALS AND SERV | \$108,839 | \$2,732 | \$25,039 | \$73,442 | \$7,039 | \$588 | \$83,761 |
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL APPROPRIATION | \$126,339 | \$2,732 | \$25,039 | \$90,942 | \$7,039 | \$588 | \$83,761 |

Table K
Contractor Development Division, Bureau of Purchases
Proposed FY 1997-98 Budget Add Package

Budget Distribution by Fair Contracting Strategy Goals

| | FY 97-98 Add Package | Contracting Opportunities | Technical Financial Assistance | Monitoring and Compliance | Standards and Training | Employment |
|--------------------------------------|-------------------------------------|--------------------------------------|---|--|---------------------------------------|-------------------|
| 511000-FULL TIME EMPLOYEE | \$68,809 | \$10,321 | \$20,643 | \$17,202 | \$20,643 | \$0 |
| 512000-PART TIME/LIMITED | \$0 | | | | | |
| 514000-OVERTIME | \$0 | | | | | |
| 515000-PREMIUM PAY | \$0 | | | | | |
| 517000-BENEFITS | \$24,083 | \$3,612 | \$7,225 | \$6,021 | \$7,225 | \$0 |
| 518000-PAID ABSENCE | \$0 | | | | | |
| TOTALS | \$92,892 | \$13,934 | \$27,868 | \$23,223 | \$27,868 | \$0 |
| 521000-PROFESSIONAL SERVICES | \$420,000 | \$10,000 | \$300,000 | | \$110,000 | |
| 524000-REPAIR & MAINTENANCE | \$0 | | | | | |
| 529000-MISCELL. SERVICES | \$5,000 | | | \$5,000 | | |
| 531000-OFFICE SUPPLIES | \$304 | \$46 | \$91 | \$76 | \$91 | \$0 |
| 539000-OTHER COMMODITIES | \$0 | | | | | |
| 541000-EDUCATION | \$3,000 | | | \$3,000 | | |
| 542000-LOCAL TRAVEL | \$0 | | | | | |
| 543000-OUT OF TOWN TRAVEL | \$0 | | | | | |
| 546000-REFUNDS | \$0 | | | | | |
| 549000-MISCELLANEOUS | \$55,000 | | | \$5,000 | | \$50,000 |
| TOTAL EXTERNAL MAT & SERV | \$483,304 | \$10,046 | \$300,091 | \$13,076 | \$110,091 | \$50,000 |
| 551000 FLEET SERVICES | \$169 | \$30 | | \$100 | | \$39 |
| 552000-PRINTING/DISTRIBUTION | \$0 | | | | | |
| 553000-FACILITIES SERVICES | \$0 | | | | | |
| 554000-COMMUNICATIONS | \$1,325 | \$199 | \$398 | \$331 | \$398 | \$0 |
| 555000-DATA PROCESSING | \$0 | | | | | |
| 556000-INSURANCE | \$0 | | | | | |
| 557000-EQUIPMENT LEASE | \$0 | | | | | |
| 558000-INTRA FUND SERVICES | \$0 | | | | | |
| 559000-OTHER FUND SERVICES | \$0 | | | | | |
| TOTAL INTERNAL MAT & SERV | \$1,494 | \$229 | \$398 | \$431 | \$398 | \$39 |
| TOTAL MATERIALS AND SERV | \$484,798 | \$10,274 | \$300,489 | \$13,507 | \$110,489 | \$50,039 |
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL APPROPRIATION | \$577,690 | \$24,208 | \$328,356 | \$36,730 | \$138,356 | \$50,039 |

Table L
Contractor Development Division, Bureau of Purchases
Proposed FY 1997-98 Budget

| | Budget Distribution by Fair Contracting Strategy Goals | | | | | |
|--------------------------------------|--|------------------------------|--------------------------------------|---------------------------------|------------------------------|------------------|
| | FY 97-98 Proposed Budget | Contracting Opportunities | Technical Financial Assistance | Monitoring and Compliance | Standards and Training | Employment |
| 511000-FULL TIME EMPLOYEE | \$355,867 | \$71,173 | \$17,793 | \$182,382 | \$22,242 | \$62,277 |
| 512000-PART TIME/LIMITED | \$0 | | | | | |
| 514000-OVERTIME | \$0 | | | | | |
| 515000-PREMIUM PAY | \$0 | | | | | |
| 517000-BENEFITS | \$124,553 | \$24,911 | \$6,228 | \$63,833 | \$7,785 | \$21,797 |
| 518000-PAID ABSENCE | \$0 | | | | | |
| TOTALS | \$480,420 | \$96,084 | \$24,021 | \$246,215 | \$30,026 | \$84,074 |
| FTE Allocation | 8.00 | 1.60 | 0.40 | 4.10 | 0.50 | 1.40 |
| 521000-PROFESSIONAL SERVICES | \$427,500 | \$12,500 | \$300,000 | \$5,000 | \$110,000 | |
| 524000-REPAIR & MAINTENANCE | \$0 | | | | | |
| 529000-MISCELL. SERVICES | \$27,270 | \$17,270 | | \$5,000 | | \$5,000 |
| 531000-OFFICE SUPPLIES | \$1,037 | \$207 | \$52 | \$531 | \$65 | \$181 |
| 539000-OTHER COMMODITIES | \$4,000 | \$2,000 | | | | \$2,000 |
| 541000-EDUCATION | \$8,800 | \$800 | | \$6,000 | | \$2,000 |
| 542000-LOCAL TRAVEL | \$200 | \$75 | | \$75 | | \$50 |
| 543000-OUT OF TOWN TRAVEL | \$5,000 | | | \$4,000 | | \$1,000 |
| 546000-REFUNDS | \$0 | | | | | |
| 549000-MISCELLANEOUS | \$57,000 | \$2,000 | | \$5,000 | | \$50,000 |
| TOTAL EXTERNAL MAT & SERV | \$530,807 | \$34,852 | \$300,052 | \$25,606 | \$110,065 | \$60,231 |
| 551000 FLEET SERVICES | \$719 | \$144 | \$36 | \$368 | \$45 | \$126 |
| 552000-PRINTING/DISTRIBUTION | \$4,000 | \$2,000 | \$450 | \$400 | \$150 | \$1,000 |
| 553000-FACILITIES SERVICES | \$542 | \$108 | \$27 | \$278 | \$34 | \$95 |
| 554000-COMMUNICATIONS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 555000-DATA PROCESSING | \$0 | | | | | |
| 556000-INSURANCE | \$0 | | | | | |
| 557000-EQUIPMENT LEASE | \$0 | | | | | |
| 558000-INTRA FUND SERVICES | \$0 | | | | | |
| 559000-OTHER FUND SERVICES | \$0 | | | | | |
| TOTAL INTERNAL MAT & SERV | \$5,261 | \$2,252 | \$513 | \$1,046 | \$229 | \$1,221 |
| TOTAL MATERIALS AND SERV | \$536,068 | \$37,105 | \$300,565 | \$26,653 | \$110,294 | \$61,452 |
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL APPROPRIATION | \$1,016,488 | \$133,189 | \$324,586 | \$272,868 | \$140,320 | \$145,526 |

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1

Executive Summary

To determine if and how discrimination has occurred in local public procurement processes, Portland Mayor Vera Katz proposed and the Portland City Council approved the execution of an Oregon Regional Consortium Disparity Study in February 1995. Completed in May 1996 in partnership with other local governments, the Study found that discrimination and bias have hindered the City's procurement process by documenting through both statistical analyses and anecdotal information that contracting and employment opportunities have not been fairly distributed to a broad spectrum of qualified minority, women-owned, and emerging small businesses. The Study also identified inefficiencies in the City's procurement system that limited the ability of all contractors, regardless of race or gender, to successfully bid and perform work for the City. The Fair Contracting and Employment Strategy was crafted in response to the Study's findings and recommendations for the City of Portland.

The Strategy outlines for the City of Portland a set of "Guiding Principles" that serve as a citywide policy foundation for efforts to improve contracting and employment opportunities for minority, women-owned, and emerging small businesses. These Guiding Principles articulate a vision and mission statement, governing values, goals, strategic outcomes, objectives, and performance measures to guide the actions of the City Council, City staff, and contractors.

The Strategy establishes as a unified vision the principle of "race and gender parity in the amount [the City] spends to procure goods and services by awarding contracts to a diverse and competitive group of local contractors while providing significant employment opportunities to minorities and women." Its mission is to "create a procurement system that is fair, efficient, effective, and accountable to all citizens while embracing the values and achieving the vision, goals, strategic outcomes, and objectives of the Fair Contracting and Employment Strategy."

The Strategy also includes an integrated citywide plan, called the "Contractor Development Program," to implement the Guiding Principles on a bureau operating level. To prevent needless bureaucracy, the Contractor Development Program has been developed as an overlay of the City's basic procurement process. A separate effort is underway to streamline and simplify this process, and as changes are implemented as part of this effort, the overlay approach of the Contractor Development Program will allow it to change easily as well.

Finally, the Strategy includes an Apprenticeship Employment Plan which responds to the companion Employment Study of the Oregon Regional Consortium Disparity Study. Acknowledging the importance of the nexus between apprenticeship/journeywork and construction business ownership,

this plan identifies several key elements to increase employment opportunities for minorities and women as well as some areas for further research and development.

The matrix presented as Table A below summarizes major problems identified in the Oregon Regional Consortium Disparity Study, the solutions to those problems contained within the Strategy, and the desired outcome of those efforts. It combines elements from the three major sections of the Fair Contracting and Employment Strategy identified above.

Table A—Fair Contracting and Employment Strategic Elements—Executive Summary

| Identified Problems | Proposed Solutions | Desired Outcomes |
|---|---|---|
| Lack of M/W/ESB Contractor Opportunities | <ul style="list-style-type: none"> ✓ Sheltered Market Program ✓ Direct Services Contracting ✓ Expanded Informal Contracting ✓ A&E Procurement Plan ✓ Reformed Good Faith Program | <ul style="list-style-type: none"> ★ Parity in number of contracts and dollars received by M/W/ESB firms ★ Expanded private sector use of M/W/ESB firms ★ Growth of market-ready M/W/ESB firms |
| Inadequate Financial, Bonding, and Technical Assistance for Contractors | <ul style="list-style-type: none"> ✓ Technology Pool ✓ Regional Mentoring Program ✓ Regional Bonding and Financial Solutions ✓ Coordinated Referral System | <ul style="list-style-type: none"> ★ Development of technical competence among M/W/ESB firms ★ Increased ability to obtain financial and bonding services |
| Poor Tracking, Monitoring, and Compliance | <ul style="list-style-type: none"> ✓ Monitoring of Actual Use ✓ Restrictions on Substitutions ✓ Uniform Data Collection ✓ Enforcement of Non-discrimination Policies | <ul style="list-style-type: none"> ★ Informed Decisions ★ Real penalties and rewards ★ Discrimination disclosed and addressed |
| No "Real" Program, Lack of Program Standards, Lack of Trained and Accountable Staff | <ul style="list-style-type: none"> ✓ Project Manager/ Inspector Training ✓ Centralized Monitoring ✓ Performance / Evaluation Standards ✓ Frequent Public Reporting | <ul style="list-style-type: none"> ★ Strong clear program, meeting customer needs ★ Increased accountability at all program levels ★ Continuous disparity update |
| Lack of Minority and Women Workers in the Construction Industry | <ul style="list-style-type: none"> ✓ Regional Workforce Development ✓ Continuation of Pressure to Enforce State Training Standards ✓ Expanded EEO Program | <ul style="list-style-type: none"> ★ Parity in number of minorities and women employed on City-funded construction contracts ★ Expanded private sector use of minorities and women in the workforce |

2

Introduction

Background

In its 1989 decision in *City of Richmond v. J.A. Croson Co.*, the United States Supreme Court decided that many traditional state and local affirmative action programs in the public contracting arena could be legally justified only by proof of systematic discrimination through statistical and anecdotal evidence. Additionally, in June 1995, the U.S. Supreme Court held in *Adarand v. Peña*, that federally funded race-conscious programs would need to satisfy the same standard of scrutiny as local and state programs. The statistical and anecdotal analysis involved in examining the predicate for affirmative action programs in public contracting has typically been undertaken in the context of what are called “Disparity Studies.”

The City of Portland eliminated its minority and women’s business goals program in 1989 as a result of the *Croson* decision. In 1993, Mayor Vera Katz gained Portland City Council approval and asked the City Attorney’s Office to initiate a disparity study as a response to the *Croson* decision. The City Attorney’s Office negotiated intergovernmental agreements with other Oregon governmental bodies, developed a request for proposals, conducted a national search, and selected a consultant to conduct what became a ten-government regional “disparity” study and companion “employment” study. The Employment Study aimed at researching the experiences of minorities and women in the regional construction trades. The combined studies are termed the “Oregon Regional Consortium Disparity Study,” and were researched and completed by Mason Tillman Associates, Ltd. of Oakland, California in 1995-96.

The purpose of these studies was to guide the Consortium members in formulating policies to improve opportunities for minorities and women acting as business owners and as workers in the regional construction industry. The studies addressed the letting of public construction and architecture and engineering (A&E) contracts and the participation of individual minorities and women in the construction trades. The Consortium members also sought a rigorous examination of the general effects of their procurement policies and practices on all contractors regardless of race or gender, with an eye toward systemic improvements in agency procurement systems for all contractors. The Consortium included the following governmental bodies:

- City of Portland
- Portland Development Commission
- Multnomah County

- Metro
- Oregon Department of Transportation (ODOT)
- Oregon Department of Administrative Services (ODAS)
- Oregon State System of Higher Education (OSSHE)
- Tri-County Metropolitan Transportation District (Tri-Met)
- Washington County
- City of Gresham

The Consortium encompassed two federally oriented agencies operating mainly federal “DBE” programs, three large state agencies, two municipalities, two county governments, a regional district with jurisdiction over the tri-county area, and the urban development agency. Each of the Consortium members had operated its own unique minority/women business programs during the study period, July 1, 1991 through June 30, 1994. Some operated both federal- and agency-specific programs.

The Oregon Regional Consortium Disparity Study examined the impact of different affirmative action programs on a community that shares a common history and contracting environment, allowing for a comparison of the effectiveness of program elements found in the various agencies. Agencies represented in the Consortium had implemented a variety of programs including M/WBE programs, DBE programs, emerging small business programs, programs requiring prime contractors to select subcontractors using good faith outreach processes, and programs that solely provide outreach to the M/WBE community. The unusual variation in these programs and the large number of participants in the study provided a unique opportunity to examine the effects of very different M/WBE programs and contracting systems on the minority-owned, woman-owned, emerging, and majority businesses operating in the Portland metropolitan area. The study of apprenticeship training and employment in the construction trades sought to examine whether those systems are affected by race or gender discrimination, how such systems could be improved, and whether a substantial nexus between apprenticeship/journey work and construction business ownership exists.

The 14-volume final report for the Disparity and Employment Studies gave each Consortium member a very serious look at internal and external obstacles to the successful participation of minorities and women in the regional construction industry as apprentices, journey workers, and business owners. (Note: An overview of these Study findings is found in the Executive Summary, Volume One of the Oregon Regional Consortium Disparity Study report.)

Problem Definition

The Study documents that, against the backdrop of a sustained and devastating pattern of historic discrimination in Oregon, both overt discrimination and more subtle forms of economic and social exclusion have made it difficult for minority and women-owned companies to survive and grow. The Study further demonstrates that strong historic barriers to construction trades training and employment for minorities and women have led to a virtual exclusion of minorities and women from the construction trades, a traditional route to construction industry business ownership. Race and gender-based barriers, however, are not the only problems identified in the studies. Inadequate compliance and data tracking systems, inconsistencies in enforcement of various state regulatory requirements, and generalized burdens posed by overlapping procurement processes and systems are also identified problems that impede the efficiency of the public procurement process overall. In the end, sufficient evidence has been documented in the Study to warrant and justify the

implementation of minority women-owned and emerging small business programs and improved basic public procurement processes within all Consortium bodies.

Each Consortium member received over 100 recommendations many of which were common to all members, others of which were tailored specifically to individual Consortium members, for review and consideration. These recommendations covered areas as diverse as detailed data tracking and compliance, legislative changes, and minority/women/emerging small business developmental programs. The recommendations provided specifically to the City of Portland are attached to this document as Exhibit C.

Partners

The Fair Contracting and Employment Strategy was developed during a nine-month collaborative process from June 1996 to February 1997.

The Portland City Council vested primary responsibility for crafting the Strategy with the Contract Coordinating Committee (C3). The process was facilitated by the Office of the Mayor with lead staffing from the Contractor Development Division of the Bureau of Purchases and the Office of the City Attorney.

The Contract Coordinating Committee includes representatives from each of the City's major operating bureaus: Office of the Auditor, City Attorney's Office, Office of Finance and Administration, Bureau of Environmental Services, Bureau of General Services, Office of Governmental Relations, Bureau of Housing and Community Development, Bureau of Parks and Recreation, Portland Development Commission, Bureau of Transportation/Engineering, and the Bureau of Water Works. The Contract Coordinating Committee also includes representatives from each of the City Commissioner's offices and Multnomah County.

The Strategy was also drafted in consultation with the Mayor's Fair Contracting and Employment Forum, a diverse group of public contracting stakeholders composed of representatives from Associated Builders and Contractors, Associated General Contractors, Black Contractors' Alliance, Hispanic Metropolitan Chamber of Commerce, National Association of Minority Contractors, Oregon Association of Minority Entrepreneurs, Oregon Native American Business and Entrepreneurial Network, Oregon State Building Trades Council, Oregon Tradeswomen Network, Urban League of Portland, Women's Construction Owners and Executives, business consulting firms, and several local minority and women-owned businesses. The Forum reviewed numerous drafts of the Strategy and provided invaluable customer-focused feedback at all stages of the document's development.

Finally, draft elements of the Strategy were also discussed with various stakeholders during numerous community outreach meetings. These meetings were strategically targeted to representatives from local banks, contractor technical assistance providers, surety companies, large prime contractors, certified minority, women, and emerging small businesses, regional Consortium partners, and City of Portland project managers and inspectors.

Approach

The Contract Coordinating Committee developed the Fair Contracting and Employment Strategy based upon the recommendations contained within the Oregon Regional Consortium Disparity Study

and a thorough examination of existing City contractor development efforts. A national scan of best practices related to contractor development was also completed by the Office of the Mayor in August 1996 and included in the Strategy development process.

Although the recommendations from the Disparity Study covered the pertinent issues related to contractor development within the City, they were not presented as a concerted program or a strategy for results. The fundamental task of the Contract Coordinating Committee, therefore, was to convert the nearly 100 recommendations into an integrated comprehensive Strategy to achieve results within a municipal corporation with a \$1.4 billion operating budget and over 5,000 employees assigned to 32 operating bureaus. Almost every aspect of the City's existing contractor development efforts were reviewed and changed as a result of the Strategy development efforts. The role and responsibilities of the Contractor Development Division of the Bureau of Purchases, which was created in April 1995, has been strengthened, and the role of the City operating bureaus has been clarified.

Where possible, the Strategy seeks to coordinate the delivery of services and contractor requirements on a regional basis. A special focus on regional service delivery has been given to contractor development services such as technical, financial, and bonding assistance.

The Strategy implements, for the first time in the City of Portland, a comprehensive approach to address the issue of disparity in contract and employment opportunities. The comprehensiveness of the approach, however, is crafted with an eye to simplicity, efficiency, and effectiveness.

As a result of the recent passage of a property tax reduction initiative, additional resources to fund the Strategy's new requirements are scarce. Using existing resources more wisely is the emphasis of the funding plan for the Strategy. Up to half of the City resources required to implement the core Strategy elements will come from redirecting existing contractor development expenditures. Also, every effort will be made to match City expenditures with other public and private sector resources. In addition, the Contractor Development Division of the Bureau of Purchases has successfully negotiated to provide services on a fee for service basis to Multnomah County.

The Strategy will be evaluated on at least a 12-month basis. Changes will be made by the Contract Coordinating Committee when performance measures are not being met and there is little likelihood that progress will be made in the future.

3

Guiding Principles

These Guiding Principles serve as a citywide policy foundation for efforts to improve contracting and employment opportunities for minority, women-owned, and emerging small businesses. They represent the common beliefs held by many City staff and public contracting stakeholders as expressed in their responses to questions posed throughout the research for the Oregon Regional Consortium Disparity Study and the Strategy development process. In broad terms, the Guiding Principles tell the City where it is headed in its contractor development efforts.

Vision

To achieve greater economic and social equity in our community, the City of Portland seeks race and gender parity in the amount it spends to procure goods and services by awarding contracts to a diverse and competitive group of local contractors while providing significant employment opportunities to minorities and women.

Mission

The City of Portland seeks to create a procurement system that is fair, efficient, effective, and accountable to all citizens while embracing the values and achieving the vision, goals, strategic outcomes, and objectives of the Fair Contracting and Employment Strategy.

Values

Diversity

The City of Portland values an open and friendly community that is free from bigotry and intimidation. The City values a community that welcomes and respects the individuality, unique talents, and contributions of all people regardless of age, race, gender, ethnicity, sexual orientation, religion, physical or mental ability, or financial means.

Economic Vitality

The City of Portland values a strong, varied, adaptive, and diverse contracting economy that provides employment and training for all individuals, in particular those who have been excluded from the economic mainstream because of historic discrimination.

Customer Accountability

The City of Portland values customer success and seeks to create a contracting environment in which everyone has the opportunity to flourish. At the same time, personal responsibility and accountability on the part of individual contractors and the ability of the contractor to establish independent profitable business relationships are also valued.

Customer Partnership

The City of Portland values open, honest government that is responsive to citizens, tax and rate payers. The City values partnership with its customers and municipal services that are immediately useable and that tangibly improve the public contracting environment.

Disclosure

The City of Portland values integrity and full disclosure of results. The City does not cover up bad news. While failure is never a desired outcome, learning from previous mistakes in order to improve future decision-making is valued.

Quality and Efficiency

The City of Portland values a public contracting environment that is demonstrably effective in its ability to balance social objectives with economic realities.

Goals

- Achieve and sustain, for three (3) consecutive years, parity in the number of contracts and dollars received by a diverse group of M/W/ESB firms so that race and gender-specific program criteria may be removed.
- Accurately document and quarterly disclose how employment and contracting opportunities in City construction work are distributed and implement contemporaneous corrective strategies where underutilization is present.
- Achieve a sustained increase in the number of strong, competitive M/W/ESB firms in the Portland metropolitan area as demonstrated through bidding patterns and receipt of contracts and dollars in both private and public sector contracting.
- Monitor and rigorously address any claims of discrimination affecting City procurement systems.
- Provide more contracting opportunities to certified emerging small businesses (ESBs).
- Within two years, compel the private sector and other public agencies to realize strategies that achieve parity in the number of contracts and dollars received by a diverse group of M/W/ESB firms.
- Apply the Fair Contracting and Employment Strategy to all City construction projects in their entirety, regardless of funding source.

Strategic Outcomes

- Underrepresentation in the receipt of contracts and dollars at a prime contractor and subcontractor level is eliminated by January 1, 2000.
- Underrepresentation is eliminated not merely as a result of race or gender group participation but as a result of the participation of a substantially increased number of diverse individual community contractors by January 1, 2000.
- Certified minority, women-owned, and emerging small businesses expand into new specialty areas in which the current OMWESB database indicates low or minimal representation.
- Underrepresentation of minority and women workers in firms certified under the City's EEO Program is eliminated by January 1, 2000.
- 80% of customers surveyed indicate that City of Portland M/W/ESB contractor development efforts have improved "substantially" as a result of implementing the recommendations of the Oregon Regional Consortium Disparity Study.
- 80% of customers surveyed indicate that Consortium M/W/ESB contractor development efforts have improved "substantially" as a result of implementing the recommendations of the Oregon Regional Consortium Disparity Study.
- 50% of construction workers surveyed indicate that training and work opportunities with firms certified under the City's EEO Program have improved "substantially."

Table B—Oregon Consortium Availability

The data from the *Oregon Regional Consortium Disparity Study*¹ will be used initially to measure underrepresentation in the receipt of contracts and dollars at prime contractor and subcontractor levels. The Study reflects the following availability of willing and able firms in the market area to perform contracts let at \$500,000 and under. Since availability is a fluid concept and must be periodically updated, the City's Contractor Development Division is responsible for updating and refining availability numbers on an annual basis for the City of Portland. The City's new data tracking system will permit availability to be examined with reference to bidding activity, contract size, and type of work.

Oregon Consortium Construction Availability

| Ethnicity | Number of Businesses | Percent of Business |
|------------------------------------|-----------------------------|----------------------------|
| African American | 71 | 3.75% |
| Asian American | 32 | 1.69% |
| Hispanic American | 77 | 4.07% |
| Native American | 41 | 2.16% |
| Caucasian Female | 218 | 11.51% |
| Caucasian Male | 1,455 | 76.82% |
| Total Available Construction Firms | 1,894 | 100.00% |

Oregon Consortium Architect and Engineering Availability

| Ethnicity | Number of Businesses | Percent of Business |
|---|-----------------------------|----------------------------|
| African American | 15 | 3.18% |
| Asian American | 24 | 5.10% |
| Hispanic American | 13 | 2.76% |
| Native American | 5 | 1.06% |
| Caucasian Female | 93 | 19.75% |
| Caucasian Male | 321 | 68.15% |
| Total Available Architect and Engineering Firms | 471 | 100.00% |

¹ *Oregon Regional Consortium Disparity Study, City of Portland, Volume 2, Mason Tillman Associates, Ltd., May 1996 pp. 9, 12, 15.*

Roles and Responsibilities

Procurement responsibilities for the City of Portland are defined by the City Charter (Sections 8-104, 8-105) and the City Code (Sections 3.100.80, 3.34, 5.01, 5.32, 5.68) and delegate authority to the Bureau of Purchases to manage purchasing for the City. The City Council designates the Contractor Development Division in the Bureau of Purchases as the City's lead agency in facilitating implementation of the Fair Contracting and Employment Strategy. The City Council also designates the Contractor Development Division Manager as the lead staffer on all Strategy-related efforts.

Each City bureau or office has the responsibility for coordinating its actions related to this Strategy with the Contractor Development Division and for assisting in executing this Strategy.

Objectives

A. Increase Contracting Opportunities for M/W/ESB Firms

To implement a comprehensive Contractor Development Program and to prepare, package, and advertise bids and award contracts so that a diverse and competitive group of minority, women-owned, and emerging small business firms have maximum opportunity to obtain and complete work successfully.

- Increase annual number of contracts and contract dollars received by M/W/ESB firms to achieve sustained parity.
- Increase annual private sector utilization of M/W/ESB firms.
- Graduate at least ten firms a year from the Sheltered Market Program after it has been in operation for three years.

Performance Measures:

- Number of bids received from diverse group of M/W/ESB firms at both a prime and subcontractor level for both construction and A&E work.
- Number of contracts and dollars received by diverse group of M/W/ESB firms at both a prime and subcontractor level for both construction and A&E work.
- Percentage of M/W/ESB firms reporting that if they sought private sector work, business opportunities were available.

Elements of Objective A relate to steps 1, 5, 7, 8, 9, 12, and 13 of the Contractor Development Program.

B. Improve Bonding, Technical, and Financial Assistance Availability

To provide eligible M/W/ESB contractors a coordinated, effective regional system of technical, financial, bonding, and mentoring assistance.

- Provide M/W/ESB firms with adequate access to bonding, technical, and financial assistance.
- Provide adequate contract-specific technical information to eligible M/W/ESB contractors.

Performance Measures:

- Percentage of M/W/ESB contractors surveyed reporting that they are receiving adequate technical assistance.
- Percentage of M/W/ESB contractors surveyed reporting that access to bonding is not an obstacle to their business development.
- Percentage of M/W/ESB contractors surveyed reporting that access to financial assistance is not an obstacle to their business development.

Elements of Objective B relate to steps 2, 10, 11, 12, 13, and 19 of the Contractor Development Program.

C. Improve and Increase Tracking, Monitoring, and Compliance

To ensure that all contractors are treated in a fair manner, that contractual commitments are met, and that accurate and complete information regarding dollars received at prime contractor and subcontractor levels is readily accessible and regularly published.

- Include a Contractor Performance Report for each construction contract recommended to the City Council for award by the Purchasing Agent.
- Require all substitutions in subcontracts that occur between time of bid and actual performance be approved by the City's Purchasing Agent.
- Provide tangible rewards to those contractors who consistently exceed their contractual targets relating to the Fair Contracting and Employment Strategy objectives.
- Provide an annual update of local utilization and availability data contained in the Oregon Regional Consortium Disparity Study.
- Provide strict enforcement of all City contracts including contractor debarment when appropriate.

- Require all certified firms to be in full compliance with 49 CFR 23 requirements on City-funded projects.
- Pursue effective and fair adjudication of all discrimination complaints.
- Produce quarterly reports to the City Council in enough detail to allow for the evaluation of performance citywide, by bureau portfolio, individual contractor, bureau, and project manager, for both construction and A&E contracts.

Performance Measures:

- Percentage of Council members who rate the Purchasing Agent Report and the Contractor Performance Report as “very helpful.”
- Percentage of M/W/ESB contractors surveyed reporting that discrimination has not been an obstacle to their business development in the last year.
- Percentage of projects at which random site inspections are completed.

Elements of Objective C relate to steps 3, 4, 5, 6, 7, 9, 12, 13, 15, 16, 18, and 20 through 30 of the Contractor Development Program.

D. Improve Program Standards and Staff Training

To compel the effective participation of all City staff in fulfilling the goals of the Fair Contracting and Employment Strategy, while providing customers superior service.

- All staff with procurement-related responsibility understand their individual roles in achieving the Vision, Mission, Values, Goals, and Strategic Outcomes of the Fair Contracting and Employment Strategy.
- All staff with procurement-related responsibilities are evaluated using, in part, the criteria in the Fair Contracting and Employment Strategy.
- Appropriate staff receive coordinated training in construction management techniques, including technical training, peer review, and partnering strategies.

Performance Measures:

- Percentage of staff with procurement-related responsibilities that complete annual training program.
- Percentage of projects receiving Peer Review annually.
- Percentage of contractors surveyed rating their interaction with City project managers as fair and effective.
- Percentage of City project managers surveyed rating contractors as competent.

Elements of Objective D relate to steps 4, 18, and 27 of the Contractor Development Program.

E. Increase Employment Opportunities for Minorities and Women

To increase use of minority and women employees by those firms that are EEO-certified by the City and improve the access of these workers to high-quality apprenticeship training positions and permanent journey-level jobs on City of Portland construction projects.

- Improve contract specifications to allow stronger compliance and promote fair workplace conditions by July 1, 1997.
- Promote hiring practices among all EEO-certified contractors that result in a workforce that mirrors the availability of women and minority workers in the City.
- Promote internal hiring practices that result in a City construction staff that mirrors the availability of women and minority workers in the City.
- Adoption by the private sector, community-based organizations, and other public agencies of strategies to reach parity in the number of women and minorities receiving apprenticeship training and graduation in skilled trades.

Performance Measures:

- Total percentage of annual training hours received by women and minorities on City-funded construction projects.
- Completion/ graduation rates of women and minorities in the apprenticeship programs.
- Parity representation of minorities and women in EEO-certified construction firms.
- Parity representation of women and minorities in the construction trades.

Elements of Objective E relate to steps 3, 11, 12, 23, and 24 of the Contractor Development Program and the Apprenticeship Employment Strategy recommendations.

4

Contractor Development Program

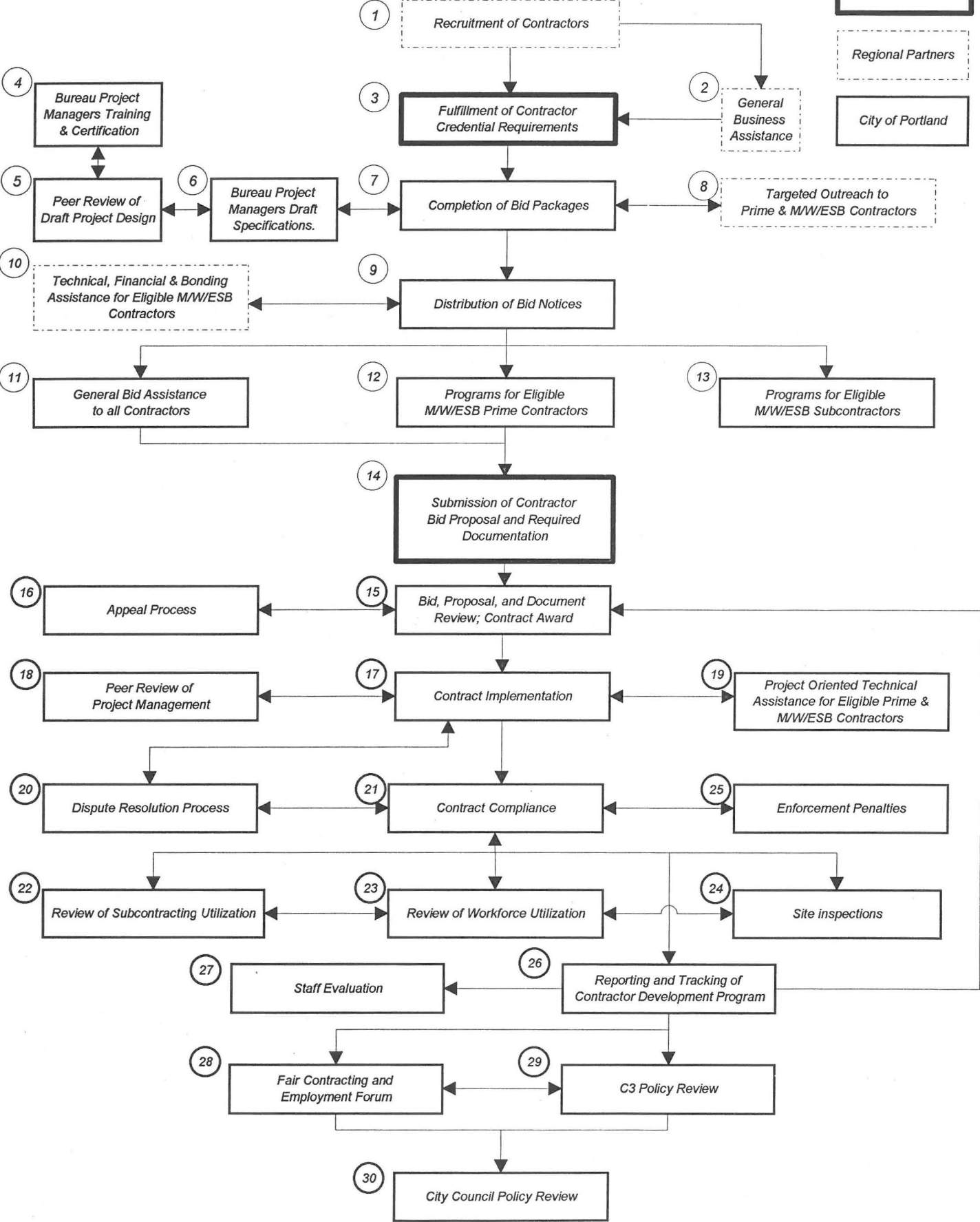
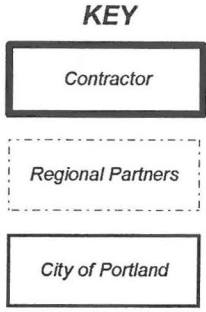
Overview

While the Strategy's Guiding Principles outline where we are headed in our efforts to provide opportunities for minority, women, and emerging small business contractors, the Contractor Development Program is a blueprint of how we are going to get there. It is a plan for implementing the Guiding Principles on a bureau operating level. The Contractor Development Program is an overlay of the City's basic procurement process.

The program includes 30 steps that are essentially depicted in chronological sequence— that is, in the order in which they are to be performed in the City's existing and proposed contracting process. As Table C—Process Description indicates, however, some steps are performed simultaneously. As Table E—Contractor Development Program Work Task Detail indicates, some steps are performed only by selected City staff, others are performed on a regional basis, and some are performed only by contractors.

The Contractor Development Division referred to in this document is a division of the Bureau of Purchases. The division was previously called the Business Development Division.

TABLE C CONTRACTOR DEVELOPMENT PROGRAM PROCESS DESCRIPTION



Contractor Development Program—Narrative Description

1. Recruitment of Contractors

The staff of the City of Portland will make a continuous effort to encourage a broad range of contractors to participate in City of Portland construction and architectural and engineering (A&E) work at a prime contractor or subcontractor level. Given that a large percentage of startup businesses fail, special outreach will be undertaken to encourage minority, women, and emerging small businesses (M/W/ESB) to participate in the City's contractor development activities. Recruitment efforts will be targeted to both new businesses as well as existing businesses in the metropolitan area. Particular priority, however, will be given business categories that have been identified as lacking in available M/W/ESBs in the Regional Disparity Study database. Joint ventures of local firms and local M/W/ESB firms and companies from other geographic areas will be encouraged.

2. General Business Assistance

Four different types of contractor assistance will be available to contractors within the Contractor Development Program. The Contractor Development Division will provide this first type of general business assistance information. In cooperation with other public and private agencies, such as the State Business Information Center, Small Business Development Centers (SBDCs), community college training programs, community and construction-related organizations, and other public and private sources of business training or financing, the Contractor Development Division will provide referral information on where to go to obtain business startup materials, license requirements, general business training and assistance, and financial assistance. (See also Steps 10, 11, and 19)

3. Fulfillment of Contractor Credential Requirements

All contractors seeking to do business with the City of Portland must submit required credential information. The Contractor Development Division will maintain pertinent information in a centralized database which is continuously updated. This centralized database information will be available to City staff. It will include information regarding a company's specialties, qualifications, and interests.

To meet the City's credential requirements, contractors must fulfill the state business and licensing requirements. In addition, prime or subcontractors must obtain the following annual certifications or registrations, as applicable:

- EEO Certification
- State Certification as a M/W/ESB firm
- City Pre-qualification (Construction firms)
- Contractor's Board Registration

Some City projects or programs (such as the Sheltered Market Program described in Step 12) will involve additional application and screening procedures constituting special credentials.

4. Bureau Project Manager Training and Certification

A comprehensive staff training program will be provided to all project managers and inspectors. The Program will be designed to ensure that all staff with contract procurement and management responsibilities are competent in contract administration, knowledgeable of City programs aimed at encouraging diversification in contracting, and qualified in other human relations skills such as diversity training, problem solving techniques, and contract partnering. Cross-training for inspectors of the infrastructure bureaus may also be developed in the future. Within a two-year period, all City of Portland project managers will be required to be certified to manage City projects per the requirements of the Contractor Development Program. Training and certification requirements will also be extended to non-City employees who are contracted to manage specific City projects.

5. Peer Review of Draft Project Design

Two types of peer review will be included in the Contractor Development Program. The first review will occur during the conceptual planning phase of a City project. A Peer Review Committee will review expectations and available specifications to decide if the project is appropriate for the Sheltered Market Program or other special programs. The review will focus on how additional contracting opportunities for M/W/ESB firms, if any, may be included in the proposed contract specifications.

Members of the Peer Review Committee will include project managers and engineers, Procurement Specialists, Contractor Development staff, a representative from the City Attorney's Office, and one or more representatives from the private sector contracting community. (See also Step 18.)

6. Bureau Project Manager Draft Specifications

Bureau and/or Bureau of Purchasing project managers will prepare draft specifications for each City project. Specification will be developed consistent with the City's M/W/ESB development goals, as well as budgetary and other considerations.

7. Completion of Bid Packages

Construction Contracts

The Bureau of Purchases, upon receipt of an approved draft specification document, will review purchasing documents to ensure inclusion of appropriate contracting language and/or requirements, including but not limited to the following items:

- Non-collusion affidavit
- Bid Surety
- Project Completion date
- Addendum requirements
- M/W/ESB requirements
- Current Prevailing Wage Rates
- Delivery—time and place
- Liability Insurance
- Pre-qualification requirements
- Workforce Training and Hiring Program
- Liquidated damages
- Duration of Contract
- Basis of Award
- EEO certification

Architectural and Engineering (A&E) Contracts

The initiating bureau is responsible for incorporating the appropriate documents, including the Standard M/W/ESB Architectural and Engineering Procurement Requirements, as applicable. Upon request, the Bureau of Purchases will provide a listing of recommended contract elements to be included.

8. Targeted Outreach to Prime and M/W/ESB Contractors

Construction Contracts

The Contractor Development Division, in cooperation with the initiating bureaus, will complete targeted, proactive notification of bids to M/W/ESB contractors. These efforts include:

- Bid notice and information distributed well in advance of bid submission, through targeted mailers/FAXes
- Bid notices advertised in community-based publications
- Bid notices and information provided at special outreach events.

On selected larger projects, informational meetings may be held before the bid notice distribution to alert contractors of forthcoming opportunities.

Architectural and Engineering (A&E) Contracts

Notice of A&E Request for Proposals (RFPs) and Request for Qualifications (RFQs) will be provided by the initiating bureau. These efforts will include:

- RFP/RFQ notice and information distributed through targeted mailers/FAXes to M/W/ESB firms
- RFP/RFQ notice and information provided at special outreach events
- Personal contact with firms by bureau staff to offer general information about RFP.

In coordination with the Contractor Development Division, some bureaus will provide special forums and targeted outreach activities tailored to the individual project.

9. Distribution of Bid Notices

Construction Contracts

The Bureau of Purchases will distribute notification of the call for bids through a number of means open to anyone. These include:

- Official Call for Bids and Bid Specifications being placed at all Plan Centers
- Bid notices being advertised in the *Daily Journal of Commerce*
- Bid notice and information made available on the Bureau of Purchases Telephone Hotline
- Bid notice and information made available on the Bureau of Purchases FAX-On-Demand System
- Personal contact with the Procurement Specialist responsible for the specific bid process.

In addition, during the next year, Bureau of Purchases staff will work with the State to determine if electronic advertising of bids on the VIP system is cost-effective.

Architectural and Engineering (A&E) Contracts

RFP/RFQs will be advertised, at a minimum, in the *Daily Journal of Commerce*.

Bureaus will distribute to firms regular procurement calendars providing information on forthcoming A& E RFP/RFQ opportunities.

10. Technical, Financial, and Bonding Assistance to Eligible M/W/ESB Contractors

The second of the four types of contractor assistance available through the Contractor Development Program will be available to eligible M/W/ESB contractors on a pre-bid and post-award basis. Following an evaluation of contractor need, the City can provide assistance by:

- Referring the contractor to an existing program for training. Service providers include local governments, such as the City of Portland, financial institutions, educational institutions, other governmental institutions and community-based organizations. All technical assistance programs offered by the City will be coordinated by the Contractor Development Division.
- Requesting that the contractor participate in the regional mentoring program. This program taps the existing knowledge and resources of a large contractor. By working together, the mentor and the protege can assess the problem and determine a sound business response to the problem. The City is currently working with the Port of Portland to determine if participation in the Port mentoring program is feasible. If participation in the Port program is not possible, the City will pursue the design of a mentoring program with other Consortium partners.
- Providing one-on-one technical assessment and assistance in the pre-bid, post-award, and other contract-related areas. When feasible, City project managers will be made available to contractors (via pre-bid meetings and other mechanisms), to answer project-specific technical questions.

11. General Bid Assistance to All Contractors

General information and assistance with the bid process is the third of the four types of available contractor assistance. (See also Steps 2, 11, and 19.) To assure bid opportunities for all contractors, the City of Portland follows specific public solicitation procedures. This supports the State public policy of open and competitive bidding. Bureau of Purchases staff also conduct periodic procurement training seminars on "How To Do Business With The City" and publish brochures and other materials providing an overview of the City's procurement processes. This is aimed at providing all interested contractors with information about basic system elements and requirements. This information includes guidance on the EEO certification requirements, how to become a training agent, how to recruit a diverse workforce, how to access targeted subcontractors, clarification of Good Faith Efforts, lists of minority, women, or small contractors, and an explanation of the prompt pay requirements.

12. Programs for Eligible M/W/ESB Prime Contractors

Construction Contracts

To increase the utilization and capacity of eligible M/W/ESB firms, the City will institute programs targeted to these firms. The programs will provide special opportunities for certified M/W/ESBs to bid on City of Portland projects and will also entail corollary responsibilities.

A. Sheltered Market Program

The program is designed to maximize opportunities for qualified M/W/ESBs to obtain work from the City at a small prime contractor level. Beginning in the summer of 1997, each City bureau handling substantial construction work (BES, Water, Transportation, Parks, BGS) will be required to identify work in the \$41,000 to \$200,000 range for which M/W/ESB availability has been established by the Contractor Development Division. The Bureau Peer Review Committee will be responsible for ensuring that projects that can reasonably be performed by qualified and available M/W/ESBs are directed toward the Sheltered Market Program. After an initial phase-in period, it is anticipated that up to one-half of all projects in the \$41,000 - \$200,000 range will be dedicated by each bureau to the Sheltered Market Program. Program assessment by the Peer Review Committee shall occur on a biannual basis to evaluate Sheltered Market bidding activity, consistency of bids with engineer's estimate, distribution of contracts awarded, whether technical and mentoring activities are being successfully implemented, project completion information, and other program results.

The Contractor Development Division will develop an SOQ (Statement of Qualifications)/RFP (Request for Proposal) aimed at screening interested M/W/ESB firms for entry into the program. Criteria will be developed in conjunction with the City Attorney's Office, the State OMWESB, City bureaus, and interested community members. Joint ventures between certified firms will be encouraged. Applicants will be required to identify company financial information, prior work experience, references, training, business needs, and other information. Real need, company size, experience with discrimination, and other factors will also be central components of the application and review process. Every effort will be made to minimize duplication of information required. If possible, the OMWESB application process will be used to collect needed information.

Targeted technical and business assistance will be made available and in some instances will be mandatory for program participants. Participation in the Port mentoring program may be accepted in lieu of City-sponsored assistance. Program application standards will be streamlined as much as possible and client-centered in approach to facilitate real development prospects for M/W/ESBs.

Bidding on projects identified by Peer Review as appropriate for the Sheltered Market Program will be limited to Sheltered Market Program participants identified via the SOQ/RFP process. If no competitive bids are received, all bids may be rejected and the project opened to full competitive bidding.

Graduation standards for program participants will be developed jointly by the City, OMWESB, and community members. It is anticipated that no firm will be permitted to remain in the

program, successful or not, for more than five years. The numbers of contracts and dollars received will be considered as part of graduation standards. Program standards will include rotating opportunities so that opportunities afforded by the Program are maximized and spread to as large a number of firms as possible.

B. Sheltered Market Graduates Program

The graduate program is designed to maximize opportunities for M/W/ESB firms that wish to continue working for the City in a prime contractor capacity. By including appropriate criteria in certain contracts (as determined by the Peer Review Committees) in the \$200,000 - \$500,000 range, successful Sheltered Market Program graduates are given the opportunity to successfully bid larger projects. Criteria that might be included on a case-by-case basis for specific projects in this size range include percentage bid preference for program graduates, a line item price for graduates who wish to mentor a subcontractor on the project, line item to provide incentives to prime contractors wishing to provide specialized workforce training, and potential credits for special joint ventures aimed at linking Sheltered Market program graduates with other certified firms.

C. Direct Service Contracting

In response to a strong Disparity Study recommendation, the City will proceed on a Pilot Project basis for direct service contracting. On limited projects, the City, after a SOQ/RFP screening process, will enter into agreements with eligible, qualified M/W/ESB firms that provide direct services such as trucking, landscaping, or surveying. These firms will be paid by the City but work for the selected prime contractor. Prime contractors will be informed via the construction specification for a project that the City is providing prescreened subcontractors for certain limited areas of work. Growth of this program will be contingent on the success of the initial Pilot Project. Bureaus will be centrally involved in program development and management.

D. Informal Purchasing Targeted to M/W/ESB Firms

The Disparity Study strongly recommended that the City expand its efforts to generate capacity and opportunities for M/W/ESB firms through the informal construction procurement process. Procurement Specialists currently contact at least one MBE, one WBE, and one ESB firm for solicitation on these contracts. In conjunction with Multnomah County, more detailed informal solicitation requirements will be implemented. As a result of the Disparity Study recommendations, tracking of informal solicitations and resultant bid activity are already being tracked and monitored by Purchasing.

Prime-level Architectural and Engineering (A&E) Contracts

A standard RFP component aimed at delineating Good Faith Effort requirements for prime contractors will be developed and included in A&E services contracts. The language, to be developed, will be based on estimated contract amounts and the ability of projects to support M/W/ESB business development activities. The RFP will include other required components, such as compliance, tracking, monitoring, reporting, responsibility, accountability, performance measures, evaluation, training, and business development considerations. Some small prime A&E projects may be designated to a to-be-developed Sheltered Market A&E Program similar to the Sheltered Market Construction Program.

13. Programs for Eligible M/W/ESB Subcontractors

Construction Contracts

A revised City Good Faith Effort Program in construction contracts will target the use of M/W/ESB subcontractors by larger prime contractors. Current Good Faith Effort criteria will be reviewed during the next year by the Contractor Development Division, in cooperation with the City Attorney's Office and other bureaus, to ensure that criteria are quantified and equitable. Good Faith Effort Program changes will be coordinated with Metro and Multnomah County, as well as other local governments, to encourage consistency of programs. The core specification will be redesigned with input from the local construction industry. It is anticipated that the redesigned specification will apply to contracts with an engineer's estimate of \$400,000 to \$500,000 (up from \$200,000 today), and that it may involve a required ESB goal.

Architectural and Engineering (A&E) Contracts

RFPs and/or RFQs will include standard evaluation criteria that benefit firms that can document their interest in and use of certified M/W/ESB firms and employment of a diverse workforce. Criteria will be weighted so that these considerations become a significant factor in contractor selection.

14. Submission of Contractor Bid Proposal and Required Documentation

Any contractor, to be eligible for receipt of a City contract, must submit materials on time and in the manner required in the bid documents. Depending on the programs included in the bid document, additional material may need to be submitted following the bid opening or proposal receipt, such as Good Faith Effort documentation.

15. Bid, Proposal, and Document Review; Contract Award

Verification of compliance with bid and contract document requirements begins at this stage. The general compliance review procedures for the respective contract types are as follows.

Construction Contracts

Before receipt of a formal bid for construction, the Bureau of Purchases will determine that the firm is EEO-certified. If a firm is not certified, it is given a temporary EEO certification, and all required information is to be submitted before contract award.

When bids are opened, the Bureau of Purchases will be responsible for ensuring that the bid is properly signed, that the surety is in the correct amount and format, that prices are shown properly, and that all required items are included in the bid submission. If all items are in order, the bid documents are forwarded to the bureau for technical review. Workforce and subcontracting information is reviewed by the Contractor Development Division for responsiveness.

For formal contracts, the Purchasing Agent will recommend the lowest responsive bid to Council for approval. Informal construction contracts are awarded by the Purchasing Agent.

Architectural and Engineering (A&E) Contracts

The initiating bureau will review the proposal and confirm compliance with insurance, EEO status, and other document requirements, following proposal evaluation. Formal contracts require Council action, while smaller or informal contracts may be signed by the Commissioner in charge or by the bureau director.

16. Appeal Process

If a bidder does not agree with the staff recommendation for contract award, the bidder may submit a complaint to the Purchasing Agent. One centralized complaint process will be designed and placed in the Bureau of Purchases in order to reduce citywide demands on staff time. This process will require written documentation and will involve a formal written response so that comprehensive tracking of complaints and resolution is possible. Reports will be presented to the Council on a periodic basis.

17. Contract Implementation

During the contract implementation phase, the project manager is responsible for total contract oversight, with support and assistance on contractor development efforts from the Contractor Development Division, City Attorney's Office, and others when necessary. Model Service Agreements between the Bureau and Contractor Development Division will be developed to clarify roles and responsibilities on a per contract basis.

18. Peer Review of Project Management

Again, two types of staff peer review are included in the Contractor Development Program. Review of Project Management is the second type of peer oversight. By sharing information on implementation practices, project managers can learn from each other, improve their performance, and execute contracts more effectively. (See also Step 6.)

19. Project-oriented Technical Assistance for Eligible Prime and M/W/ESB Contractors

The fourth type of technical assistance available to eligible M/W/ESB construction and A&E contractors (see Steps 2, 10, and 11) is that associated with on-the-job issues particular to a specific project. During contract execution, it may become necessary for a firm to receive assistance with project management, cash flow, or other issues. Following an evaluation of contractor need, the City may provide direct assistance to the contractor for the specific contract concern through the City of Portland technology pool. This technical assistance is usually one-on-one and would be an extension of that provided in Step 10 above.

Project-oriented technical assistance will be coordinated through the Contractor Development Division, in cooperation with all bureaus. Efforts will continue to pursue regional funding for technical assistance.

20. Dispute Resolution Process

The City will establish a single centralized process for mediating disputes that occur during the post-award phase of construction-related contracts. The centralized process will be designed for cooperative dispute resolution. It is anticipated that the process will be centered on resolution by the City's project manager. The process will minimize confusion by contractors and will provide a non-hostile environment for prime and subcontractors to communicate openly. Efforts to include tools that assist in meeting the development goals, such as Partnering Agreements, will be included where possible in the process. When a claim of discrimination by City staff is involved, a confidential process, separated from the construction management process, will be made available.

21. Contract Compliance

22. Review of Subcontracting Utilization

23. Review of Workforce Utilization

24. Site Inspections

The foundation of effective contractor compliance, reporting, and tracking for both construction and A&E contracts will be built upon the collection and maintenance of complete contract data. The Contractor Development Division will maintain, on a centralized database, information about the contract bid process, award, and implementation, including changes, actual payments, and subcontractor use. This information gathering is essential to the City's ability to enforce compliance and make improvements in the contracting process.

All construction contracts are bid through the Bureau of Purchases. The bureau uses a unified database to track information about the contract from the time bid packages are made available through the final payment. The database captures the following information:

- Pre-award: Bid number, bid estimate, if Good Faith Effort is required, Council approval date, names of all firms submitting bids, all proposed subcontractors for each bidder, amount of all bids, project manager name, Procurement Specialist assigned to bid, responsible bureau, and related data.
- Post-Award: Successful bidder, Federal Tax ID number, contract amount, start date, all subcontractors, actual payment information including current and cumulative payments for prime and subcontractors, workforce utilization by person. (A system to allow contractors to submit monthly utilization data to the City on computer disk will be developed during the next year.)

In addition, the database will include a firm's certification status as EEO-certified or state-certified as a M/W/ESB firm, insurance limits, ethnicity, address, and phone and FAX numbers.

The database will be used by the Contractor Development Division, in cooperation with project managers, to ensure receipt of monthly utilization reports which document utilization and timely payments to subcontractors, suppliers, and vendors and utilization of apprentices and minority or

women workers on the job. All of this information is collected and reviewed against the subcontracting plan or workforce program specifications, as applicable. Differences or variances from the anticipated contracting plan will be followed up and reviewed. The Contractor Development Division staff is responsible for communicating changes, problems, or other contract compliance issues to the project manager.

At the bureau level, prime contractors are also required to submit all subcontracts to the project manager. The project manager is responsible for random audits of certified payroll, notifying the Contractor Development Division of changes in subcontractors, changes in contract amount, or issues relating to apprentices or M/W/ESB contractors.

Random on-site visits will be completed by Compliance Specialists in the Contractor Development Division. Once at the site, Compliance Specialists will check for performance of a commercially useful function by contractors and to insure that other requirements, such as posting of payroll, are being met. The Compliance Specialist may also, based on the monthly utilization and workforce reports submitted, perform random checks of payroll records to confirm actual hours and wages paid to employees and ensure that listed subcontractors are being appropriately utilized.

Further research on contractor compliance issues will include:

- Receipt and verification of all goods and services supplied by all primes
- Use of certified payroll to verify EEO submissions
- Percentage of credit received by brokers/ suppliers in calculating M/W/ESB utilization.

Data collection for A&E contracts will be centralized in the Contractor Development Division. Bureaus will be responsible for providing to the Contractor Development Division the following information:

- Pre-Award: Contract number, process used (RFP, SOQ, etc.), Good Faith Efforts required, Council approval date, names of all firms submitting bids, all proposed subcontractors for each bidder, amount of all bids, project manager name, Procurement Specialist assigned to bid, responsible bureau, and other data.
- Post-Award: Successful bidder, Federal Tax ID number, contract amount, start date, all subcontractors, actual payment information, including current and cumulative payments for prime and subcontractors.

25. Enforcement Penalties

Legally enforceable penalties will be included in all future contract specifications and program descriptions. During project compliance reviews, if contractors are found to be in non-conformance with program requirements, penalties will be imposed.

26. Reporting and Tracking of Contractor Development Program

The results of the Contractor Development Program shall be reported to City Council at least quarterly. Information regarding prime contractors and subcontractors will be reported by contract and by bureau. The reports will include both award and payment information, as well as workforce utilized participation by contract. Data will be provided in both summary format, by bureau, and in detail for each contract.

The central database will be designed to report contracting information in a format that supports updates to the Disparity Study. The data may be sorted by any data type collected, including prime contractor, subcontractor, bureau, etc. It is anticipated that the contractor availability data will also provide the information necessary to determine the actual disparity between available contractors and the number of contracts and dollars awarded to firms by race and gender.

Data on individual contractors will be provided to the City Council with each construction contract approval recommendation. The Council will receive information about the diversity of the firm workforce, utilization of M/W/ESB firms on past City contracts, and EEO certification status. In addition to the contract data, an annual survey will be completed to determine customer satisfaction with the Fair Contracting and Employment Strategy.

27. Staff Evaluation

To ensure that the City staff are trained to consistently administer the Fair Contracting and Employment Strategy, it is important that staff receive consistent feedback on their performance. As part of any annual employee evaluation, staff performance will be reviewed in light of their ability to meet the stated program goals, taking into account factors that may be beyond the employee's control, authority, or responsibility.

28. Fair Contracting and Employment Forum

The Fair Contracting and Employment Forum is an advisory group to the Mayor. The Forum is composed of representatives from the minority communities, the prime and subcontracting construction community, and architectural and engineering consultants.

The Forum reviews proposed policy and program changes as well as the performance and outcomes of City contracting. Input from the Forum is used by staff in preparing improvements in the Contractor Development Program and supporting policies.

29. C3 Policy Review

The Contract Coordinating Committee (C3) is the internal staff group responsible for the implementation of the Contractor Development Program. Representing all of the major City bureaus, the C3 reviews proposed policy and program changes to the Fair Contracting and Employment Strategy as well as the performance and outcomes of City contracting. Input from the C3, as well as from the Fair Contracting and Employment Forum, is used in preparing improvements in the Contractor Development Program and supporting policies. The C3 is chaired by the Office of the Mayor and reports to the City Council.

30. City Council Policy Review

The City Council retains ultimate authority in the Contractor Development Program. When evaluating the Program and its policies, the Council uses the input from the Fair Contracting and Employment Forum and the Contract Coordinating Committee (C3). Using this input, as well as quarterly reports showing actual contracts and payment information, the Council may direct policy and program changes.



5

Contractor Development Program Work Plan

Given staff time constraints, the work plan for the next 17 months to implement the Fair Contracting and Employment Strategy places high priority on major work items that require additional design and development. These work items include the following:

1. Sheltered Market Program in conjunction with a technology pool to provide appropriate pre- and post- award technical assistance
2. Direct Service Contracting Pilot Program
3. Additional approved staff to assure increased contract compliance and tracking
4. Computer enhancements to support the Fair Contracting and Employment Strategy data collection and compliance reviews
5. Training program for project managers and Inspectors
6. Peer Review system for construction projects
7. Expanded regional mentoring program
8. Improved Good Faith Effort Program for construction contracts
9. Increased utilization criteria for Architectural and Engineering Contracts
10. Implementation of a City Policy on commercially Useful Function requirements
11. Regional financing and/or loan opportunities
12. Contractor survey.

Table D—Developmental Tasks Timeline

| PRIORITY/TASK | FEB 97 | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | JAN 98 | FEB | MAR | APR | MAY | JUNE | |
|---|--|--|-------------------------------|--|--|--------------------------------------|-----------|------------------------|-------------|-----------------------|-----|---------------|-----|-----------------------|-----|-----|------|--|
| 1. Design Sheltered Market Program | Design draft program/obtain community input | | | | Project startup/obtain applications | | | | | | | | | | | | | |
| 2. Develop technology pool and requirements | Design draft program | | | | Project startup/coordinate with Sheltered Market Program | | | | | | | | | | | | | |
| 3. Develop Direct Service Contracting Pilot Program | | Design Pilot Program/select Project(s) | | | | Pilot Project implementation | | | | | | | | | | | | |
| 4. Obtain staffing for increased compliance reviews | | Draft job descriptions/advertise | | Interview/hire staff | | Begin on-site compliance reviews | | | | | | | | | | | | |
| 5. Determine needed enhancements to computer system | | Determine enhancements/design | | | Test | Implement additional data collection | | | | | | | | | | | | |
| 6. Develop professional training program for staff | | Perform Needs Assessment | | | Select consultant/design curriculum | | | | Train staff | | | | | | | | | |
| 7. Design Peer Review system including criteria, best practices | | Design Peer Review | | | | Begin project selection | | | | | | | | | | | | |
| 8. Implement expanded regional mentoring program | Define expectations | | Obtain Port agreement | | Intergovernmental funding of mentoring program expand Port Program | | | | | | | | | | | | | |
| 9. Redesign existing Good Faith Effort Program | | | Draft revisions/ obtain input | | | Implement | | | | | | | | | | | | |
| 10. Design increased A&E requirements | | | | Draft revision/ obtain input | | | Implement | | | | | | | | | | | |
| 11. Define City Policy on Commercially Useful Function | Draft policy, receive input, rewrite documents as needed | | | | Implement | | | | | | | | | | | | | |
| 12. Develop regional financing /loan programs | | Discuss w/banks | | Regional pilot program re: contract assignment | | Design loan programs for comment | | Negotiate agreement(s) | | Implement program | | | | | | | | |
| 13. Expand EEO compliance reviews | | | | Redesign forms | | Implement compliance reviews | | | | | | | | | | | | |
| 14. Develop Contractor Survey | | | | | | | | | | RFP for survey design | | Design survey | | Obtain survey results | | | | |

Table E—Contractor Development Program Work Task Detail

In addition to the developmental items listed in Table D, the specific roles and responsibilities of City staff in implementing the Contractor Development Program are detailed in the following table. Each numerical section refers to a step in the Contractor Development Program. Work tasks have been categorized by the following codes:

| | |
|--|--|
| Items in bold are development or startup work activities. | |
| (C) | Tasks that are currently being done, for which no significant change in work is expected. These tasks are not shaded. |
| (N) | Tasks that are new or are not currently performed by existing staff. These tasks are shaded in dark gray. |
| (E) | Tasks that currently exist but are expected to expand in effort or scope. These tasks are shaded in light gray. |

Also in Table E—Work Task Detail, the City bureaus that have responsibilities for particular tasks are indicated. Under the column heading "Other," organizations beyond those identified in other column heads are indicated. Many work tasks are performed in conjunction with other local government entities. Although partnership agreements have not been completed to date, these other local government entities have been listed as "Regional Partners." These may include but are not limited to those agencies that participated in the Regional Disparity Study.

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

1. Recruitment of Contractors

| | | | | | | |
|--|-----|--|---|---|---|----------------------|
| A. Establish business relationships with M/W/ESB firms (meet primary staff, collect info on interests and capabilities) to allow for completion of tasks listed below. (C) | C | | ○ | ● | ○ | |
| | A/E | | ○ | ○ | ● | |
| B. Meet with M/W/ESB subcontractors to inform them of Programs; conduct community meetings. (C) | C | | ○ | ● | ○ | ○ Regional Partners |
| | A/E | | ○ | ○ | ● | |
| C. Listen: obtain feedback on firm capability, assessment of City programs. (E) | | | ● | ● | ● | |
| D. Connect contractors with bureaus (do introductions, hold forums etc.). (E) | C | | ○ | ● | ○ | |
| | A/E | | ○ | ○ | ● | |
| E. Attend organizational meetings (BCA, OAME, WCOE, Hispanic Chamber, etc.). (C) | | | ○ | ● | ○ | |
| F. Attend trade shows (coordinate staffing, arrangements, advertisement, registration, etc.). (C) | | | ○ | ● | ○ | |
| G. Identify new M/W/ESB firms that may be prospective City contractors and develop list to notify about specific projects. (E) | C | | ○ | ● | ○ | |
| | A/E | | ○ | ○ | ● | |
| H. Develop regional newsletters and other vehicles for contractor notification. (C) | | | ○ | ● | ○ | ○ Regional Partners |
| I. Advertise in special publications re: the City's desire to do business with M/W/ESB firms. (C) | | | ○ | ● | ○ | ○ Affirmative Action |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

2. General Business Assistance

| | | | | | | |
|---|--|---|---|---|---|---------------------|
| A. Complete collection of data/ physical documents that describe existing assistance programs. (N) | | | | ● | ○ | ○ Regional Partners |
| B. Interview, as needed, additional resource providers to complete data collection. (N) | | | | ● | | |
| C. Maintain standardized list of surety companies wishing to provide services to M/W/ESB firms. (N) | | | | ● | ○ | |
| D. Develop referral system for general business assistance. (N) | | ○ | | ● | ○ | ○ Regional Partners |
| E. Advertise availability of referral system. (N) | | | ○ | ● | ○ | ○ Regional Partners |
| F. Meet with RCHUB to discuss joint funding of referral system. (N) | | | | ● | ○ | ○ Regional Partners |
| G. Prepare/execute IGA for participation in regional referral system. (N) | | ○ | | ● | ○ | ○ Regional Partners |
| H. Answer inquiries from contractors regarding City requirements. (E) | | | ● | ● | | |
| I. Provide electronic work station for use by contractors to access VIP, OMWESB listing, governmental WEB pages, etc. (N) | | | ○ | ● | | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

3. Fulfillment of Contractor Credential Requirements

| | | | | | | |
|--|--|---|---|---|-----------------|-----------------------------------|
| A. Develop comprehensive application packet, including forms and instructions. (N) | | ○ | ○ | ● | ○ | ○ Licenses |
| B. Make application packet available to firms as needed. (N) | | | ● | ● | ● | ○ Licenses |
| C. Collect contractor/ vendor data. | | | | ● | ○ City Engineer | ○ Licenses ○ Regional Partners |
| D. Research possibility of reciprocity of applications among jurisdictions. (N) | | ○ | | ● | ○ City Engineer | ○ Licenses ○ Regional Partners |

4. Bureau Project Manager Training and Certification

| | | | | | | |
|---|--|---|---|---|----------------|-------------------------------------|
| A. Develop professional training program for supervisors, project managers, and inspectors (RFP for assessment, design and delivery). (N) | | ○ | ○ | ○ | ● Trans. leads | ○ Regional Partners |
| B. Administer Training Program (schedule, track attendance, etc.). (N) | | | | ● | ○ | ● Consultant |
| C. Provide training to City staff on Fair Contracting and Employment Strategy as part of comprehensive training program. (E) | | ○ | ● | ● | | ● Consultant ○ Regional Partners |
| D. Develop and provide a project manager Checklist to be used during contract implementation. (E) | | ○ | ○ | ○ | ● | ○ Regional Partners |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

5. Peer Review of Draft Project Design

| | | | | | | |
|---|--|---|---|---|---|-----------|
| A. Design a central Peer Review process (N) | | ○ | ○ | ○ | ● | |
| B. Draft criteria and standards for projects to be included in the Peer Review process. (N) | | ○ | ○ | ● | ● | |
| C. Coordinate and report on projects reviewed through Central Peer Review. (N) | | | | | ● | |
| D. Design and perform an initial Peer Review for major construction bureaus to determine City "best practices." (N) | | ○ | ○ | ○ | ● | ○ Auditor |

6. Bureau Project Manager Draft Specifications

| | | | | | | |
|---|--|---|---|---|---|--|
| A. Redesign City Standard Construction Specification/contract. (E) | | ● | ○ | ○ | ○ | |
| B. Identify and assess potential work opportunities at both prime and subcontracting levels for M/W/ESBs. (E) | | | ○ | ○ | ● | |
| C. Draft bid specifications that will maximize opportunities for M/W/ESB firms. (E) | | ○ | ○ | ○ | ● | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

7. Completion of Bid Packages

| | | | | | | |
|--|-----|---|-----------------|-----------------|---|--|
| A. Bureau submits draft specifications to Bureau of Purchases for review and approval. (C) | C | ○ | | | ● | |
| B. Bureau of Purchases reviews draft specifications for inclusion of all necessary requirements. (C) | C | ○ | ● | ○ | | |
| C. Approved printed specifications are returned to Bureau of Purchases. (C) | C | | | | ● | |
| D. Bureau completes and prints SOQ/RFPs. (C) | A/E | ○ | ○ (Optional) | ○ (Optional) | ● | |

8. Targeted Outreach to Prime and M/W/ESB Contractors

| | | | | | | |
|---|-----|--|---|---|---|---------------------|
| A. Identify new M/W/ESB firms that may be prospective City contractors and develop list of such firms to notify them about specific projects. (E) | C | | ○ | ● | ○ | |
| | A/E | | ○ | ○ | ● | |
| B. Develop and produce regional newsletters and other vehicles for contractor notification. (E) | | | ○ | ● | ○ | ○ Regional Partners |
| C. Identify existing M/W/ESB firms to receive targeted information/ notification about specific contracting opportunities and projects. (E) | C | | ○ | ● | ○ | |
| | A/E | | ○ | ○ | ● | |
| D. Notify Bureau of Purchases and Contractor Development staff of forthcoming projects in advance of advertising bid information. (E) | | | ○ | ○ | ● | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

9. Distribution of Bid Notices

| | | | | | | |
|---|-----|--|---|---|---|--|
| A. Advertise call for bids in newspapers. (C) | C | | ● | ○ | | |
| | A/E | | | | ● | |
| B. Provide information (bid specs/ plans/ RFPs) to Plan Centers. (C) | C | | ● | ○ | | |
| | A/E | | | | ● | |
| C. Provide information (bid specs/ plans/ RFPs) to community organizations. (C) | C | | ● | ○ | | |
| | A/E | | | | ● | |
| D. Develop method for obtaining PTE information for inclusion on Phone/FaxBack system. (N) | | | ● | | ○ | |
| E. Place bid information on Phone/FaxBack system. (Construction = C; A/E = N) | C | | ● | | | |
| | A/E | | ○ | | ● | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

10. Technical, Financial, and Bonding Assistance to Eligible M/W/ESB Contractors

| | | | | | | |
|---|--|---|---|---|---|-----------------------------|
| A. Develop eligibility requirements for receipt of pre-bid and post-award technical assistance. (N) | | ○ | ○ | ● | | ○ C3 ○ Regional Partners |
| B. Develop an RFP aimed at securing firms to provide specific pre-bid and post-award technical consulting to M/W/ESB firms. (N) | | ○ | ○ | ● | | ○ C3 ○ Regional Partners |
| C. Pursue with RCHUB regional funding for technology pool. (N) | | | | ● | | ○ Regional Partners |
| D. Coordinate technology pool service requests and delivery. (N) | | | ○ | ● | ○ | ○ Regional Partners |
| E. Prepare/execute IGA for other local government participation in regional technology pool. (N) | | ● | | ○ | | ○ Regional Partners |
| F. Coordinate with RCHUB members to discuss expansion of current Port of Portland mentoring program. (C) | | ○ | | ● | | ○ Regional Partners |
| G. Prepare/execute IGA for participation in a regional mentoring program. (N) | | ● | | ○ | | ○ Regional Partners |
| H. Coordinate mentoring program service requests and delivery. (N) | | ○ | ○ | ● | | ● Port of Portland |
| I. Meet with RCHUB to discuss possible jointly funded region-wide financial and bonding programs. (N) | | ○ | | ● | | ○ Regional Partners |
| J. Develop, as needed, implementation plan for bonding and financial assistance. (N) | | ○ | | ● | | ○ Regional Partners |
| K. Prepare/execute IGA for participation in regional bonding and financial solutions. (N) | | ● | | ○ | | ○ Regional Partners |
| L. Coordinate financial and bonding assistance requests and delivery. (N) | | ○ | | ● | | ○ Regional Partners |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

11. General Bid Assistance to All Contractors

| | | | | | | |
|---|-----|--|---|---|---|--|
| A. Attend pre-bid and pre-construction meetings to discuss Workforce and Good Faith Effort requirements. (C) | C | | ○ | ● | ○ | |
| B. Maintain Phone/Fax Contracting Hotline. (C) | | | ● | ○ | | |
| C. Provide general Citywide contracting "How-To" information to M/W/ESB firms (E) | C | | ○ | ● | ○ | |
| | A/E | | ● | | ○ | |
| D. Provide specific bid/contract information to contractors. (C) | C | | ● | | ○ | |
| | A/E | | | | ● | |
| E. Provide general information and assistance on the City Good Faith Effort and Workforce Training and Hiring Programs. (C) | C | | ○ | ● | ○ | |
| F. Designate central bureau procurement contact (person to be contacted by firms wishing to know what contracting opportunities exist in bureaus). Work plan and responsibilities to be developed. (N) | | | ○ | ○ | ● | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

12. Programs for Eligible M/W/ESB Prime Contractors

| | | | | | | |
|---|--|---|---|---|---|--------------------------------------|
| A. Develop an SOQ/RFP aimed at screening interested M/W/ESB firms for entry into the Sheltered Market Program. (N) | | ○ | ○ | ● | ○ | ○ Regional Partners |
| B. Design a Sheltered Market Certification Program, program standards, and graduation requirements for firms included in Program. (N) | | ● | ○ | ● | ○ | ○ Community ○ Regional Partners |
| C. Design Sheltered Market Program application process in conjunction with OMWESB. (N) | | ○ | | ● | ○ | ○ Regional Partners |
| D. Administer the Sheltered Market Certification Program. (N) | | ○ | ○ | ● | ○ | |
| E. Review project designs and specifications. Determine those contracts to be included in the Sheltered Market Program. (N) | | | ○ | ○ | ● | ○ Peer Review |
| F. Develop Direct Service Contracting Program in conjunction with contracting community. (N) | | ● | ○ | ● | ○ | ○ Regional Partners |
| G. Direct Contracting Program Pilot Project—Summer 1997. (N) | | ○ | ○ | ○ | ● | ○ Peer Review ○ Regional Partners |
| H. Develop/advise bureaus on A&E requirements for increasing M/W/ESB participation. (E) | | ○ | ● | ○ | ● | |
| I. Target informal construction contracts to M/W/ESBs. (E) | | | ● | ○ | | ○ Regional Partners |
| J. Expand solicitation requirements in conjunction with Multnomah County. (N) | | | ● | ○ | ○ | ○ Mult. Co. |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

13. Programs for Eligible M/W/ESB Subcontractors

| | | | | | | |
|--|--|---|---|---|---|---------------------|
| A. Redesign existing Good Faith Effort Program specifications. (N) | | ● | ○ | ● | ○ | ○ Regional Partners |
| B. Assist contractors with application of Good Faith Effort requirements. (C) | | ○ | ○ | ● | | |
| C. Implement subcontracting opportunities for A&E contracts per the standard A&E requirements. (N) | | ○ | ○ | ○ | ● | ○ Regional Partners |
| D. Provide lists of certified firms by Division of Work upon request. (C) | | | ○ | ● | ○ | |

14. Submission of Contractor Bid Proposal and Required Documentation

| | | | | | | |
|-----------------------------|-----|--|---|--|---|--|
| A. Receipt of Documents (C) | C | | ● | | | |
| | A/E | | | | ● | |

15. Bid, Proposal, and Document Review; Contract Award

| | | | | | | |
|--|-----|---|---|---|---|-----------|
| A. Develop A&E data collection process for Contractor Performance Reports. (N) | A/E | ○ | ○ | ● | ○ | ○ Auditor |
| B. Evaluate and report on Good Faith Effort documentation. (C) | | ○ | | ● | | |
| C. Complete evaluation of responsiveness of bid/proposal. (C) | C | ○ | ● | ○ | | |
| | A/E | ○ | | | ● | |
| D. Prepare Contractor Performance Report. (N) | | ○ | ○ | ● | | |
| E. Report to Council. (C) | C | ○ | ● | ○ | | |
| | A/E | | | | ● | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

16. Appeal Process

| | | | | | | |
|---|--|---|---|---|---|--|
| A. Design and develop an Appeal Process to be used prior to contract award. (N) | | ● | ○ | ○ | ○ | |
| B. Administer the Appeal Process. (N) | | ○ | ● | ○ | ○ | |

17. Contract Implementation

| | | | | | | |
|--|--|---|--|---|---|--|
| A. Assure completion of contract requirements. (C) | | ○ | | ○ | ● | |
|--|--|---|--|---|---|--|

18. Peer Review of Project Management

| | | | | | | |
|---|--|---|---|---|---|--|
| A. Design central Peer Review process to facilitate effective, efficient contract implementation. (N) | | ○ | ○ | ○ | ● | |
| B. Draft criteria and standards for projects to be included in the Peer Review process. (N) | | ○ | ○ | ● | ● | |
| C. Coordinate and report on Peer Review process. (N) | | ○ | | ○ | ● | |

19. Project-oriented Technical Assistance for Eligible Prime and M/W/ESB Contractors

| | | | | | | |
|---|--|--|--|--|--|--|
| See 10 Above—Technical, Financial, and Bonding Assistance | | | | | | |
|---|--|--|--|--|--|--|

20. Dispute Resolution Process

| | | | | | | |
|---|--|---|---|---|---|--|
| A. Design and develop a dispute resolution process to be used following contract award. (N) | | ● | ○ | ● | ○ | |
| B. Administer dispute resolution process. (N) | | ○ | ○ | ● | ○ | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

21. Contract Compliance

| | | | | | | |
|---|--|---|---|---|---|---------------------|
| A. For City construction contracts, collect and monitor data including but not limited to: - vendor information (name, address, Fed ID, phone number, etc.) - contract information (bid number, contract award amount, payment amounts, subcontracting, etc.) - actual utilization information, both workforce and subcontractor payment certification information (EEO, M/W/ESB, etc.) (E) | | | ○ | ● | ○ | |
| B. Review BizTrak System and determine what enhancements are needed to implement the Fair Contracting and Employment Strategy. (N) | | | ○ | ● | | |
| C. Implement centralized A&E data collection and monitoring system similar to that for construction. (N) | | | ○ | ● | ○ | ○ Auditor |
| D. Design a system that allows for electronic submission of monthly reports from contractors. (N) | | | | ● | | |
| E. Maintain database system. (E) | | | | ● | | |
| F. Expand database system to entire Bureau of Purchases and others. (N) | | | ○ | ● | ○ | ○ Regional Partners |
| G. Pursue with RCHUB regional implementation of data tracking and reporting system. (N) | | | | ● | | ○ Regional Partners |
| H. Prepare/execute IGA for other local government participation in regional reporting system. (N) | | ● | | ○ | | ○ Regional Partners |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |
| | | I. Pursue region-wide conformity of forms/programs. (E) | | ○ | ○ | ● |
| J. Determine City policy on tracking and monitoring commercially useful function performed by contractors. (N) | | ● | ○ | ○ | ○ | |
| K. Notify contractors of noncompliance and identify remedial actions, time lines. (E) | | | | ● | ○ | |
| L. Inform contractors of methods for achieving full compliance. (E) | | | | ● | ○ | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

22. Review of Subcontracting Utilization

| | | | | | | |
|---|--|--|---|---|---|--|
| A. Receive monthly utilization reports, review data and include in BizTrak System. (E) | | | | ● | ○ | |
| B. Verify compliance with the prompt payment requirements through calls to subcontractors. (N) | | | | ● | ○ | |
| C. Randomly verify payments with subcontractors. (N) | | | | ● | ○ | |
| D. Redesign data collection tools for non-Good Faith Effort contracts. (N) | | | | ● | ○ | |
| E. Verify conformance with monthly reporting requirements prior to release of monthly payments. (N) | | | | ○ | ● | |
| F. Review and approve subcontractor substitutions. (E) | | | ● | ○ | ○ | |
| G. Inform contractors of method for achieving full compliance.(E) | | | | ● | ○ | |
| H. Evaluate and report on subcontractor utilization data. (E) | | | | ● | ● | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

23. Review of Workforce Utilization

| | | | | | | |
|--|--|---|---|---|---|------------------------|
| A. Rewrite code to improve EEO Program. (N) | | ● | ○ | ● | | |
| B. Write Administrative EEO Program Rules. (N) | | ● | ○ | ● | | |
| C. Expand EEO compliance reviews to include large non-construction firms. (N) | | ○ | ○ | ● | | |
| D. Expand EEO certification to require subcontractors to certify. (N) | | ○ | ○ | ● | | |
| E. Expand EEO certification and annual renewal process. (E) | | | ○ | ● | | |
| F. Conduct individual meetings with firms that receive conditional EEO certification or are decertified. (E) | | ○ | | ● | | |
| G. Meet with firms that wish to discuss EEO compliance issues. (E) | | ○ | | ● | | |
| H. Coordinate and follow up on 10-day temporary EEO certification. (E) | | | ○ | ● | | |
| I. Coordinate with intergovernmental jurisdictions participating in City EEO program. (E) | | ○ | | ● | | ○ Regional Partners |
| J. Conduct annual review and negotiation of EEO IGA for provision of services. (C) | | ○ | | ● | | ○ Regional Partners |
| K. Monitor apprentice training on City projects to ensure that apprentices are receiving appropriate training. (C) | | | | ● | ○ | |
| L. Receive monthly employment reports, review data, and include in BizTrak system. (E) | | | | ● | ○ | |
| M. Verify conformance with monthly reporting, apprenticeship, and diversity requirements prior to release of monthly payments. (E) | | | | ○ | ● | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |
| N. Evaluate documentation of contractor recruitment and hiring practices. (E) | | | | ● | ○ | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

24. Site Inspection

| | | | | | | |
|--|--|--|--|---|---|--|
| A. Verify data collected through the use of random audits and site visits to the job site. (N) | | | | ● | ○ | |
|--|--|--|--|---|---|--|

25. Enforcement Penalties

| | | | | | | |
|--|--|---|---|---|---|--|
| A. Investigate complaints of discrimination and pursue appropriate action. (E) | | ○ | ○ | ● | ○ | |
| B. Research/design penalty and/or incentive process. (N) | | ● | ○ | ○ | ○ | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

26. Reporting and Tracking of Contractor Development Program

| | | | | | | |
|---|--|---|---|---|---|-----------|
| A. Design and implement annual contractor survey to determine feedback on Fair Contracting and Employment Strategy . (N) | | ○ | ○ | ● | ○ | |
| B. Coordinate contract data requests. (E) | | | ○ | ● | | |
| C. Produce quarterly reports to Council for all construction contracts. (E) | | | ○ | ● | | |
| D. Design method for data collection and reporting for A&E contracts. (N) | | | | ● | ○ | ○ Auditor |
| E. Produce annual report summarizing actual data in accordance with Performance Measures. (N) | | | ○ | ● | ○ | |
| F. Produce Contractor Performance Report for each construction contract approved by Council. (N) | | | ○ | ● | | |
| G. Using baseline data, design numerical increments to meet annual objectives. (N) | | ○ | | ● | | |
| H. Update availability data annually. (N) | | ○ | | ● | | |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

27. Staff Evaluation

| | | | | | | |
|--|--|---|--|---|---|-------------|
| A. Assist in the definition of “evaluation screen” for use in evaluations. (N) | | ○ | | ○ | ○ | ● Personnel |
| B. Propose annual evaluation of appropriate City staff that includes criteria related to the Fair Contracting and Employment Strategy. (N) | | | | | ● | |

28. Fair Contracting & Employment Forum

| | | | | | | |
|---|--|---|---|---|---|-----------------|
| A. Provide staff for Forum. (C) | | ○ | ○ | ○ | | ● Mayors Office |
| B. Produce annual work plan, including issues to be reviewed for the year. (C) | | ○ | ○ | ● | ○ | ○ C3 |
| C. Review City Fair Contracting and Employment Strategic Outcomes annually. (N) | | ○ | ○ | ● | ○ | ○ C3 |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Contract Type | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---------------|---|------------|---------------------------------|---------|-------|
| | | City Attorney | Purchasing | Contractor Development Division | Bureaus | Other |

29. C3 Policy Review

| | | | | | | |
|---|--|---|---|---|---|------------------|
| A. Review and develop overall Fair Contracting and Employment Strategy policy on an annual basis. (N) | | ○ | ○ | ○ | ○ | ● Mayor's Office |
| B. Produce annual work plan including issues to be reviewed for the year. (C) | | ○ | ○ | ● | ○ | ○ C3 |
| C. Review City Fair Contracting and Employment Strategic Outcomes and performance measures annually. Report to Council. (N) | | ○ | ○ | ● | ○ | ○ C3 |
| D. Facilitate effort of development work in Fair Contracting and Employment Strategy as approved by Council. (N) | | ○ | ○ | ● | ○ | ○ C3 |
| E. Review staffing and coordination of C3 annually. (N) | | ○ | ○ | ● | ○ | ○ C3 |

30. City Council Policy Review

| | | | | | | |
|--|--|---|--|---|--|-----------------------------------|
| A. Establish Fair Contracting and Employment Strategy for City. (C) | | ○ | | ○ | | ● Mayor ● Comm. Office ○ C3 |
| B. Review Strategy annually and consider appropriate policy based on performance. (N) | | ○ | | ○ | | ● Mayor ● Comm. Office ○ C3 |
| C. Evaluate performance of bureau managers annually, including criteria related to Fair Contracting and Employment Strategy. (E) | | | | | | ● Mayor ● Comm. Office |
| D. Provide staff representation on C3. (C) | | | | | | ● Mayor ● Comm. Office |

6

Apprenticeship Employment Plan

Introduction

Volume 13 of the *Oregon Regional Consortium Disparity Study* is entitled *Opportunity Enhancing Employment—Is It Working in Oregon's Construction Industry?* This volume provides an in-depth look at the construction trade apprenticeship training system in the State of Oregon. The "Apprenticeship Employment Study" provides an analysis of how the Oregon State Apprenticeship & Training Council (OSATC), the Bureau of Labor and Industries (BOLI) Apprenticeship and Training Division (ATD), and the Joint Apprenticeship & Training Committees (JATCs) that they regulate have performed in terms of equal opportunity. While some individual JATCs have achieved parity in acceptance rates for apprentices, the majority demonstrated adverse impact in graduation rates for minority males, minority females, and Caucasian females. The Study, conducted in conjunction with the Oregon Regional Consortium Disparity Study, offers 14 recommendations to the responsible institutions for improving both acceptance and graduation rates for minority and female apprentices.

BOLI's Apprenticeship and Training Division and groups of union and non-union JATCs submitted written responses to the Oregon State Apprenticeship & Training Council in September 1996 regarding the Apprenticeship Employment Study recommendations. Although none of the responses demonstrated wholehearted support for all of the Study recommendations, there was consensus that meaningful improvements in the training system could and should be made.

The recommendations for improvement focus on the training system which is located outside the control of the City of Portland and other Consortium agencies. However, there are steps or actions that the City can take to promote adoption and achievement of the Apprenticeship Employment Study recommendations by the institutions responsible for the apprenticeship system.

The following Apprenticeship Employment Strategy and work task table is the City of Portland's plan to assist the apprenticeship system in attracting and graduating more minority and female apprentices. This Employment Strategy uses the Study recommendations as a guide. The City envisions that through collaborative efforts the number of historically underutilized workers in apprenticeship training positions on City of Portland construction projects and the broader regional industry will increase. This Apprenticeship Employment Strategy is an effort to expedite adoption of appropriate Study recommendations by the OSATC, BOLI Apprenticeship & Training Division, and all JATCs in the Study. The City will achieve its Strategy through legal and political advocacy, strengthened partnerships, and direct improvements in the City's employment programs.

Key Elements

The City's Apprenticeship Employment Plan involves the following four key elements.

1. Develop Collaborative Construction Workforce Partnerships

To effect change in the apprenticeship system requires a cooperative effort involving public and private partners. Using the Oregon Construction Workforce Alliance, an advisory group composed of construction industry associations, organized labor, apprenticeship program administrators, JATC representatives, community organizations, contractors, and educators, City of Portland staff proposes to coordinate partnerships that will involve all apprenticeship stakeholders in resolving the issues identified in the Disparity Study.

The partnerships will produce collaboratively developed plans that include the following features:

- Definitions of all stakeholder roles
- Identification of responsibility for outcomes and resources
- Agreements that clearly define the recruitment process between JATCs and community organizations that serve minority and female applicants
- Commitment of future private/public resource allocation to fulfill the needs of apprenticeship programs and the minorities and women who have experienced difficulties in entering or graduating from apprenticeship programs;
- Collaboration on decisions about the types of community services that are needed to support retention and graduation of skilled workers from the apprenticeship system (examples: labor market forecasting, community-based recruitment, mentorship, mediator, preapprenticeship training, school-to-work efforts, client resource fund for tools)
- Increased consistency of program requirements and compliance methods among participating government partners.

2. Use Legal and Political Action

Pursuing legal and political action is critical to advancing the adoption of Study recommendations by the apprenticeship system. City of Portland staff plans to continue legal discourse and investigate potential legal action to challenge the following practices:

- Use of Selection Method D approved by the Oregon State Apprenticeship and Training Council (OSATC)
- Continuing delays by the Bureau of Labor and Industries, Apprenticeship & Training Division in performing federally mandated compliance reviews of all apprenticeship committees

- Lack of oversight and corrective action by the Oregon State Apprenticeship and Training Council of JATCs that have not met EEO goals for minorities and women.

Political and legislative advocacy is also needed. An immediate effort must be made to advocate to Labor Commissioner Jack Roberts that JATC compliance reviews be done on all apprenticeship committees in the Disparity Study within six months (by July 1, 1997) and that funds be allocated by the State to hire an independent consultant to perform the reviews and expedite completion within the specified time frame.

Using the influence of Mayor Katz and City Council members, the City will advocate that Labor Commissioner Roberts and Governor Kitzhaber provide state leadership in responding to the Apprenticeship Employment Study recommendations, and request an implementation plan from the BOLI Apprenticeship and Training Division.

The City's legislative staff will provide support for Commissioner Roberts' legislative efforts to more clearly define the separate, distinct roles of BOLI as a state agency and JATCs as independent management/labor training committees.

3. Model Best Practices for the Private Sector

To provide leadership for the private sector and the apprenticeship community, the City will establish internal practices supportive of the Study recommendations. Allowing City staff to participate on BOLI subcommittees, JATCs, or apprentice interview committees during working hours would bring a broader range of views to the apprenticeship system and potentially provide greater objectivity to its processes.

The City will act as a role model for private sector contractors by establishing apprenticeship training positions within the City's construction work crews. This would provide access for more minorities and women to those positions.

4. Increase Effectiveness of Existing Programs

Immediate improvements in the City Workforce Training & Hiring Program and EEO Program requirements will increase compliance and provide more guidance to contractors who are making efforts to hire a diverse workforce. These tasks are specifically included in the Contractor Development Program, in the Review of Workforce Utilization step (Step 23). The work plan reflects steps to provide internal improvements to existing programs that are within the City's direct control.

Employment Strategies Requiring Further Research and Development

Beyond the four-step strategy outlined above, several further activities, which will require additional discussion and research, warrant consideration by the Council as follows:

- The City and other Consortium agencies could provide benefits to contractors who employ a diverse workforce and/or make and maintain a verifiable commitment to use minority and women apprentices on non-public contracts. The City's EEO certification system could be used

to identify "committed" employers who consistently make efforts to provide equitable employment opportunity. Potential benefits could include participation in the following groups:

- First-call list for emergency response work
- Priority list for direct purchase work
- Priority list for work on City-owned facilities.

This strategy would require extensive program development and legislative action.

- The City could launch an Incentive Program for exemplary performance by a contractor in meeting overall project objectives. The Incentive Plan, developed for selected projects, could include the following performance measures:
 - Technical mastery
 - Timely project completion
 - Budgetary control
 - Diverse workforce participation and training.

Financial incentives could be awarded for meeting plan objectives in each measurable category, with disincentives for not achieving objectives.

- On large construction projects, the City could include in the contract a requirement that the prime or Construction Manager/General Contractor (CM/GC) enter formal agreements with community-based organizations, labor, and apprenticeship committees to ensure participation of minorities and women on the project. Other communities have used this model to provide more cooperation and resources to achieve a diverse workforce on large building construction projects.
- A public/private program could be developed in which the City provides entry to first-term apprenticeship positions within the City, with the guarantee that the private construction contractors would hire and continue training apprentices at the end of their public sector employment. This strategy would require extensive program development.
- Legislation could be introduced to gain acceptance of the Disparity Study utilization analysis by the Oregon State Apprenticeship and Training Council (OSATC) for State-performed compliance reviews. Since compliance reviews are the basis for actions taken by the State against JATCs that have not met their EEO goals, and the BOLI Apprenticeship and Training Division has not performed the reviews as required by law, the City would advocate acceptance of the Disparity Study utilization analysis as the basis upon which the OSATC would evaluate a JATC's performance. Research on the feasibility of this strategy is required.

Table F—Apprenticeship Employment Plan Work Task Detail

The following table of Apprenticeship Employment Plan Work Tasks identifies key City staff responsible for carrying out the various elements of the Apprenticeship Employment Plan. Work tasks have been categorized by the following codes:

| | |
|--|--|
| Items in bold are development or startup work activities. | |
| (C) | Tasks that are currently being done, for which no significant change in work is expected. These tasks are not shaded. |
| (N) | Tasks that are new or are not currently performed by existing staff. These tasks are shaded in dark gray. |
| (E) | Tasks that currently exist but are expected to expand in effort or scope. These tasks are shaded in light gray. |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|--|---|------------|-------------------------------|---------|------------------------|
| | City Attorney | Purchasing | Business Development Division | Bureaus | Other |
| A. Coordinate partnerships with apprenticeship stakeholders & community-based organizations to assist the City's diverse population in gaining fair and equal access to employment opportunities on City-funded projects. (E) | ○ | | ● | | ○ Regional Partners |
| B. Achieve intergovernmental coordination with jurisdictions participating in City Workforce Program. (E) | ○ | | ● | | ○ Regional Partners |
| C. Undertake annual review and negotiation of IGA for provision of services to other jurisdictions. (E) | ○ | | ● | | |
| D. Use legal and political action to advance Study recommendations with BOLI/JATCs. (E) | ○ | | ● | | ○ Mayor |
| E. Explore establishing apprenticeship training programs for construction trade positions within City construction bureaus. (E) | ○ | | ○ | ● | ○ Personnel |

| Work Task C= Current Work Task N= New Work Task E= Expansion of Current Work Task | Responsibility (● = Primary or Lead; ○ = Support) | | | | |
|---|---|------------|-------------------------------|---------|-----------------|
| | City Attorney | Purchasing | Business Development Division | Bureaus | Other |
| | F. Work with contractors to improve apprenticeship utilization during the life of each project. (E) | | | ● | ○ |
| G. Coordinate PDC efforts to develop basic skills curriculum to meet needs of the construction industry as well as selected target industries. (N) | | | ○ | | ● PDC |
| H. Increase use of Workforce Program on construction projects that are not public works projects (Dev. Agreements, Housing Grants, loans, etc.) but receive public funds or benefits. (N) | | | ○ | | ● PDC ● BHDC |
| I. Modify Workforce Program specifications to improve requirements of efforts to recruit a diverse workforce from unions, apprenticeship programs, and community organizations. (C) | ○ | | ● | ○ | ○ Mult. Co. |
| J. Explore City policy that requires all prime contractors working on City projects to conduct annual diversity and harassment prevention workshops. (N) | ● | | ○ | ○ | |

7

Funding Plan

In November 1996, as a result of voter passage of State Ballot Measure 47, the property tax reduction initiative that cuts the City's property tax revenue by as much as 32 percent, additional resources to fund the Strategy's new requirements are scarce. Using existing Citywide resources is the emphasis of the funding plan for the Strategy. If better utilization of existing resources does not cover the costs identified in the attached budgets, then the Office of Finance and Administration will allocate costs by raising the amount of the Bureau of Purchases' overhead charge, by assessments to capital improvement projects, or by general fund allocations.

Implementation of the Strategy will result in two types of fiscal impacts on the City: impacts on the Contractor Development Division, Bureau of Purchases and impacts on the remaining City bureaus.

Fiscal Impacts on Contractor Development Division, Bureau of Purchases

As detailed in the following budget summaries, the initial fiscal impacts on the Contractor Development Division, Bureau of Purchases include both ongoing and one-time startup costs related to implementing the Contractor Development Program.

The search for resources to pay for the additional program costs in the Contractor Development Division, Bureau of Purchases will be provided on an ongoing basis by the Special Opportunities Special Appropriations Fund and by consolidating existing stand-alone bureau minority contracting development efforts.

Over the past three years, the Special Opportunity Special Appropriations Fund, in the amount of \$299,780 annually, has been used to pay for the cost of completing the Disparity Study, to provide supplementary legal review through the Office of the City Attorney, to pay for costs associated with establishing the central contractor database, and to cover facilitation expenses relating to the procurement reengineering process. The fund has been created with the following annual bureau contributions: Bureau of Environmental Services \$164,395; Office of Transportation \$100,231; Bureau of Water \$59,184; Bureau of Parks Golf Fund \$3,996; and Bureau of General Services Facilities Fund \$31,274.

The balance of the Special Opportunity Special Appropriations Fund can be used to finance the remainder of the year (FY96-97) in the form of a mid-year add of \$126,339.

With regard to the FY 97-98 proposed add of \$577,690, it is important to understand that \$100,000 of that amount is a one-time-only cost—the curriculum development for the training program aimed at City project managers. Furthermore, the FY 97-98 budget includes \$300,000 for Technical, Workforce, and Financial Assistance, which the City's Office of Finance and Administration is recommending not be funded until the City has evaluated all existing assistance programs to prevent duplicate funding. The City currently spends approximately \$4 million on Business Development, Technical, and Financial Assistance programs that are funded through the Bureau of Environmental Services, the Portland Development Commission, the Bureau of Housing and Community Development, and other Special Appropriations Projects. These programs and projects should be reevaluated to determine relationship to their relationship to this new effort.

Finally, this package proposes that the level of contribution of Special Appropriations be reduced slightly but continue for one additional year to cover the transitional year FY 97-98. Total contributions would equal \$277,690 for FY 97-98 as compared to \$299,780 in the current year, FY 96-97. The ongoing costs of \$177,690 from FY 98-99 onward would then be transferred over to be recovered through the General Fund overhead allocation methodology.

Fiscal Impacts on City Bureaus

Potential fiscal impacts on City bureaus might occur upon implementation of the Sheltered Market Program, the Direct Services Contracting Pilot Program, and the increased architecture and engineering requirement efforts. These programs will be developed for consideration by the City Council over the next three to six months. Each presentation to the City Council will include a detailed fiscal impact analysis on all City bureaus. However, because these programs are not slated for immediate implementation, they have no immediate fiscal impact on this funding plan.

It is hoped that the cost of the Peer Review and the costs of having employees absent on the job while participating in training programs will be absorbed by the bureaus within existing resources.

Regional Matching Funds

Securing matching funds to provide technical, financial, and bonding contractor assistance is also an emphasis of the Strategy's funding plan. The Strategy assumes that the \$250,000 budgeted will be matched by public and private partners. In fact, it is only through a funding match that certain types of technical assistance, such as contractor mentoring programs, could be deemed cost-effective to the City.

Entrepreneurial Efforts

Adoption of the Strategy presents the Contractor Development Division of the Bureau of Purchases with entrepreneurial opportunities in both the private and public sectors. The initial focus of the Division's entrepreneurial efforts will be to provide services for a fee to other public sector agencies. A fee for service arrangement has been successfully negotiated with Multnomah County. Although this has only a minor fiscal benefit to the City, it has a substantial qualitative benefit in terms of maintaining a critical pool of staff talent available to work on City projects. It also provides the region's taxpayers with maximum value for each dollar spent in this area.

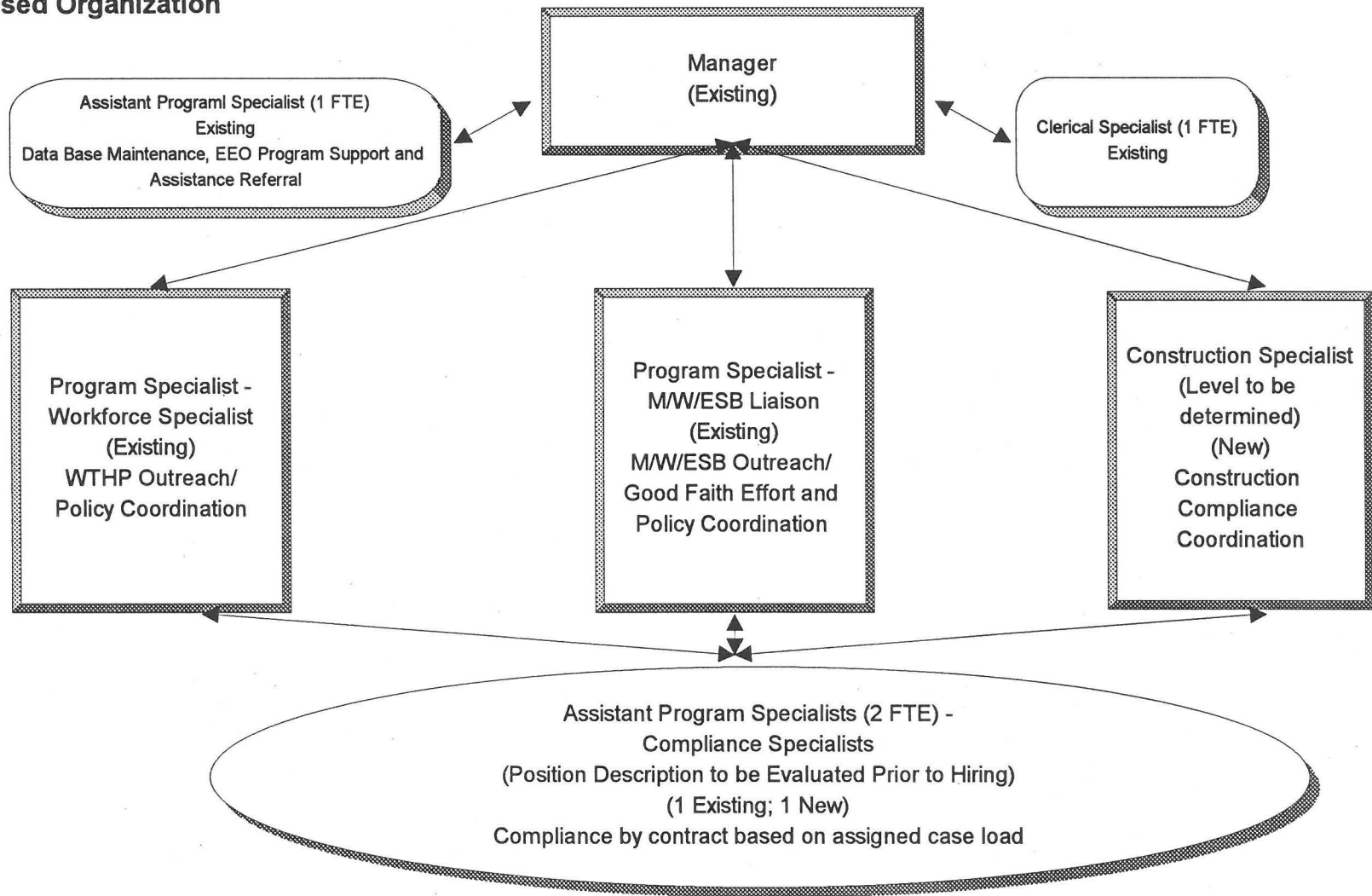
Contractor Development Division, Bureau of Purchases History/Organizational Structure

In June 1993, with the adoption of the first Fair Contracting and Employment Initiative, the Portland City Council set into motion a series of projects aimed at addressing barriers to equal participation in contracting and contract employment. With the aim of leveling the playing field for those who have suffered from discrimination, the Initiative provided a policy framework for administrative actions and dedication of resources and staff time. The City Council further refined its direction in these efforts for the Phase II Fair Contracting and Employment Initiative, adopted in February 1995.

In mid-1995, the Bureau of Purchases created within its existing organization the Business Development Division. Savings achieved by the elimination of the City's surplus property program were used to focus bureau staff and resources on minority, women-owned, and small business programs. The staffing reorganization was an effort to improve communication with M/W/ESBs and improve support to bureaus in the contracting process. The Division is responsible for the Equal Employment Opportunity Certification Program, Workforce Training and Hiring Program, and the Minority, Women-owned and Small Business Participation outreach programs as detailed in the following budgets. Four full-time staff people were funded in this Division in FY 1995-96, and an additional two staff people were added in FY 1996-97. An organizational chart for the Division is provided in the following table.

Table G—

**Contractor Development Division, Purchasing Bureau
- Proposed Organization**



The Division would work as a team with all members reporting to Manager. The three Program Specialists would each specialize in their particular area. The Compliance Specialists would carry an individual case load but be versed in all aspects of the City programs. Cross training would be sufficient to allow cross-over of all jobs.

Contractor Development Division, Bureau of Purchases Budget

The following budget for the Contractor Development Division allows for the implementation of the core Citywide elements of the Contractor Development Program. The Division has been significantly reorganized to facilitate Citywide achievement of the Strategy's objectives, including the centralization of tracking, monitoring, and compliance tasks. The budget includes two additional staff people, for a Division total of eight. The additional staff would be used primarily for compliance and administration of the proposed Sheltered Market Program. The name of the Division has been changed from "Business Development" to "Contractor Development Division" to more appropriately reflect the emphasis on the economic growth of construction and related businesses.

The proposed budget changes shown on Tables H through L reflect the additional resources needed to fund the core programs recommended in the Disparity Study and included in the Strategy. Each Table is described briefly below.

Table H—Proposed Summary Budget, Contractor Development Division

Table H summarizes the current FY 1996-97 budget (Table I), the proposed mid-year adjustment (Table J), and the resulting revised FY 1996-97 budget. The proposed add package for FY 1997-98 is shown (Summarized from Table K). The amended FY 1996-97 budget, plus the add package, minus any one-time start-up costs, results in the proposed FY 1997-98 budget (Summarized from Table L).

Table I—Adopted FY 96-97 Budget - \$424,828

The current budget for the Contractor Development Division (previously referred to as the Business Development Division), Bureau of Purchases, includes funding for six staff people and related expenses.

Table J—Mid-year Budget Addition by Goal Breakout - FY 96-97 - \$126,339

To provide for quick implementation of the Strategy priority work plan items, the mid-year adjustment provides for:

- the addition of one staff person for four months and the necessary furniture and computer equipment
- a one time expense of Bureau rearrangement to accommodate additional staff in existing space
- the purchase of the Site License for the computerized compliance tracking system and enhancements
- \$25,000 for Technical Assistance to be used in conjunction with the development of the Sheltered Market Program.

Table K—Add Package for FY 97-98 by Goal Breakout - \$ 577,690

To implement the core programs called for in the Disparity Study, the additional funding package for FY 97-98 provides for:

- the addition of a second staff person and the necessary furniture and computer equipment
- funding for the following major programs

- Technology Pool for contract specific technical assistance (\$100,000)
- Project Manager / Inspector Training (\$110,000)
- Partial funding, to be matched by public or private sector partners, for a regional mentoring program (\$100,000)
- Partial funding, to be matched by public or private sector partners, for a regional financial assistance program (\$100,000)
- Partial funding, to be matched by public or private sector partners, for a regional Apprenticeship Program (\$50,000)

Expenditures on programs requiring funding matches will not occur until the City Council has approved the specific program.

- Design and implementation of an annual contractor survey.

Table L—Proposed FY 97-98 Budget by Goal Breakout - \$1,016,488

The proposed budget for FY 97-98 (\$1,016,488) reflects the addition of the FY 97-98 add package (\$577,690) to the revised FY 96-97 budget (\$551,167), minus one-time costs (e.g. software license, furniture, etc.). This amount reflects the resources needed to fund the core Disparity Study recommendations. This total budget amount of \$1,016,488 represents less than one-half of one percent of the total contracting administered through the Bureau of Purchases during the last fiscal year.

Table H
Contractor Development Division, Bureau of Purchases
Proposed Summary Budget

| | Table I | Table J | Table K | Table L |
|--------------------------------------|--------------------|------------------------------------|----------------------------|--------------------------------|
| | FY 96-97 BUDGET | Mid Year Adjustment FY 96-97 | FY 97-98 Add Package | FY 97-98 Proposed Budget |
| 511000-FULL TIME EMPLOYEE | \$272,947 | \$12,963 | \$68,809 | \$355,867 |
| 512000-PART TIME/LIMITED | \$0 | \$0 | \$0 | \$0 |
| 514000-OVERTIME | \$0 | \$0 | \$0 | \$0 |
| 515000-PREMIUM PAY | \$0 | \$0 | \$0 | \$0 |
| 517000-BENEFITS | \$97,081 | \$4,537 | \$24,083 | \$124,553 |
| 518000-PAID ABSENCE | \$0 | \$0 | \$0 | \$0 |
| TOTALS | \$370,028 | \$17,500 | \$0 | \$0 |
| FTE Allocation | 6.00 | | | 8.00 |
| 521000-PROFESSIONAL SERVICE | \$10,000 | \$32,000 | \$420,000 | \$427,500 |
| 524000-REPAIR & MAINTENANCE | \$0 | \$0 | \$0 | \$0 |
| 529000-MISCELL. SERVICES | \$22,270 | \$10,270 | \$5,000 | \$27,270 |
| 531000-OFFICE SUPPLIES | \$1,530 | \$0 | \$304 | \$1,037 |
| 539000-OTHER COMMODITIES | \$4,000 | \$39,383 | \$0 | \$4,000 |
| 541000-EDUCATION | \$5,800 | \$0 | \$3,000 | \$8,800 |
| 542000-LOCAL TRAVEL | \$200 | \$0 | \$0 | \$200 |
| 543000-OUT OF TOWN TRAVEL | \$5,000 | \$0 | \$0 | \$5,000 |
| 546000-REFUNDS | \$0 | \$0 | \$0 | \$0 |
| 549000-MISCELLANEOUS | \$0 | \$24,758 | \$55,000 | \$57,000 |
| TOTAL EXTERNAL MAT & SERV | \$48,800 | \$106,411 | \$0 | \$530,807 |
| 551000 FLEET SERVICES | \$1,000 | \$78 | \$169 | \$719 |
| 552000-PRINTING/DISTRIBUTION | \$5,000 | \$0 | \$0 | \$4,000 |
| 553000-FACILITIES SERVICES | \$0 | \$1,100 | \$0 | \$542 |
| 554000-COMMUNICATIONS | \$0 | \$1,250 | \$1,325 | \$0 |
| 555000-DATA PROCESSING | \$0 | \$0 | \$0 | \$0 |
| 556000-INSURANCE | \$0 | \$0 | \$0 | \$0 |
| 557000-EQUIPMENT LEASE | \$0 | \$0 | \$0 | \$0 |
| 558000-INTRA FUND SERVICES | \$0 | \$0 | \$0 | \$0 |
| 559000-OTHER FUND SERVICES | \$0 | \$0 | \$0 | \$0 |
| TOTAL INTERNAL MAT & SERV | \$6,000 | \$2,428 | \$0 | \$0 |
| TOTAL MATERIALS AND SERV | \$54,800 | \$108,839 | \$0 | \$530,807 |
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 |
| TOTAL APPROPRIATION | \$424,828 | \$126,339 | \$0 | \$530,807 |

Table I
Contractor Development Division, Bureau of Purchases
Adopted 1996-97 Budget

Budget Distribution by Fair Contracting Strategy Goals

| | FY 96-97 BUDGET | Contracting Opportunities | Technical Financial Assistance | Monitoring and Compliance | Standards and Training | Employment |
|--------------------------------------|--------------------|------------------------------|--------------------------------------|---------------------------------|------------------------------|-----------------|
| 511000-FULL TIME EMPLOYEE | \$272,947 | \$65,962 | \$4,549 | \$129,650 | \$4,549 | \$68,237 |
| 512000-PART TIME/LIMITED | \$0 | | | | | |
| 514000-OVERTIME | \$0 | | | | | |
| 515000-PREMIUM PAY | \$0 | | | | | |
| 517000-BENEFITS | \$97,081 | \$23,461 | \$1,618 | \$46,113 | \$1,618 | \$24,270 |
| 518000-PAID ABSENCE | \$0 | | | | | |
| TOTALS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| FTE Allocation | 6.00 | 1.45 | 0.10 | 2.85 | 0.10 | 1.50 |
| 521000-PROFESSIONAL SERVIC | \$10,000 | | | \$10,000 | | |
| 524000-REPAIR & MAINTENANCE | \$0 | | | | | |
| 529000-MISCELL. SERVICES | \$22,270 | \$17,270 | | | | \$5,000 |
| 531000-OFFICE SUPPLIES | \$1,530 | \$370 | \$26 | \$727 | \$26 | \$383 |
| 539000-OTHER COMMODITIES | \$4,000 | \$2,000 | | | | \$2,000 |
| 541000-EDUCATION | \$5,800 | \$800 | | \$3,000 | | \$2,000 |
| 542000-LOCAL TRAVEL | \$200 | \$200 | | | | |
| 543000-OUT OF TOWN TRAVEL | \$5,000 | | | \$5,000 | | |
| 546000-REFUNDS | \$0 | | | | | |
| 549000-MISCELLANEOUS | \$0 | | | | | |
| TOTAL EXTERNAL MAT & SERV | \$48,800 | \$20,640 | \$26 | \$18,727 | \$26 | \$9,383 |
| 551000 FLEET SERVICES | \$1,000 | \$242 | \$17 | \$475 | \$17 | \$250 |
| 552000-PRINTING/DISTRIBUTION | \$5,000 | \$2,500 | | \$1,000 | | \$1,500 |
| 553000-FACILITIES SERVICES | \$0 | | | | | |
| 554000-COMMUNICATIONS | \$0 | | | | | |
| 555000-DATA PROCESSING | \$0 | | | | | |
| 556000-INSURANCE | \$0 | | | | | |
| 557000-EQUIPMENT LEASE | \$0 | | | | | |
| 558000-INTRA FUND SERVICES | \$0 | | | | | |
| 559000-OTHER FUND SERVICES | \$0 | | | | | |
| TOTAL INTERNAL MAT & SERV | \$6,000 | \$2,742 | \$17 | \$1,475 | \$17 | \$1,750 |
| TOTAL MATERIALS AND SERV | \$54,800 | \$23,381 | \$42 | \$20,202 | \$42 | \$11,133 |
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL APPROPRIATION | \$54,800 | \$23,381 | \$42 | \$20,202 | \$42 | \$11,133 |

Notes:

- A. Staff time attributed to Monitoring and Compliance have been primarily working on Disparity Study data collection and response during FY 1996-97.
 - B. Additional internal services (data processing, facilities, rent, etc.) are not included.
- Amounts are budgeted in Bureau 31910001.

Table J
Contractor Development Division, Bureau of Purchases
Proposed FY 1996-97 Budget - Mid Year Adjustment

| | Mid Year Adjustment FY 96-97 | Budget Distribution by Fair Contracting Strategy Goals | | | | | One-Time Start-up Costs Included In Adjustment |
|--------------------------------------|------------------------------------|--|--------------------------------------|---------------------------------|------------------------------|--------------|---|
| | | Contracting Opportunities | Technical Financial Assistance | Monitoring and Compliance | Standards and Training | Employment | |
| 511000-FULL TIME EMPLOYEE | \$12,963 | | | \$12,963 | | | |
| 512000-PART TIME/LIMITED | \$0 | | | | | | |
| 514000-OVERTIME | \$0 | | | | | | |
| 515000-PREMIUM PAY | \$0 | | | | | | |
| 517000-BENEFITS | \$4,537 | | | \$4,537 | | | |
| 518000-PAID ABSENCE | \$0 | | | | | | |
| TOTALS | \$0 | \$0 | \$0 | \$17,500 | \$0 | \$0 | \$0 |
| 521000-PROFESSIONAL SERVICE | \$32,000 | | \$25,000 | | \$7,000 | | \$7,000 |
| 524000-REPAIR & MAINTENANCE | \$0 | | | | | | |
| 529000-MISCELL. SERVICES | \$10,270 | | | \$10,270 | | | \$10,270 |
| 531000-OFFICE SUPPLIES | \$0 | | | | | | |
| 539000-OTHER COMMODITIES | \$39,383 | \$2,164 | | \$37,219 | | | \$39,383 |
| 541000-EDUCATION | \$0 | | | | | | |
| 542000-LOCAL TRAVEL | \$0 | | | | | | |
| 543000-OUT OF TOWN TRAVEL | \$0 | | | | | | |
| 546000-REFUNDS | \$0 | | | | | | |
| 549000-MISCELLANEOUS | \$24,758 | | | \$24,758 | | | \$24,758 |
| TOTAL EXTERNAL MAT & SERV | \$106,411 | \$2,164 | \$25,000 | \$72,247 | \$7,000 | \$0 | \$0 |
| 551000 FLEET SERVICES | \$78 | \$0 | | \$78 | | | |
| 552000-PRINTING/DISTRIBUTION | \$0 | | | | | | |
| 553000-FACILITIES SERVICES | \$1,100 | \$266 | \$18 | \$523 | \$18 | \$275 | \$1,100 |
| 554000-COMMUNICATIONS | \$1,250 | \$302 | \$21 | \$594 | \$21 | \$313 | \$1,250 |
| 555000-DATA PROCESSING | \$0 | | | | | | |
| 556000-INSURANCE | \$0 | | | | | | |
| 557000-EQUIPMENT LEASE | \$0 | | | | | | |
| 558000-INTRA FUND SERVICES | \$0 | | | | | | |
| 559000-OTHER FUND SERVICES | \$0 | | | | | | |
| TOTAL INTERNAL MAT & SERV | \$2,428 | \$568 | \$39 | \$1,195 | \$39 | \$588 | \$0 |
| TOTAL MATERIALS AND SERV | \$108,839 | \$2,732 | \$25,039 | \$73,442 | \$7,039 | \$588 | \$0 |
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| TOTAL APPROPRIATION | \$108,839 | \$2,732 | \$25,039 | \$90,942 | \$7,039 | \$588 | \$0 |

Table K

**Contractor Development Division, Bureau of Purchases
Proposed FY 1997-98 Budget Add Package**

Budget Distribution by Fair Contracting Strategy Goals

| | FY 97-98 Add Package | Contracting Opportunities | Technical Financial Assistance | Monitoring and Compliance | Standards and Training | Employment |
|---------------------------|-------------------------------------|--------------------------------------|---|--|---------------------------------------|-------------------|
| 511000-FULL TIME EMPLOYEE | \$68,809 | \$10,321 | \$20,643 | \$17,202 | \$20,643 | \$0 |
| 512000-PART TIME/LIMITED | \$0 | | | | | |
| 514000-OVERTIME | \$0 | | | | | |
| 515000-PREMIUM PAY | \$0 | | | | | |
| 517000-BENEFITS | \$24,083 | \$3,612 | \$7,225 | \$6,021 | \$7,225 | \$0 |
| 518000-PAID ABSENCE | \$0 | | | | | |
| TOTALS | \$92,892 | \$13,934 | \$27,868 | \$23,223 | \$27,868 | \$0 |

| | | | | | | |
|--------------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| 521000-PROFESSIONAL SERVICE | \$420,000 | \$10,000 | \$300,000 | | \$110,000 | |
| 524000-REPAIR & MAINTENANCE | \$0 | | | | | |
| 529000-MISCELL. SERVICES | \$5,000 | | | \$5,000 | | |
| 531000-OFFICE SUPPLIES | \$304 | \$46 | \$91 | \$76 | \$91 | \$0 |
| 539000-OTHER COMMODITIES | \$0 | | | | | |
| 541000-EDUCATION | \$3,000 | | | \$3,000 | | |
| 542000-LOCAL TRAVEL | \$0 | | | | | |
| 543000-OUT OF TOWN TRAVEL | \$0 | | | | | |
| 546000-REFUNDS | \$0 | | | | | |
| 549000-MISCELLANEOUS | \$55,000 | | | \$5,000 | | \$50,000 |
| TOTAL EXTERNAL MAT & SERV | \$483,304 | \$10,046 | \$300,091 | \$13,076 | \$110,091 | \$50,000 |

| | | | | | | |
|--------------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| 551000 FLEET SERVICES | \$169 | \$30 | | \$100 | | \$39 |
| 552000-PRINTING/DISTRIBUTION | \$0 | | | | | |
| 553000-FACILITIES SERVICES | \$0 | | | | | |
| 554000-COMMUNICATIONS | \$1,325 | \$199 | \$398 | \$331 | \$398 | \$0 |
| 555000-DATA PROCESSING | \$0 | | | | | |
| 556000-INSURANCE | \$0 | | | | | |
| 557000-EQUIPMENT LEASE | \$0 | | | | | |
| 558000-INTRA FUND SERVICES | \$0 | | | | | |
| 559000-OTHER FUND SERVICES | \$0 | | | | | |
| TOTAL INTERNAL MAT & SERV | \$1,494 | \$229 | \$398 | \$431 | \$398 | \$39 |
| TOTAL MATERIALS AND SERV | \$484,798 | \$10,274 | \$300,489 | \$13,507 | \$110,489 | \$50,039 |

| | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
|-----------------------------|------------|------------|------------|------------|------------|------------|

| | | | | | | |
|----------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| TOTAL APPROPRIATION | \$577,690 | \$24,208 | \$328,356 | \$36,730 | \$138,356 | \$50,039 |
|----------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|

Table L
Contractor Development Division, Bureau of Purchases
Proposed FY 1997-98 Budget

Budget Distribution by Fair Contracting Strategy Goals

| | FY 97-98 Proposed Budget | Contracting Opportunities | Technical Financial Assistance | Monitoring and Compliance | Standards and Training | Employment |
|---------------------------|---|--------------------------------------|---|--|---------------------------------------|-------------------|
| 511000-FULL TIME EMPLOYEE | \$355,867 | \$71,173 | \$17,793 | \$182,382 | \$22,242 | \$62,277 |
| 512000-PART TIME/LIMITED | \$0 | | | | | |
| 514000-OVERTIME | \$0 | | | | | |
| 515000-PREMIUM PAY | \$0 | | | | | |
| 517000-BENEFITS | \$124,553 | \$24,911 | \$6,228 | \$63,833 | \$7,785 | \$21,797 |
| 518000-PAID ABSENCE | \$0 | | | | | |
| TOTALS | \$480,420 | \$96,084 | \$24,021 | \$246,215 | \$30,026 | \$84,074 |

| | | | | | | |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FTE Allocation | 8.00 | 1.60 | 0.40 | 4.10 | 0.50 | 1.40 |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|

| | | | | | | |
|--------------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| 521000-PROFESSIONAL SERVICE | \$427,500 | \$12,500 | \$300,000 | \$5,000 | \$110,000 | |
| 524000-REPAIR & MAINTENANCE | \$0 | | | | | |
| 529000-MISCELL. SERVICES | \$27,270 | \$17,270 | | \$5,000 | | \$5,000 |
| 531000-OFFICE SUPPLIES | \$1,037 | \$207 | \$52 | \$531 | \$65 | \$181 |
| 539000-OTHER COMMODITIES | \$4,000 | \$2,000 | | | | \$2,000 |
| 541000-EDUCATION | \$8,800 | \$800 | | \$6,000 | | \$2,000 |
| 542000-LOCAL TRAVEL | \$200 | \$75 | | \$75 | | \$50 |
| 543000-OUT OF TOWN TRAVEL | \$5,000 | | | \$4,000 | | \$1,000 |
| 546000-REFUNDS | \$0 | | | | | |
| 549000-MISCELLANEOUS | \$57,000 | \$2,000 | | \$5,000 | | \$50,000 |
| TOTAL EXTERNAL MAT & SERV | \$530,807 | \$34,852 | \$300,052 | \$25,606 | \$110,065 | \$60,231 |

| | | | | | | |
|--------------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
| 551000 FLEET SERVICES | \$719 | \$144 | \$36 | \$368 | \$45 | \$126 |
| 552000-PRINTING/DISTRIBUTION | \$4,000 | \$2,000 | \$450 | \$400 | \$150 | \$1,000 |
| 553000-FACILITIES SERVICES | \$542 | \$108 | \$27 | \$278 | \$34 | \$95 |
| 554000-COMMUNICATIONS | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 555000-DATA PROCESSING | \$0 | | | | | |
| 556000-INSURANCE | \$0 | | | | | |
| 557000-EQUIPMENT LEASE | \$0 | | | | | |
| 558000-INTRA FUND SERVICES | \$0 | | | | | |
| 559000-OTHER FUND SERVICES | \$0 | | | | | |
| TOTAL INTERNAL MAT & SERV | \$5,261 | \$2,252 | \$513 | \$1,046 | \$229 | \$1,221 |
| TOTAL MATERIALS AND SERV | \$536,068 | \$37,105 | \$300,565 | \$26,653 | \$110,294 | \$61,452 |

| | | | | | | |
|-----------------------------|------------|------------|------------|------------|------------|------------|
| TOTAL CAPITAL OUTLAY | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
|-----------------------------|------------|------------|------------|------------|------------|------------|

| | | | | | | |
|----------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|
| TOTAL APPROPRIATION | \$1,016,488 | \$133,189 | \$324,586 | \$272,868 | \$140,320 | \$145,526 |
|----------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|

8

Glossary

| | |
|---|--|
| A&E | Architectural and Engineering contracts related to the construction of a public works project. |
| AGC | Associated General Contractors. |
| ATD | Apprenticeship and Training Division (of BOLI). |
| Availability | The percentage of firms (or persons) by race and gender who are qualified, willing, and able to perform public sector work (or being employed at a workforce level). |
| BOLI | Bureau of Labor and Industries. |
| Competitive | Capable of successfully bidding, winning, and performing work in the desired industry sector. |
| Consortium | City of Portland, PDC, Multnomah County, Metro, ODOT, ODAS, OSSHE, Tri-Met, Washington County, and City of Gresham. |
| Construction-related Contracting | Includes, for purposes of the Strategy, Architectural and Engineering contracts that are associated with the actual construction of a public works contract. |
| C3 | City of Portland—Contract Coordinators Committee. |
| DBE | Disadvantaged Business Enterprise. |
| Discrimination | Disparate and disadvantageous treatment of a person or group based on race, color, national origin, religion, sex, age or disability; action based on prejudice which causes harm, whether intentional or not. |
| Diverse | Broadly representative of the relevant community; varied participation as measured by individuals or businesses rather than racial or ethnic group. |
| EEO | Equal Employment Opportunity. |

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|-------------------|--|
| ESB | Emerging Small Business. For purposes of this Strategy, this includes only those firms certified as an ESB by the State Office of Minority, Women and Emerging Small Business (OMWESB). Program standards are currently under review. Current program participation is restricted to Oregon-based firms with 20 or fewer employees, with average annual gross receipts over the last three years not exceeding \$1 million for construction firms and \$300,000 for non-construction-related firms. An ESB must be a properly licensed, legally registered, and independently owned Oregon firm. |
| Equity | Just, impartial, and fair distribution of opportunity and benefits. |
| Goal | A "state of being" or the direction in which the City wants to move. |
| HUB | Historically Underutilized Business. Refers to minority, women and emerging small businesses certified by the State of Oregon, Office of Minority, Women and Emerging Small Businesses. |
| JATC | Joint Apprenticeship and Training Committee |
| MBE | Minority Business Enterprise. For purposes of this Strategy, this includes only those firms certified as a minority owned business by the State Office of Minority, Women and Emerging Small Business (OMWESB). A minority is defined to include African American, Hispanic American, Native American, Asian Pacific American, and Asian Indian American. The minority representative must own at least 51% of the firm and must have control of the management and daily operations of the firm. The firm must not be inextricably associated with a non-minority owned firm. |
| Minorities | All persons classified as African-American, Hispanic, Asian or Pacific Islander, Native American, Alaskan Native, or Asian Indian. |
| Mission | A mission statement answers four questions: Who are we? What do we do? Whom do we do it for? and Why? |
| M/WBE | Minority or women-owned business enterprise. |
| M/W/ESB | Minority, women-owned and emerging small business. |
| OMWESB | State of Oregon Office of Minority, Women and Emerging Small Business. |
| OSATC | Oregon State Apprenticeship and Training Council. |
| Parity | Representation/utilization that is substantially consistent with availability at a business or workforce level. Absolute parity entails strict consistency between availability and representation/utilization. A lack of parity is indicated where participation is less than 80% of what would be expected, given availability. |
| PDC | Portland Development Commission. |

| | |
|---|--|
| Performance Measure | Quantifiable categories and levels of expected results. |
| Procurement-related responsibility | Responsibility for any phase of the City's expenditure of funds and management of work related to construction, including architecture and engineering. |
| PTE | Professional, Technical and Expert Service Contracts, including Architectural and Engineering (A&E) contracts. |
| Race and Gender-Specific Criteria | Eligibility factors that take race or gender into account in conferring a tangible and substantive benefit. |
| RCHUB | Regional Consortium for Historically Underutilized Businesses. Group comprised of local, regional, and state governments in the Portland Metropolitan area, which meets to discuss contractor development issues. |
| RFP | Request for Proposal. |
| RFQ | Request for Qualifications. |
| SOQ | Statement of Qualifications. |
| Strategic Outcomes | An outcome is the specific step or detailed method, measure and timeline of how to complete the goal. |
| Underutilization | Employment/participation number of members of a race, ethnic, or gender group at a rate that is 80% or less of availability. |
| Values | The policy and programs of the Fair Contracting and Employment Strategy are informed by the values of the community expressed as a consensus and constituting the underlying meaning of the present effort. |
| Vision | A vision statement defines the preferred future, the desirable or ideal state to which the organization wants to move. |
| WBE | Women Business Enterprise. For purposes of this Strategy, this includes only those firms certified as women-owned businesses by the State Office of Minority, Women and Emerging Small Business (OMWESB). The woman representative must own at least 51% of the firm and must have control of the management and daily operations of the firm. The firm must not be inextricably associated with a non-woman owned firm. |

9

Attachments

Exhibit A—Frequently Asked Questions

1. Why is this Strategy necessary?

The Fair Contracting and Employment Strategy was developed in response to the Oregon Regional Consortium Disparity Study. The Study itself is not a strategy; the recommendations contained in the Study report are simply suggestions regarding which issues need to be addressed and how the City might initially go about tackling them. The Strategy methodically seeks to sort through these recommendations and pull them all together in an integrated manner in order to provide a Citywide system of accountability.

The Study was necessary for three reasons. First, as a result of the 1989 *Croson* Supreme Court decision, local governments are required to complete a Disparity Study to serve as a factual predicate for the implementation or maintenance of contractor development programs that provided incentives or benefits according to race, ethnic, or gender-specific criteria. Based on the requirements of the *Croson* decision, the data from our Study did not support minority contracting quotas or set-asides, nor were these tools desired by the Contract Coordinating Committee (C3) as they tend to distribute contracting opportunities to a few high-profile minority and women-owned firms. The Study did identify, however, some serious problems that the City seeks to solve through the implementation of the Strategy.

Second, after spending three years making piecemeal changes to the City's purchasing system to improve opportunities for minority and women contractors and workers and achieving inadequate results, a comprehensive review of the City's entire contractor development program was deemed necessary.

Third, a better understanding of the problems and opportunities faced by local construction contractors and their employees was necessary to meaningfully address the problems that they face.

2. What main problem is the Strategy seeking to address?

The Strategy seeks to address documented discrimination in the City's procurement process by achieving parity in the amount of money the City spends to procure goods and services. It also seeks parity in the diversity of the City's contracted workforce. Parity is a numerically definable concept that measures the amount disbursed to contractors based on their racial or ethnic background and gender (taking into account the diversity of these expenditures within such categories) against the availability of contractors in the community. For example, parity measures not only how many City contracting dollars were disbursed to Native Americans, but how many different Native American-owned companies received City contract dollars and whether these results are consistent with the availability in the community of Native American-owned firms.

3. What other specific problems is the Strategy designed to address?

The Oregon Regional Consortium Disparity Study identified some serious problems that are specific to the City of Portland, such as lack of City contracting opportunities for minority, women-owned, and emerging small businesses, inadequate financial, bonding, and technical assistance for these contractors, poor tracking/monitoring and compliance of contracting requirements, inadequate City staff procurement training and contracting procedures, and a shortfall in the employment of minorities and women in the local construction industry. All of these problems are specifically tackled in the detailed steps of the Strategy. The Strategy also provides evaluative steps that will require that the City confirm that the Strategy actually does serve to solve these problems.

4. What is the difference between current City efforts and those outlined in the Strategy?

The City currently has neither an agreed, comprehensive approach to providing contractor development services nor a detailed set of policies for achieving parity in the amounts of money spent through the procurement process. The Fair Contracting and Employment Strategy provides both.

The major changes planned in the Strategy relate to how the City will provide contracting opportunities for minority, women-owned, and emerging small businesses. Project managers will be trained to package and design contracts to maximize opportunities. Major new tools for delivering these opportunities, such as the Sheltered Market Program and Direct Service Contracting, will ensure that a more diverse group of minority, women-owned, and emerging small businesses will receive an increased amount of the City's contracting dollars. These programs will be buttressed by companion efforts to deliver contractor-specific technical and/or financial assistance.

Contract compliance (tracking what is actually happening on City contracted projects and requiring both prime contractors and subcontractors to perform per the contract) will also be increased and will allow for timely and complete reporting to the City Council. This

information will allow the City to make informed decisions on contract award and Strategy implementation.

5. Which of the Disparity Study recommendations were not included in the Strategy?

The following recommendations were not included in the Strategy:

- Develop a Consortium Contracts Register
- Issue public notice of all contracts valued over \$1,000
- Notify subcontractors of all contract amendments or change orders
- Develop a “one-stop” center to provide information on safety and labor regulations
- Establish mandatory pre-bid meetings
- Pay subcontractors directly
- Require an alternative dispute resolution process to resolve contract and compliance-related disputes between primes and M/W/ESB subcontractors
- Vest Compliance Officer with authority for overseeing and enforcing compliance by all Portland bureaus and offices
- Require compliance staff to approve all change orders, amendments, revisions in the scope of work, and other contract modifications.

6. What are the concrete results that will be produced and when will they be evident?

The overall results of the Fair Contracting and Employment Study should be two-fold. First, the City should be able to report an increase in both the number and dollar amount of contracts awarded to certified minority, women-owned, and emerging small business firms. Second, the number of women and minorities reported to work in the construction industry trades should increase. The Strategy’s Strategic Outcomes call for the increase to be enough to eliminate any underrepresentation in either contracting or employment by January 1, 2000. The methods used to track these increases are detailed in the Performance Measures associated with each Objective of the Strategy.

7. When will the priority elements slated for development be implemented?

Given staff time constraints, the work plan for the next 17 months to implement the Fair Contracting and Employment Strategy places high priority on major work items that require additional design and development. These work items include the following:

1. Sheltered Market Program in conjunction with a technology pool to provide appropriate pre- and post-award technical assistance
2. Direct Service Contracting Pilot Program
3. Additional approved staff to assure increased contract compliance and tracking
4. Computer enhancements to support the Fair Contracting and Employment Strategy data collection and compliance reviews
5. Training program for project managers and inspectors
6. Peer Review system for construction projects

7. Expanded regional mentoring program
8. Improved Good Faith Effort Program for construction contracts
9. Increased utilization criteria for Architectural and Engineering contracts
10. Implementation of a City Policy on Commercially Useful Function requirements
11. Regional financing and/or loan opportunities
12. Expand EEO compliance review
13. Contractor survey.

8. *Who is responsible for implementing the Strategy?*

The City Council has delegated policy management for the Strategy to the Contract Coordinating Committee. Each of the City's bureaus and City Council offices has a representative on the C3. The Contractor Development Division of the Bureau of Purchases has Citywide responsibility for the day-to-day operations of the Contractor Development Program.

9. *Where are the additional resources for the implementation of these programs in City bureaus?*

Selected elements of the Strategy such as the Sheltered Market Program and Direct Service Contracting have not been fully constructed. As a result, their direct fiscal impact on the City's operating bureaus cannot be determined. As these selected elements of the Strategy are fully defined, any identified costs will be brought forward to City Council for funding. Part of the Strategy is to phase out bureau-specific contractor development activities and achieve Citywide economies of scale. The improvement of the centralized services and the expansion of programs in the Contractor Development Program will potentially bring cost savings to some bureaus.

10. *How will the Strategy be funded?*

The Funding Plan calls for using more wisely the City's existing contractor and business development resources. If these resources are not enough to cover the costs of implementing the Strategy, the Office of Finance and Administration will develop a costing model using overhead charges, assessments to capital improvements, and/or general fund allocations.

11. *What is the difference between the Guiding Principles and the Contractor Development Program?*

The Guiding Principles tell the City where it is headed in its contractor development efforts. They serve as the policy foundation on which all of City efforts in this area are built. The Contractor Development Program outlines the specific steps, or work plan, needed to arrive at increased opportunities for minority, women-owned, and emerging small businesses. The Contractor Development Program is the action plan for implementing the concepts of the Guiding Principles on a Citywide operational basis.

12. Why does the Contractor Development Program include so many steps? Isn't this approach overly bureaucratic?

We were not interested in developing unnecessary bureaucracy. At the same time, we wanted to implement a cost-effective response to the Disparity Study which would achieve measurable results. Taking the 14-volume Disparity Study, which includes nearly 100 recommendations for the City of Portland, and developing a Strategy that will improve the City's record in all 32 bureaus is no small undertaking. Up to this point, our efforts to improve the City's record in the area of minority contracting and workforce development have been ad hoc and single-issue focused. This Strategy and the way it was developed seeks to unify our efforts and provide meaningful results.

13. The Disparity Study also called for streamlining the City's basic procurement processes. How does the Strategy move forward that objective?

The Strategy has been developed as an overlay of the City's basic procurement process. The work of improving this process has been delegated to the Procurement Advisory Committee, consisting of representatives from the private sector, Bureau of Purchases, Office of the City Attorney, Office of the Auditor, and City operating bureaus. The Advisory Committee is working concurrently with C3 (Contract Coordinating Committee) to streamline the City's procurement process, reduce its cost, and reduce the cost of the materials and services that the City procures.

14. Who has been involved in developing the Strategy and how?

The C3 (Contract Coordinating Committee) has been primarily responsible for developing the Strategy, with constant customer-focused feedback from the Fair Contracting and Employment Forum. There have also been nearly a dozen community meetings targeted to groups such as minority and majority contractors, bonding, technical, and financial assistance providers, City project managers, inspectors, and other local governments.

15. Once implemented, does the Strategy change the roles and responsibilities of the Bureau of Purchases or other City bureaus?

Yes. To maximize resources and the effectiveness of all City efforts related to the goals and objectives of the Strategy, the Strategy will be managed centrally through the Contractor Development Division of the Bureau of Purchases. Each City bureau has the responsibility to coordinate M/W/ESB developmental activities with this division and to provide assistance in implementing the Strategy where noted in the work tasks of the Contractor Development Program.

16. Will the new staff being proposed be hired from within the City?

The job descriptions for the proposed positions have not yet been drafted. The Contractor Development Division Manager will work with Bureau of Personnel staff to write appropriate job descriptions. If a new job description matches an existing one and a list exists, that list will be used. If no existing comparable position currently exists within the City, recruitment will take place. It is expected that members of the contracting community will be asked to sit on the screening and interview panels.

17. Why is the City increasing resources in the Bureau of Purchases while other bureaus are laying people off as a result of Ballot Measure 47?

Mayor Vera Katz and the Portland City Council are committed to correcting the documented problem of the unfair distribution of the City's contracting dollars and employment opportunities. Even with Ballot Measure 47, the City will continue to spend close to \$200 million annually in construction and non-construction-related contracting. The cost of implementing the Fair Contracting and Employment Strategy is less than one-half of one percent of that amount. City contracting will continue, and the distribution of those dollars must be equitable.

18. Will the Strategy require the City to contract out more services currently provided by City employees?

This issue is of great interest to the Fair Contracting and Employment Forum. The Strategy, however, only focuses on how we contract out services, not how many. This will be an issue the Forum will want to discuss with the City in the coming months.

19. If these programs are so important and require central coordination, why isn't the responsibility for implementation assigned to the Mayor's Office?

It is important that these programs be established in the City with continuity and consistency. The Strategy calls for an ongoing change in the core values inherent in how each staff member with a procurement responsibility does business. For this reason, it is important to avoid tying the Strategy to a political office. It is also important that these programs and resources benefit all bureaus. A central service bureau, such as Bureau of Purchases, provides a Citywide service. As existing programs in individual bureaus are phased out and redirected to the Contractor Development Division, the benefit of the experience and resources will be available to all bureaus.

20. Why isn't there a central City-County Contractor Development Office?

The possible of consolidating both City and County contractor development activities into one office is currently being considered. Much like the joint City-County Affirmative Action Office, a jointly funded contractor development office could possibly reduce staff costs and administrative expenses. The County is currently contracting with the City to provide many activities (EEO and Workforce Training and Hiring) and working jointly on other efforts (outreach, design of core programs, etc.). Because of this, the Contract Coordinating Committee did not believe that it was necessary to delay Strategy implementation while a joint endeavor was being explored.

21. Why is the City spending money on these programs when the national trend is to eliminate affirmative action programs?

The Portland City Council established a goal of providing economic opportunities for disadvantaged Portlanders. The Oregon Regional Consortium Disparity Study documented disparity in the amount of money spent on goods and services provided by minority and women-owned businesses. The Fair Contracting and Employment Strategy attempts to combat this disparity and to meet the goal of the City Council by establishing a Contractor Development Program. While this program contains some race and gender-specific criteria, it also contains many components to aid in the development of emerging small majority-owned firms. Although many affirmative action programs are being dismantled around the country, the Strategy is tailored to the legal framework established by the Supreme Court and moves the City closer to economic equity.

Exhibit B – Summary Disparity Study Consultant Recommendations - Areas of Responsibility

| Recommendation | Primary Responsibility | Recommended Action | Priority Ranking Forum C3 | | Notes |
|--|--|-----------------------|----------------------------------|--------|---|
| | (CDD = Contractor Development Division of Purchasing) | | H=>70; M=70-40 L=40-0; NEG=<0 | | |
| I. Establishment of fundamental accountability for all levels of City M/W/ESB | Mayor & City Council | Included | | | |
| II. Programming Elements | | | | | |
| A. Sheltered Market Program | | | | | |
| - Create sheltered market under \$100,000 | Purchasing | Included | M (43) | M (66) | |
| - Reduce size of contracts | Bureaus | Included | L (29) | L (36) | Included as one item to be considered as part of Peer Review during design |
| B. Informal Procurement | | | | | |
| - Expand Informal Opportunities | Purchasing/ CDD | Included | M (60) | H (72) | |
| - Method to record solicitation | | | M (51) | H (70) | |
| Informal construction | Purchasing | Included | | | |
| Informal architect/ engineer | | | | | |
| Spec requirements | Bureau | Included | | | |
| Form for reporting solicitations | Auditor/ CDD | Included | | | |
| - Publicize opportunities | | | M (43) | M (66) | |
| Informal construction | Purchasing | Included | | | |
| Informal architect/ engineer | Bureau | Included | | | |
| Consortium Contracts Register | | Rejected | | | Currently coordinating where possible. Differences in # of contracts makes solution not cost effective. |
| - Rotate contractors | | | M (66) | L (15) | |
| Informal construction | Purchasing | Included | | | |
| Informal architect/ engineer | Bureau | Included | | | |
| - Review lists of firms contacted | CDD | Included | H (89) | L (36) | |
| - Track bidding patterns by computer | CDD/ Purchasing | Included | M (69) | H (70) | |
| - Qtrly report results of inf. solicitations | CDD/ Purchasing | Included | M (66) | M (67) | |
| C. Direct Contracting | | | | | |
| - Create direct services agreements | Purchasing/ Bureaus | R&D with Pilot | L (17) | L (38) | Supported by minority contractors. "Pilot" recognizes obvious difficulties. |
| - Blanket Purchase orders | Purchasing/ Bureaus | Included but modified | L (29) | L (36) | Ability to purchase supplies not precluded in options. |
| D. Alternatives to Low Bid/ Innovative Bid Approaches | | | | | |
| - Mentoring | TBD | R&D/ Regional | M (40) | M (56) | Supported by minority contractors. |
| -Use track record as selection criteria | Bureaus/CDD/ Purchasing | Included | | | |
| III. Financial and Bonding Assistance | | | | | |
| A. Bonding Assistance | | | | | |
| - Implement a bonding program | Regional | R&D/ Regional | M (66) | L (23) | Supported by minority contractors. |

Exhibit B – Summary Disparity Study Consultant Recommendations - Areas of Responsibility

| Recommendation | Primary Responsibility | Recommended Action | Priority Ranking Forum C3 | | Notes |
|---|---|-----------------------|----------------------------------|-----------------------|--|
| | (CDD = Contractor Development Division of Purchasing) | | H=>70; M=70-40 L=40-0; NEG=<0 | | |
| - Negotiate guarantees | Regional | R&D/ Regional | L (31) | L (21) | May have received low rating due to past efforts which have failed. |
| - Compile list of sureties | Regional/ CDD | Included | M (63) | M (44) | |
| B. Financial Assistance | | | | | |
| - Offer guaranteed loans for M/WBE | Regional | R&D/ Regional | M (43) | Neg (-19) | May have received low C3 rating due to past failed efforts. Supported by minority contractors. |
| - Forge partnerships with institutions | Regional | R&D/ Regional | H (80) | M (62) | May have received lower C3 rating due to past failed efforts. Supported by minority contractors. |
| - Provide business assistance/ technical assistance | Regional/ CDD | Included/ Regional | M (57) | M (64) | |
| IV. Compliance | | | | | |
| A. Pre-award Program Compliance | | | | | |
| - Ident of opportunities/ project scope | CDD | Included | H (80) | M (67) | |
| - Notification of potential opportunities | CDD | Included | H (80) | M (66) | |
| - Ident of Plan Holders/ Make avail | Purchasing/ CDD | Included | M (57) | M (64) | |
| - Public notice of contracts over \$1,000 | | Rejected | L (26) | Neg (-52) | Costly. Difficult to track smaller expenditures. |
| - Notification of change orders | | Rejected | L (37) | Neg (-52) | Considered unnecessary to notify all subcontractors. |
| - "One stop" safety /labor reg info | | Rejected | M (69) | L (16) | Expected to be very costly and partially duplicative of existing resources. |
| B. Compliance in Bidding | | | | | |
| - Establish quantifiable criteria for GFE | BDD/ City Attorney | Included | H (89) | H (75) | |
| - Standardize GFE among Consortium | Regional | R&D/ Regional | H (89) | M (69) | |
| - Require primes provide adequate notice (14 days) | CDD/ Purchasing | Included but modified | L (6) | L (11) | Received low ratings due to "14 day" specificity. Response will be something less than 2 weeks. |
| - Apply GFE to architectural/ engineer | DD/ Attorney/ Purchasi | Included | H (74) | M (67) | |
| - Require a min. of 5 firms be contacted | CDD | Included but modified | L (0) | Neg (-15) | Rating may be result of inaccurate OMWESB lists. Agreement that some firms must be contacted. |
| - Verify contacts made by primes | CDD | Included | H (77) | M (61) | |
| C. Pre-Construction Meetings | | | | | |
| - Mandatory Pre-bid Meetings | | Rejected | L (11) | L (3) | Not necessary on similar redundant projects. |
| D. Compliance After Award | | | | | |
| 1. Prompt Payment | | | | | |
| - Contact subs to verify payments | CDD | Included | H (100) | M (62) | |
| - Pay subcontractors directly | | Rejected | L (14) | Neg (-100) | Interferes unnecessary with prime contractor/subcontractor relationship. |
| - Track late paying primes/ publish | | R&D | H (71) | L (34) | Still being considered because of interest from minority contracting |
| - Develop dispute resolution process | CDD | Included | L (17) | n/a | Necessary to minimize staff impact. |
| 2. Penalties | | | | | |

Exhibit B –Summary Disparity Study Consultant Recommendations - Areas of Responsibility

| Recommendation | Primary Responsibility | Recommended Action | Priority Forum | Ranking C3 | Notes |
|--|--|-----------------------|-----------------------------------|------------|---|
| | (CDD = Contractor Development Division of Purchasing) | | H=>70; M=70-40 L=40-0; NEG= <0 | | |
| - Fine contractors for non-approved substitutions | | R&D | M (57) | M (64) | Issue of penalties/ incentives being reviewed by City Attorneys Office. Recommendations/ solutions will require additional follow-up. |
| - Penalize primes if M/WBE subs are underutilized | | R&D | M (54) | M (48) | |
| - Penalize for listing subs w/out consent | | R&D | M (57) | H (75) | |
| - Penalize for falsification of sub bids | | R&D | H (97) | H (90) | |
| - Penalize for failure to comply w/ contract | | R&D | M (57) | H (72) | |
| 3. Grievance Process | | | | | |
| - Develop dispute resolution process | CDD | Included | M (51) | M (57) | |
| - Require Alternate M/W/ESB dispute resolve process | | Rejected | L (14) | L (31) | Included in regular dispute resolution process. |
| D. Nondiscrimination policies | | | | | |
| - Undertake regular monitoring of EEO | CDD | Included | M (69) | H (70) | |
| - Penalties for policy violations | CDD | Included | M (69) | M (57) | |
| - Incorporate penalty provisions into contract | CDD/Purchasing | Included | M (60) | M (57) | |
| V. Tracking and Reporting Utilization | | | | | |
| A. Tracking Procedures | | | | | |
| - Identify all subcontractors | CDD | Included | H (83) | H (90) | |
| - Monitor actual payments | CDD | Included | H (77) | H (87) | |
| - Prime to keep Records of goods and services & verify | | R&D | H (91) | L (30) | Will require additional research and recommendation development. |
| - Maintain all contracts on central database | CDD | Included | H (74) | H (84) | |
| - Audit certified payroll | CDD/ Bureau | Included but modified | M (49) | H (72) | |
| - Verify EEO by using certified payroll | CDD | Included but modified | M (63) | M (67) | |
| B. Reporting Contractor Utilization | | | | | |
| - Report on actual utilization | CDD | Included | H (83) | H (74) | |
| - Include contract mods in utilization reports | CDD | Included | M (66) | H (77) | Contract modifications and actual payments required for legal justification. |
| - Credit brokers/suppliers @ 60% | | R&D | H (74) | M (48) | Will be developed with additional research. Will require changes to computer system. |
| - Develop computer reporting system for contractors | CDD | Included | M (66) | H (77) | Will minimize data entry duplication by both staff and contractors. |
| VI. Staffing and Administrative Resources | | | | | |
| A. M/W/ESB Program Management | | | | | |
| - Strengthen contract compliance monitoring | CDD | Included | H (71) | H (90) | |
| - Compliance Officer authority | | Rejected | M (69) | M (41) | Function is included without specific "officer" being designated. |

Exhibit B –Summary Disparity Study Consultant Recommendations - Areas of Responsibility

| Recommendation | Primary Responsibility | Recommended Action | Priority Ranking Forum C3 | | Notes |
|--|--|-----------------------|-----------------------------------|----------------------|---|
| | (CDD = Contractor Development Division of Purchasing) | | H=>70; M=70-40 L=40-0; NEG= <0 | | |
| - Compliance Staff Approval of change orders/ amendments | | Rejected | L (17) | NEG (-52) | Redundant function. |
| - Establish Contract Review Committee | Bureaus | Included but modified | L (31) | NEG (-67) | Issue of another bureaucracy level. Function included in Peer Review. |
| - Verification of bid and contract information | CDD | Included | L (37) | M (69) | Necessary for good compliance/ tracking. |
| B. Responsibility of staff | | | | | |
| - Allow adequate staff and resource allocation | Mayor & City Council | Included | H (89) | H (100) | |
| - Compliance staff authority | Mayor & City Council | Included | H (80) | H (82) | |
| C. Staff Development and Training | | | | | |
| - Train all contracting staff on M/W/ESB programs etc. | | Included / R&D | H (83) | H (93) | Staff training program being designed to cover all aspects. |
| - Training in contract design | | Included / R&D | L (31) | M (48) | Will be done in conjunction with regional partners. |
| - Performance Evaluation Standards | | Included / R&D | H (91) | M (62) | |
| D. Inspectors and Project Managers | | | | | |
| - Staff orientation/ Technical and EEO | | Included / R&D | H (91) | L (36) | Included due to high interest by Forum and contracting community. |
| - Performance Evaluation Standards | | Included / R&D | H (94) | L (36) | Included due to high interest by Forum and contracting community. |
| VII. OMWESB Certification | | | | | |
| A. Qualifications for M/W/ESB | | | | | |
| - Require Contractors to perform CUF to be certified | OMWESB | Legislative Package | L (37) | M (70) | |
| - Require Contractors to perform CUF to be counted | OMWESB | Legislative Package | NEG (-100) | n/a | |
| - Reduce size classifications for ESB firms | OMWESB | Legislative Package | L (31) | M (54) | |
| - Develop consistent guidelines for graduation of M/W/ESBs | OMWESB | Legislative Package | M (51) | M (43) | |
| B. Certification Processing | | | | | |
| - Include local government involvement in certification | OMWESB | Legislative Package | L (31) | M (43) | |
| - Ensure adequate OMWESB staffing levels are maintained | OMWESB | Legislative Package | H (83) | H (92) | |
| - Expedite and Improve processes for complaint resolution | OMWESB | Legislative Package | H (71) | H (75) | |
| - Require site visits for all certifications | OMWESB | Legislative Package | L (26) | M (56) | |
| VIII. Outreach | | | | | |
| - Regularize release of contract information | urchasing/ CDD/ Burea | Included | M (66) | M (62) | |
| - Publish a contracts register | Regional | R&D/ Regional | M (63) | M (62) | Regional coordination efforts currently underway. |

Exhibit B –Summary Disparity Study Consultant Recommendations - Areas of Responsibility

| Recommendation | Primary Responsibility | Recommended Action | Priority Ranking Forum C3 | | Notes |
|---|---|---------------------|-----------------------------------|----------------------|---|
| | (CDD = Contractor Development Division of Purchasing) | | H=>70; M=70-40 L=40-0; NEG= <0 | | |
| - Utilize the VIP System | | R&D | L (20) | L (20) | Would require revisions to pricing system to be cost effective. |
| - Develop a telephone hotline | Purchasing/ CDD | Included | L (11) | M (64) | Phone/FAX Hotline now operating. |
| IX. Interagency Cooperation | | | | | |
| A. Coordination of Programs | | | | | |
| - Coordinate training programs | Regional | R&D/ Regional | H (77) | M (64) | |
| - Establish consortium wide services (?????) | Regional | R&D/ Regional | M (51) | H (84) | |
| - Hold Consortium meetings | CDD taking lead | Included | H (74) | M (41) | |
| - Establish inspector and project. manager training | Regional | R&D/ Regional | H (89) | H (75) | |
| - Establish an Interagency Ombudsperson Office | | Rejected | L (26) | NEG (-48) | |
| - Consortium wide EEO system | Regional | R&D/ Regional | M (63) | M (48) | |
| B. Reform CCB Registration | | | | | |
| - Separate private and public registration systems | State Contractors Boar | Legislative Package | NEG (-40) | L (3) | |
| - Track contractors by race and gender status | State Contractors Boar | Legislative Package | M (63) | H (74) | |
| C. Common Program Requirements | | | | | |
| - Regularize systems and requirements | Regional | R&D/ Regional | H (86) | M (67) | |
| - Compare prime performance across agencies | Regional | R&D/ Regional | H (80) | M (69) | |
| - Establish periodic interagency review of common programs | Regional | R&D/ Regional | H (71) | M (64) | |
| D. State Recommendations | | | | | |
| - Increase executive level policy direction | State | Legislative Package | M (69) | M (67) | |
| - Revise ESB and technical assistance programs | State | Legislative Package | M (66) | M (46) | |
| - Revise and enhance state-wide technical assistance programs | State | Legislative Package | M (57) | M (56) | |
| E. Program Evaluation Criteria | | | | | |
| Eval success on new criteria | Mayor & City Council | Included | H (77) | M (67) | |
| F. Submit agency program within 180 days | Mayor & City Council | Included | H (86) | M (51) | |

Exhibit C—Summary of Disparity Study Consultant Recommendations for City of Portland Contracting and M/W/ESB Utilization

The following recommendations were developed by the Oregon Regional Consortium Disparity Study consultant, Mason Tillman Associates, Ltd. to assist the City of Portland specifically in altering and enhancing its contracting procedures and its efforts to facilitate the involvement of minority, women-owned, and emerging small businesses in City projects. These recommendations are based on the results of the statistical analysis and address deficiencies in the City's contracting process and the barriers to business development that minorities and women have encountered historically and very recently in contracting with the City.

The recommended program includes requirements that M/W/ESBs be solicited and encouraged to bid on City projects as both prime contractors and subcontractors, outreach mechanisms, monitoring and compliance measures, business development components that serve to develop M/W/ESBs as prospective contractors, and a focus and structure that creates more centralized and effective City leadership and capable procurement staff.

I. Programmatic Elements

A. Small Business/Sheltered Market Program

This two-stage program increases the opportunity for M/W/ESBs to compete in City bidding processes by targeting informal award contracts and small contracts awarded through the formal bid process to qualifying M/W/ESBs that participate in business, financial, and technical assistance programs. As part of this effort, City bureaus may design projects that are smaller in size or divide work into a series of smaller prime contracts. After two years in the program, participants graduate into the small business level that includes larger contracts and increased competition.

B. Informal Procurement

Smaller, informal procurement contracts with relaxed bonding requirements offer accessible opportunities to M/W/ESBs to develop and to work directly with City staff. Measures would be taken to strengthen the City's current efforts to include M/W/ESBs in these procurements by ensuring that at least one MBE and one WBE is solicited for each, by developing a standard form for the recording of informal solicitations, by publicizing these opportunities, by rotating the contractors solicited for this work, by reviewing the list of firms to whom these solicitations are made, by computer tracking of informal bid activity, and by quarterly reporting on the utilization of contractors in informal procurement.

C. Direct Contracting

The City should negotiate direct service and commodity agreements between either the City at large or individual bureaus and a pool of prequalified M/W/ESBs in such specific areas as trucking, landscaping, and surveying. Through a blanket purchase order arrangement,

M/W/ESBs would be allowed to purchase lower-cost supplies, materials, and equipment needed to fulfill their contracts from Portland's supplier at the City's price.

D. Alternatives to Low Bid Requirements

The City should experiment with such qualitatively oriented alternatives to low bid requirements as the Construction Manager/General Contractor model, which allows for a better qualitative screening of prime bidders and permits more flexibility and creativity on the part of the contractor in the special efforts that they propose as most effective. The City might also take into consideration each prime contractor's recent track record, especially whether they have provided reasonable amounts of work to M/W/ESBs.

II. Financial and Bonding Assistance

A. Bonding Assistance

The City should seek to offset the historic inability of M/W/ESBs to accumulate capital at a rate comparable to their majority counterparts by assisting M/W/ESBs in obtaining competitive bonding. This program may include working with a surety to assure the provision of bonding for M/W/ESBs at competitive rates, negotiating guarantee agreements with a pool of local bonding and lending companies, compiling information that identifies surety companies that provide competitive pricing and explains loan packaging programs, and assisting M/W/ESBs with paperwork.

B. Financial Assistance

A certain percentage of City-guaranteed loans should be available to M/W/ESBs meeting specific requirements, the City would forge partnerships with lending institutions to offer commercial loans and business lines of credit to M/W/ESBs, and the City should provide assistance to these firms in creating business plans, preparing financial statements, and other technical assistance.

III. Compliance

A. Pre-award Program Compliance

Because many contractors report that they do not receive sufficient information in sufficient time to assemble responsive bids, the City should establish a formal process of notifying contractors of all program requirements and contracting opportunities. This process should include identifying contracting opportunities that are appropriate for M/W/ESBs, notifying these firms through mailings to certified lists and public notice, including the names of plan holders and any amendments or change orders, and establishing a one-stop safety and labor regulations information center.

B. Compliance in Bidding

The City should establish quantifiable Good Faith Effort criteria that apply to all construction and architectural/engineering services contracts and would require that prime contractors contact M/W/ESBs at least 14 days before bid opening, that at least five firms certified to perform each unit of work be solicited for subcontracting, and that prime contractors report when subcontractors were contacted and specifically identify which subcontractors.

C. Preconstruction Meetings

Preconstruction meetings of all prime and subcontractors should be mandatory and should give all involved a chance to learn about which services are most needed, about the City's prompt payment program, and about any and all M/W/ESB requirements.

D. Post-award Compliance

1. Prompt Payment

To address the difficulties reported by M/W/ESBs when agencies fail to pay on time, the City has implemented a Prompt Payment Program which should be carefully monitored to verify payments to subcontractors or pay subcontractors directly, track chronically late-paying prime contractors, and include a dispute resolution process.

2. Penalties

To address the frequent problem of M/W/ESB subcontractors being substituted or being assigned a reduced scope of the contracted work, the City should also implement a policy of progressive discipline in which contractors would be penalized for nonapproved substitutions, underutilization of subcontractors, misrepresentation or falsification of subcontractors' bids, or failure to comply with any other contract terms or conditions.

3. Grievance Process

The City should establish an appeals process and should incorporate into the bid protest provisions of the general contract additional specifications to address the concerns of M/WBEs. The City should develop a dispute resolution process for prime contractors, subcontractors, and suppliers, and the Contract Compliance Supervisor should be authorized to require an alternative dispute resolution process to resolve contract and compliance-related disputes between the prime contractor and M/WBE/ESB subcontractors.

E. Nondiscrimination Policies

The City should implement enforcement procedures to ensure that its policies are being followed and in which race and gender discrimination would constitute contract violation subject to penalty.

IV. Tracking and Reporting M/W/ESB Utilization

A. Tracking Procedures

The City should require that prime contractors identify all subcontractors, both M/W/ESB and non-M/W/ESB, and report the specifics of contract compliance and payment, should monitor actual prime contractor and subcontractor utilization through such processes as auditing certified payroll records, and would record all contracts on a centralized database.

B. Reporting Contractor Utilization

The City should report quarterly on the utilization of all prime contractors and subcontractors in an expanded format that includes payment data, method of contract, size of contract, awarding bureau, as well as change orders, amendments, and substitutions and should develop a computerized system for the submission of data by contractors. In its reports, the City should follow the requirements of 49 CFR 23 and credit only 60 percent of the dollars paid to M/W/ESB suppliers and the actual fee earned by brokers.

V. Staffing and Administrative Resources

A. M/W/ESB Program Management

It is recommended that the City establish a stronger compliance monitoring effort that empowers compliance staff to intervene in bureau contract management if M/W/ESB requirements are not met. The Compliance Officer should be responsible for overseeing and enforcing compliance by all Portland bureaus and for approving change orders, amendments, revision in the scope of work, and other contract modifications. A Contract Review Committee should be created to assess whether any project could be designed in smaller units for maximum M/W/ESB utilization and whether it is large enough to qualify for the Good Faith Efforts Program. The City's forms requesting approval of contracts should be modified to include confirmation by the Business Development Division that bid and contract information have been distributed to targeted groups.

B. Responsibility of Staff

The City should define the roles of all staff responsible for the implementation of the M/W/ESB policy and procedures and would educate pertinent staff, inspectors, and managers on program requirements. There should be adequate staff and resources to implement the M/W/ESB program, and compliance staff should be involved in all phases of the contracting process and vested with the authority to enforce program compliance.

C. Staff Development and Training

All staff with contracting authority and contract management responsibility should be educated on M/W/ESB program elements, objectives, and procedures, would be trained to design smaller contracts in discrete segments, and would be evaluated in terms of program compliance.

D. Inspectors and Project Managers

To address the problem of resistance and discrimination by City inspectors reported by M/W/ESBs, routine technical and EEO training should be mandatory for all inspectors and project managers, and their performance reviews, which should be performed annually, should include as a criteria compliance with M/W/ESB program standards.

VI. Certification

Some of the following recommendations seek to streamline the certification process, which is currently undertaken by the Oregon Office of Minority, Women, and Emerging Small Business.

A. Qualifications for M/W/ESBs

All firms should be required to meet the commercially useful function standard set forth by 49 CFR 23 to be certified as an M/W/ESB. Contractors should demonstrate that they can perform the function that they are to perform. All certification guidelines should be reviewed and revised, bringing the size standards to qualify as a small business substantially downward, in line with the size of local small businesses, and graduation guidelines should be developed.

B. Certification Processing

Local governments, including the City, should be involved in site visits, application processing and other relevant roles. To reduce the number of "front" companies, site visits should be required for all certifications, not just DBE certification.

VII. Outreach

The City should enhance its outreach methods and procedures to provide greater access to bid information through the timely use of printed notices, electronic services, and official bulletin boards, such as the State Department of Administrative Services on-line Vendor Information Program (VIP), as well as the development and maintenance of a contract opportunities telephone hotline updated every 48 hours and listing emergency contacts. A specific day should be designated for the release of new and updated bid and contract information. Critical information including goals, contact person, and specifications must be included in all public notices. The City should also publish a detailed contracts register, including contract award information and contracts approved for exemption, to be distributed for a nominal fee to all businesses.

VIII. Interagency Cooperation

A. Coordination of Programs

The members of the Consortium should coordinate technical/business training programs and direct services, institute more frequent periodic meetings for M/W/ESB compliance staff to learn about what other agencies have found successful, establish interagency training for construction inspectors and project managers, establish an interagency Ombudsperson Office, and move toward a system that verifies EEO certification at an interagency level.

B. Reform of Construction Contractor Board Registration System

Two state contractor licensing systems should be created—one that provides the protections of bonding and insurance requirements necessary for private parties, and one inexpensive system to register contractors so that the state has an accurate record of contractors operating in its market. The Contractors License Board Registration System can track all firms that work in the state and form the basis of a list of potentially available firms, simplifying Disparity Study updating if tracked by race and gender.

C. Common Program Requirements

All agencies in the Oregon Regional Consortium Disparity Study area should attempt to conform requirements to reduce confusion and administrative costs for prime and subcontractors and to provide a basis for interagency compliance comparisons.

D. State of Oregon Recommendations

The Study recommends that the State increase its executive policy direction on M/W/ESB programs, increase resources allocated to the State Advocate's Office, and revise and expand its ESB and technical assistance programs.

E. Program Evaluation Criteria

Agencies should evaluate the success of M/W/ESB programs on the basis of newly defined criteria, not just the percentage of dollars awarded. New criteria might include the number of different subcontractors used, dollars awarded on both prime and subcontractor levels, number of businesses progressing through new mentoring and training programs.

F. Program Development

Each agency should utilize the Oregon Regional Consortium Disparity Study findings to develop an M/W/ESB program. All facets of the business community should be allowed to participate in the development of the program, and a working group responsible for establishing program components should be assembled and include representatives of trade associations, agency staff, and elected officials.