



Portland Housing Bureau

Equity in Contracting

DMWESB & WORKFORCE
PARTICIPATION

PHAC
March 2, 2021

Equity in Contracting

Goals for Today's Presentation

PHB Equity in Contracting and Workforce Goals

- Review of 2017-2020 Data for Hard Cost, Soft Cost, and Workforce Training

Project-Specific Highlight

- Insights and lessons from Related NW

Discussion and Recommendations for Improvement After Each Section

DMWESB Defined:

Disadvantaged Business Enterprise (DBE)

DBE is a Federally-funded transportation-related certification and is based on ethnicity, gender, and disability status of a 51% owner.

Minority Business Enterprise (MBE)

MBE and **WBE** are State of Oregon certifications that are based on ethnicity and gender status of a 51% owner.

Women Business Enterprise (WBE)

Emerging **S**mall **B**usiness (ESB)

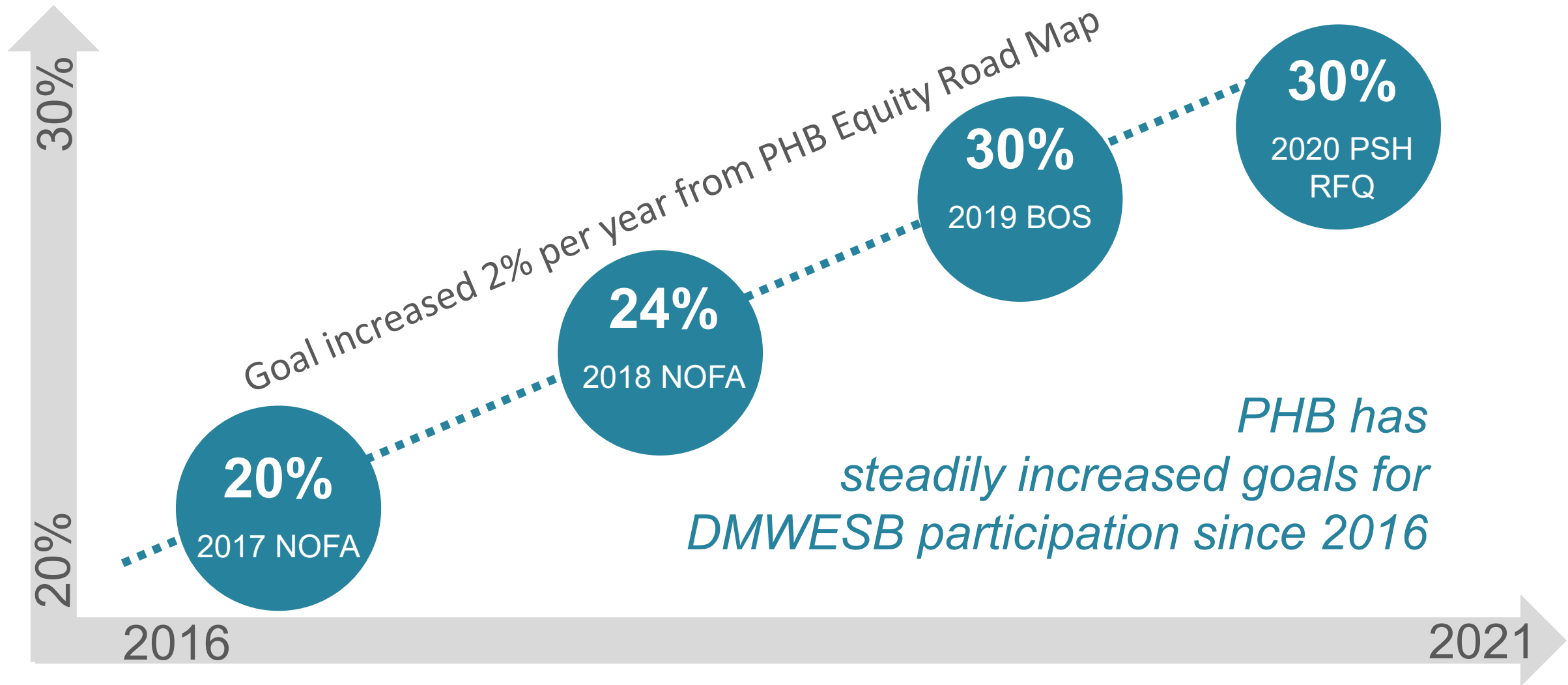
ESB is a State of Oregon certification that is race and gender neutral and is based on the size of the business.

Equity in Contracting and Workforce

Contracting is a critical component of the Equity Plan required by each Proposer in every PHB Solicitation

- PHB targets of 30% for DMWESB certified firms for hard cost contracting (primes + subs), exceeding the City's target of 20% of subcontractors
- New PHB goal of 20% for soft cost contracting in 2019 Bond Solicitation
- PHB requires participation in City's Workforce Training and Hiring Program
- All PHB-funded projects must report COBID certified firms to City Procurement office
- City Procurement supports Prosper Portland and Home Forward

Goals: Hard Costs Over Time



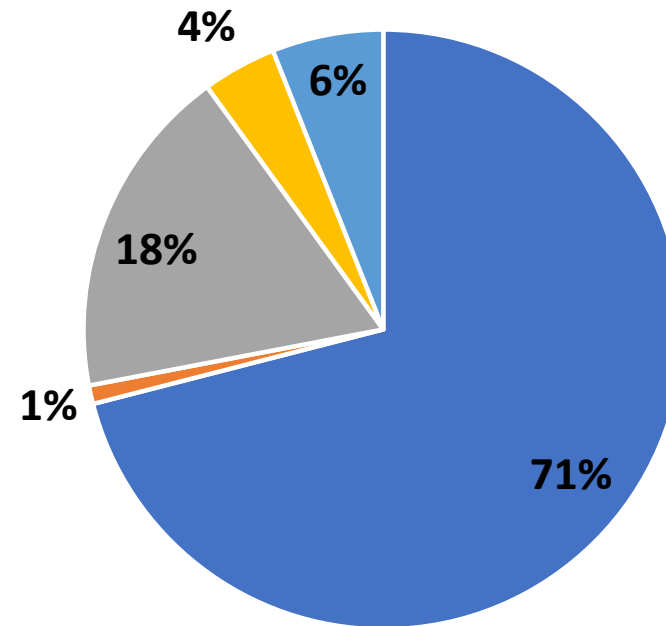
Goals: Hard Costs

Total Value of Contracts from 2017-2020 = approx. \$460 million

of Projects = 27

Largest share of certified firm participation = MBE at 18%

Total Certified Firm Participation, 2017-2020 (Primes and Subcontractors)



■ Non Certified ■ DBE ■ MBE ■ WBE ■ ESB

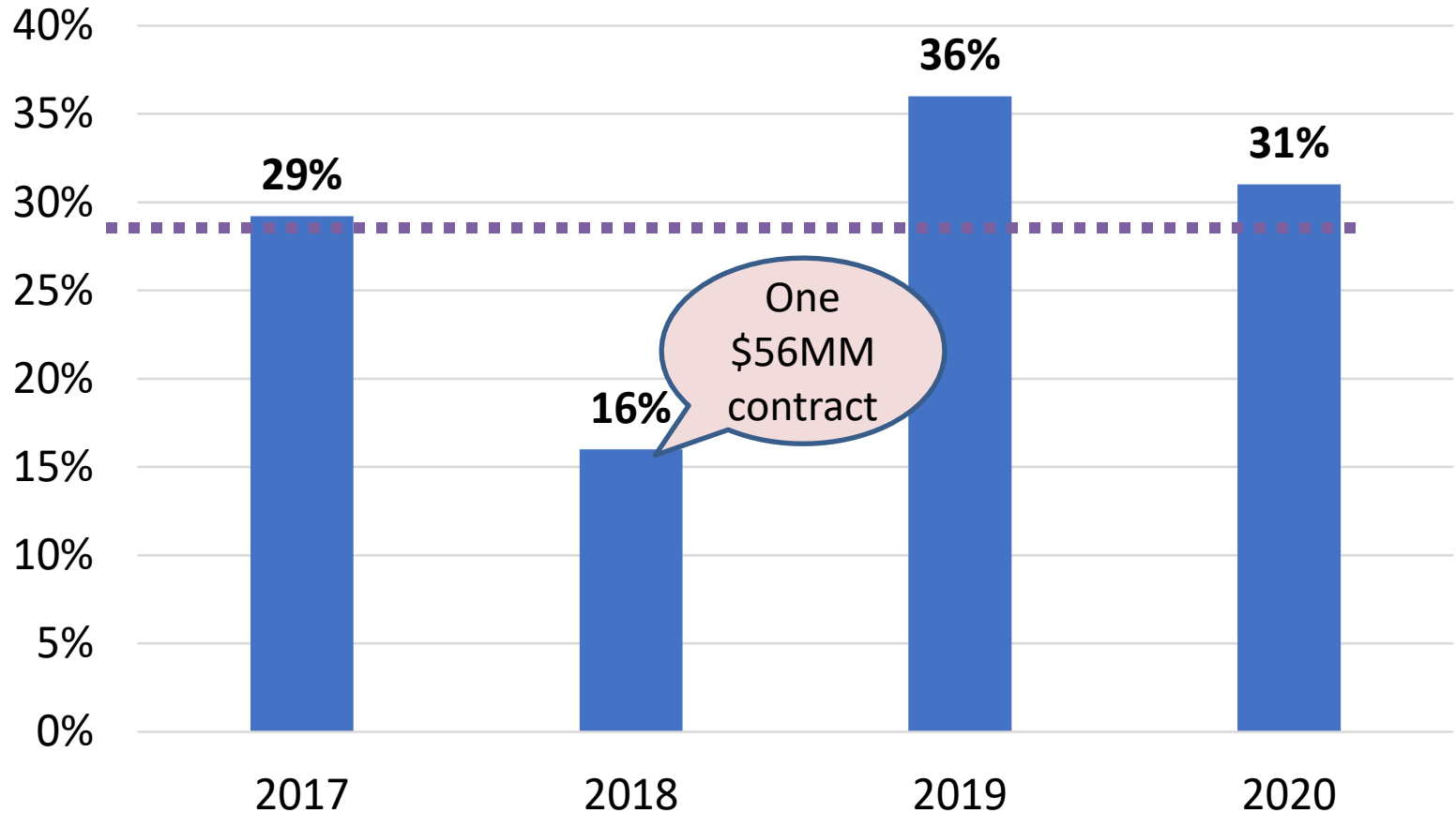
Goals: Hard Costs

2017-2020 avg. participation of certified primes and subcontractors

Contracts by Year :

- 2017 = \$185 MM
(9 Projects)
- 2018 = \$ 84 MM
(4 Projects)
- 2019 = \$120 MM
(7 Projects)
- 2020 = \$ 59 MM
(5 Projects)

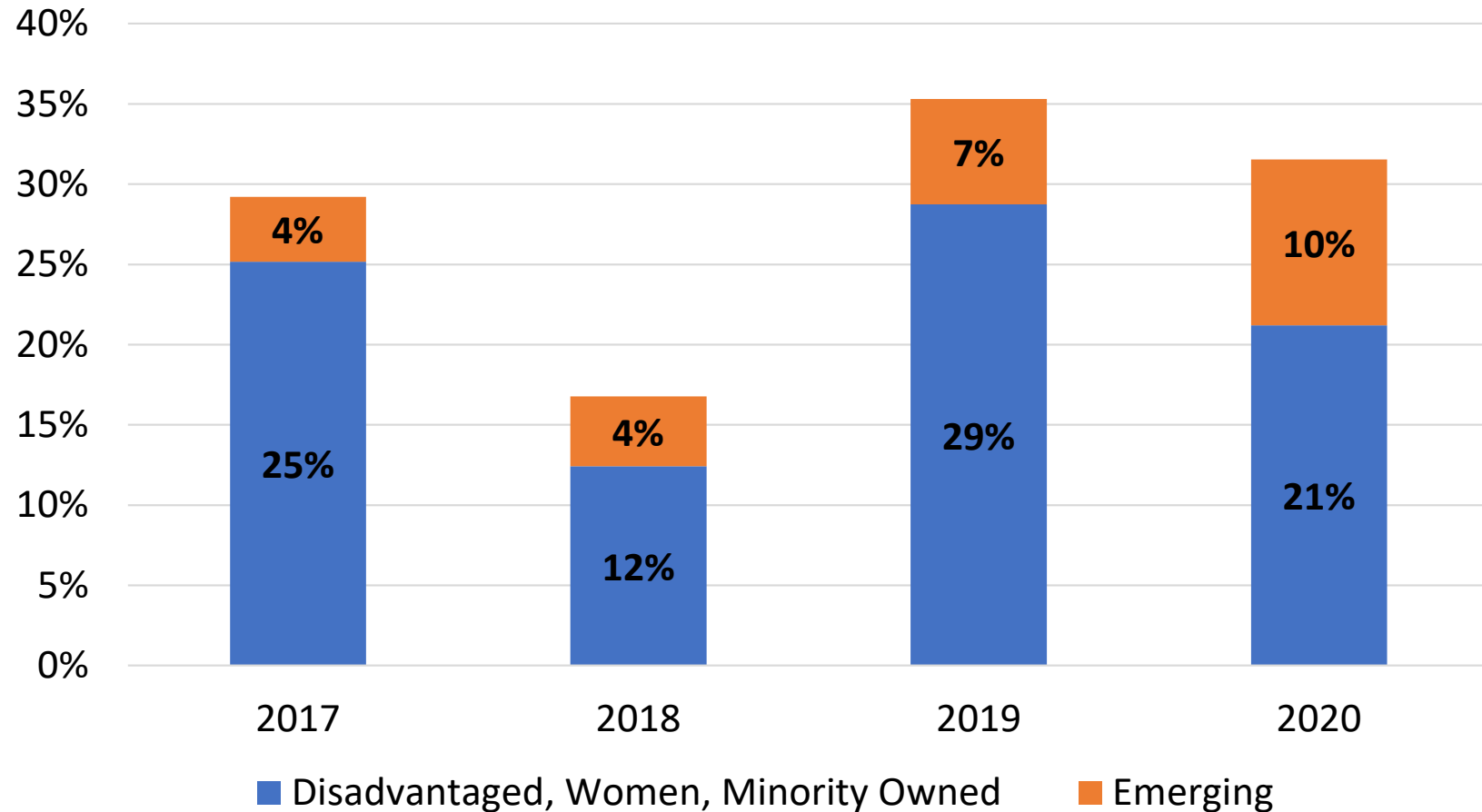
Average DMWESB Participation, by Year



Goals: Hard Costs

Average DMWESB Participation by Year, with ESB Breakout

As a subset of the *total hard cost goal*, PHB aspires for 14% of the primes and subcontractors to be Disadvantaged, Minority, Women-owned firms (non-Emerging Small Business)



Goals: Hard Costs by Project

- See handout: Current Project Status by % DMWESB
- Completed projects from 2017–2019: 15 out of 18 met PHB goals
- Majority of projects under construction are meeting their solicitation goal



Trends in Hard Costs by Project

Observations of project's traits not meeting goals:

- First time, small general contractors with first time developers
- Small and/or historic rehabilitations
- Home ownership projects without general contractors
- Competing projects at time of bid
- High rise construction has had lower levels of participation from BIPOC owned companies



New Goal – Soft Costs 2019 BOS Projects

Current Projects	Meeting 20% DMWESB Goal?
Las Adelitas	✓
Crescent Court	✓
Cathedral Village	✓
3000 SE Powell	✓
Susan Emmons	✓
Hayu Tilixam	✓
Stark Family Housing	✓
The Joyce	<i>Not yet available</i>
Westwind	<i>Not yet available</i>
Anna Mann House	<i>Not yet available</i>

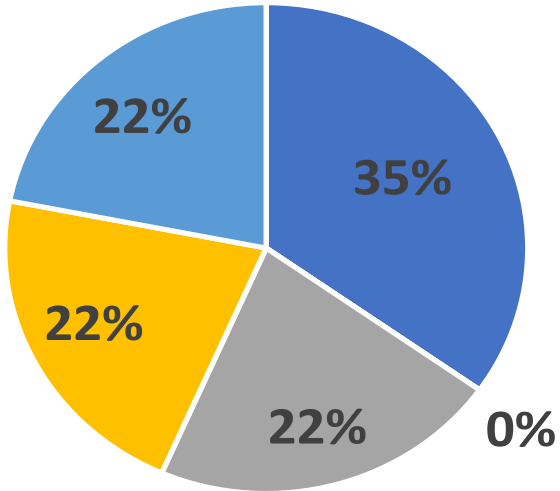
- Goal: 20% of soft cost billings
- Started tracking with Spring 2019 Bond Solicitation
- Soft cost percentages range from 22-85% mostly driven by architectural costs
- The cost data is mid-stream and self-reported

New Goal – Soft Costs 2019 BOS Projects

2019 BOS DMWESB - Soft Costs as of 02/12/21

Estimated 66% of
aggregate professional
contracts going to
DMWESB firms

Largest portion of soft
cost is architectural fees



■ Non Certified ■ DBE ■ MBE ■ WBE ■ ESB

Summary

- PHB has established increasingly aggressive goals for DMWESB participation for both hard and soft costs
- Vast majority of completed projects and those in construction are meeting hard cost goals
- 100% of “midstream” projects are meeting soft cost goals

Reflections & Discussion

- As PHB refines data gathering, reporting, and analysis--what should we keep in mind?
- For the projects that are midstream and falling short, what recommendations do you have to help meet the goal?
- What are key barriers for DMW firms to become involved in affordable housing? What can be done to remove these?

Goals – Workforce Training & Development

Goal: Apprentices to make up **20% of total hours worked** across all trades that meet the threshold

Contract Threshold:

- **City's threshold** is \$100,000 for subs
- **PHB is piloting** \$300K since 2019

Challenges:

- Reporting only coming in from the subcontractors
- Certain trades are not meeting the goal, which warrants further analysis
- Challenges for smaller certified firms to meet WFT goals



Goals – Workforce Training & Development

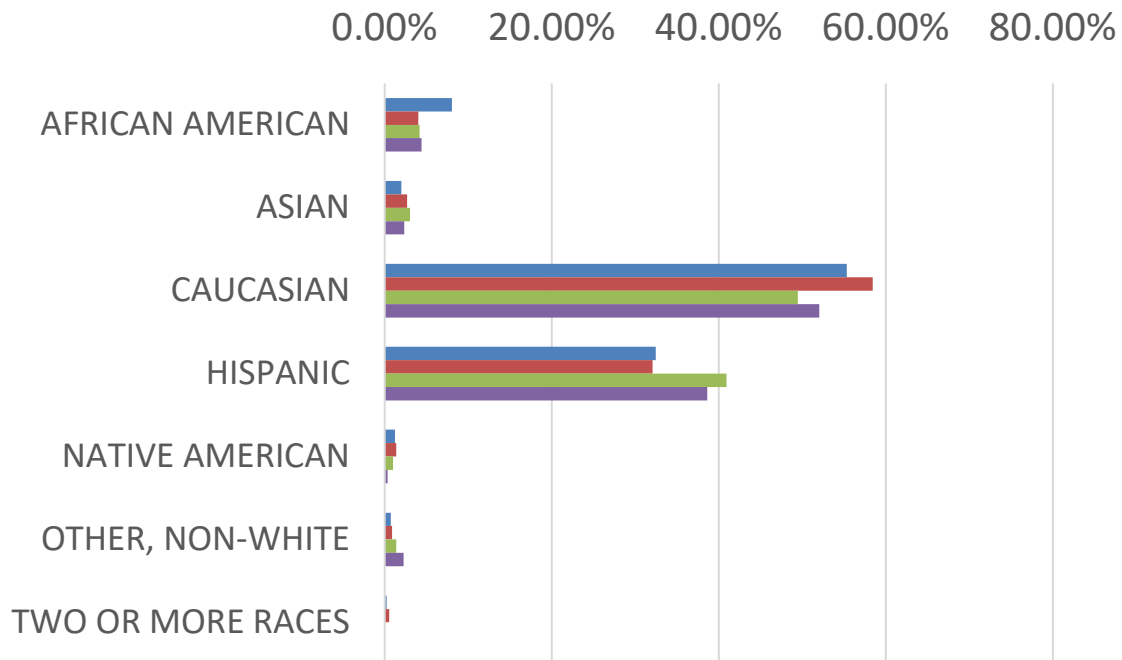
Goal: Apprentices make up 20% of total hours worked

14 of 17 projects between 2017-2019 met goal (2020 projects are still “mid-flight”)

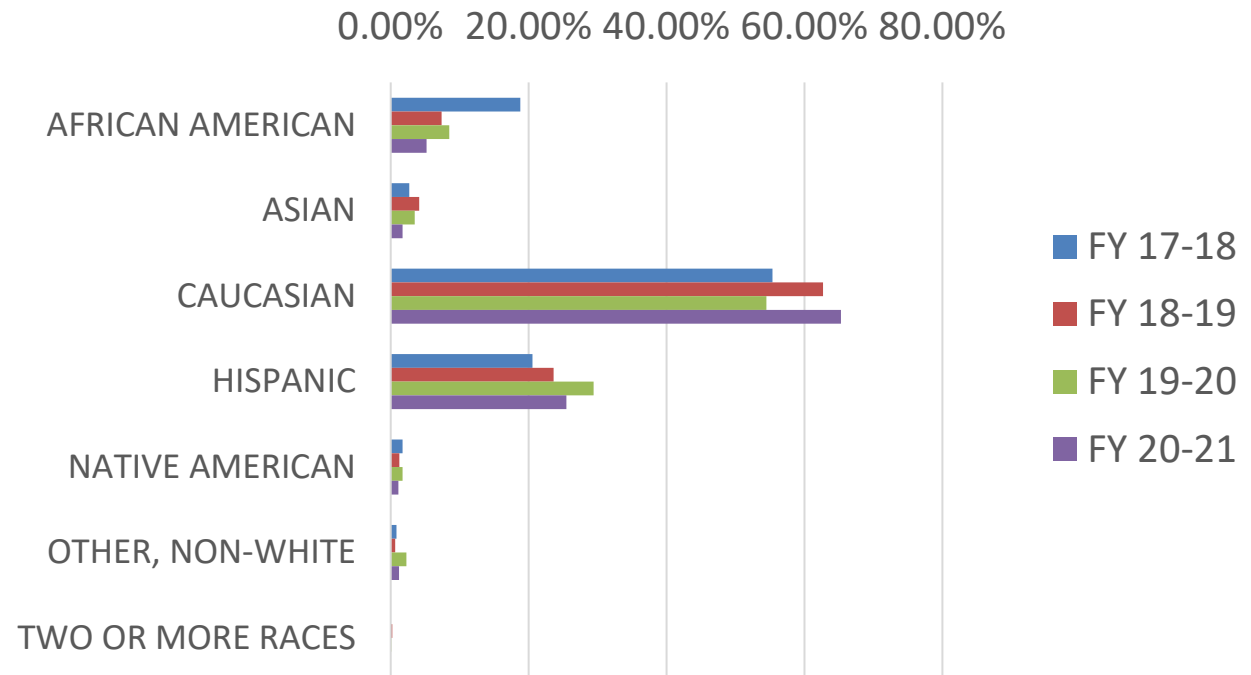
Apprentice Hours as % of Total Hours, by Project				
Project	Start Year	Total Hours	Apprentice Hours	% Apprentice
72FOSTER	2017	94,161	24,059	26%
BEATRICE MORROW APARTMENTS	2017	90,783	25,528	28%
EASTSIDE CLINIC - HOUSING	2017	205,837	55,254	27%
GRAND AVENUE APARTMENTS	2017	259,604	72,223	28%
NW 14TH & RALEIGH	2017	160,928	43,513	27%
STARK STREET APARTMENTS	2017	122,526	16,523	13%
THE JADE APARTMENTS	2017	51,021	11,119	22%
MAGNOLIA 2	2018	47,460	12,072	25%
OAK LEAF	2018	7,822	1,050	13%
RIVERPLACE PARCEL 3	2018	264,866	77,631	29%
WOODY GUTHRIE PLACE	2018	64,744	11,494	18%
GATEWAY PARK/HALSEY 106	2019	68,727	16,588	24%
KING PARKS	2019	112,099	24,886	22%
N. WILLIAMS CENTER	2019	90,287	18,139	20%
OLIN	2019	4,593	1,255	27%
THE ARGYLE	2019	158,636	33,717	21%
THE HENRY	2019	123,076	24,988	20%

Goals: Workforce Training & Development

Workforce Participation by Race/Ethnicity

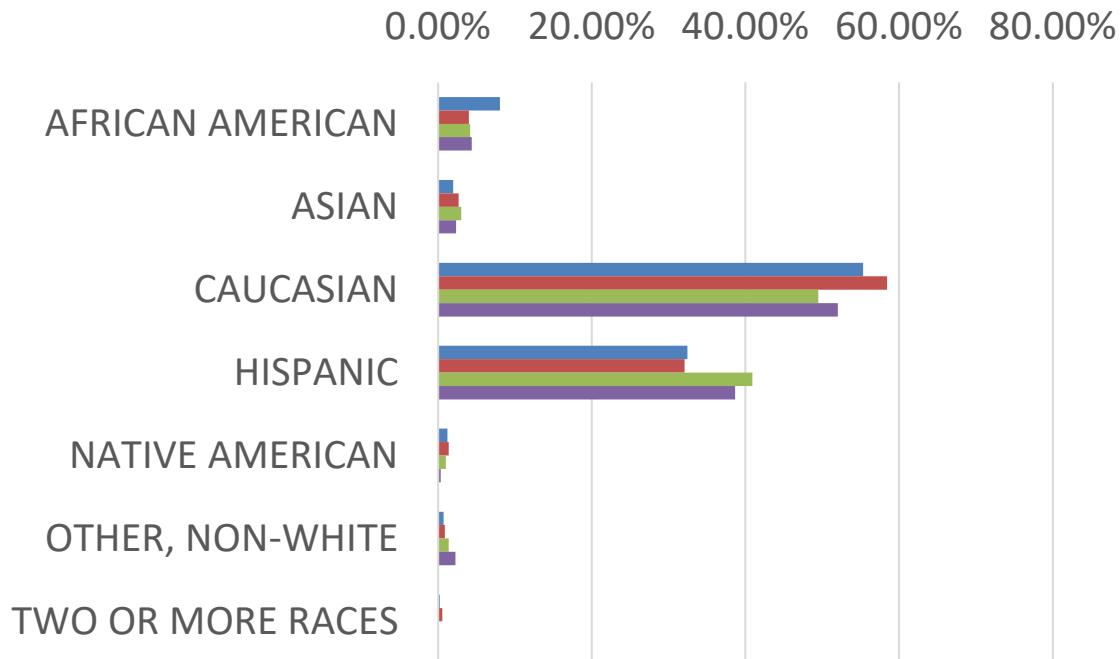


Apprentice Participation by Race/Ethnicity

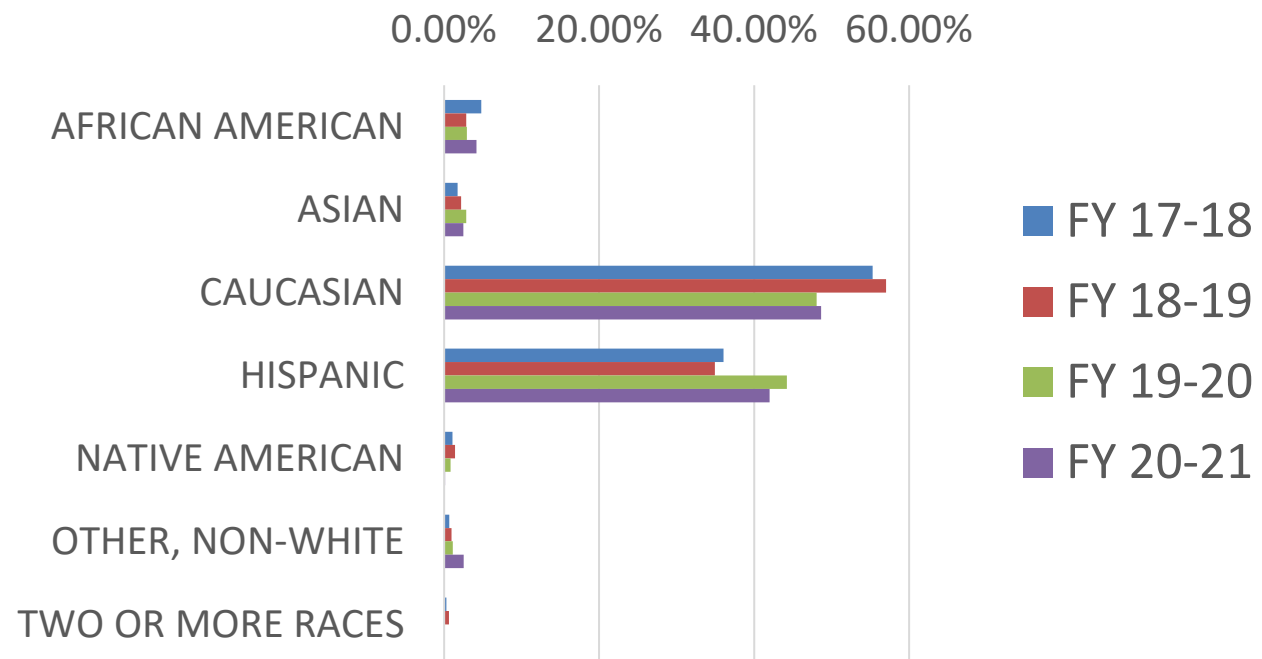


Goals: Workforce Training & Development

Workforce Participation by Race/Ethnicity



Journey Level Participation by Ethnicity



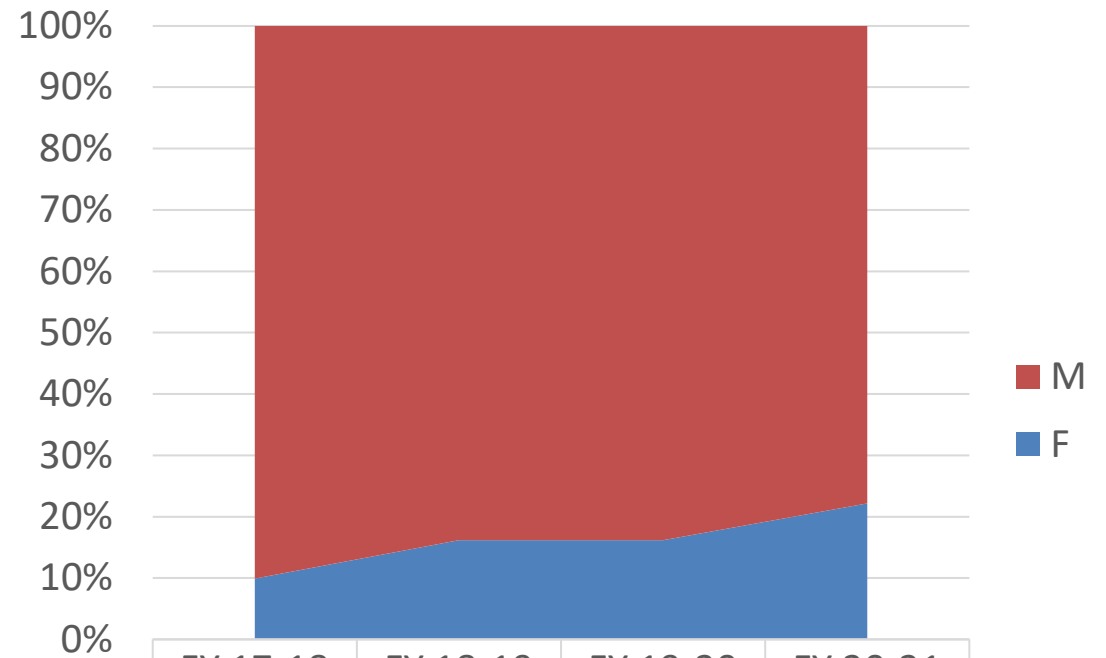
Goals: Workforce Training & Development

Workforce Hours by Gender



	FY 17-18	FY 18-19	FY 19-20	FY 20-21
M	96.04%	94.16%	94.19%	93.68%
F	3.96%	5.84%	5.81%	6.32%

Apprentice Hours by Gender



	FY 17-18	FY 18-19	FY 19-20	FY 20-21
M	90.06%	83.83%	83.84%	77.80%
F	9.94%	16.17%	16.16%	22.20%

Certified Firm Trade Coverage

While certified firms are well-represented in some trades, preliminary PHB data shows little to no representation in select trades:

- Air Sealing
- Brick and Marble Finisher
- Brick Layer
- Elevator Mechanic/Const.
- Glazier
- Insulation Installer
- Millwright
- Piledriver
- Plasterer
- Sprinkler Fitter



Summary

- The different threshold between City WFT policies and new 2019 BOS pilot can be confusing
- PHB is in the process of determining how to offer real trends by trade sector
- BIPOC workers are not making gains from previous years, except those that identify as Hispanic/Latino
- Women are making greater in-roads in the subcontractor workforce
- PHB is hearing from small contractors that becoming a training agent puts strain on the business operations

Reflections & Discussion

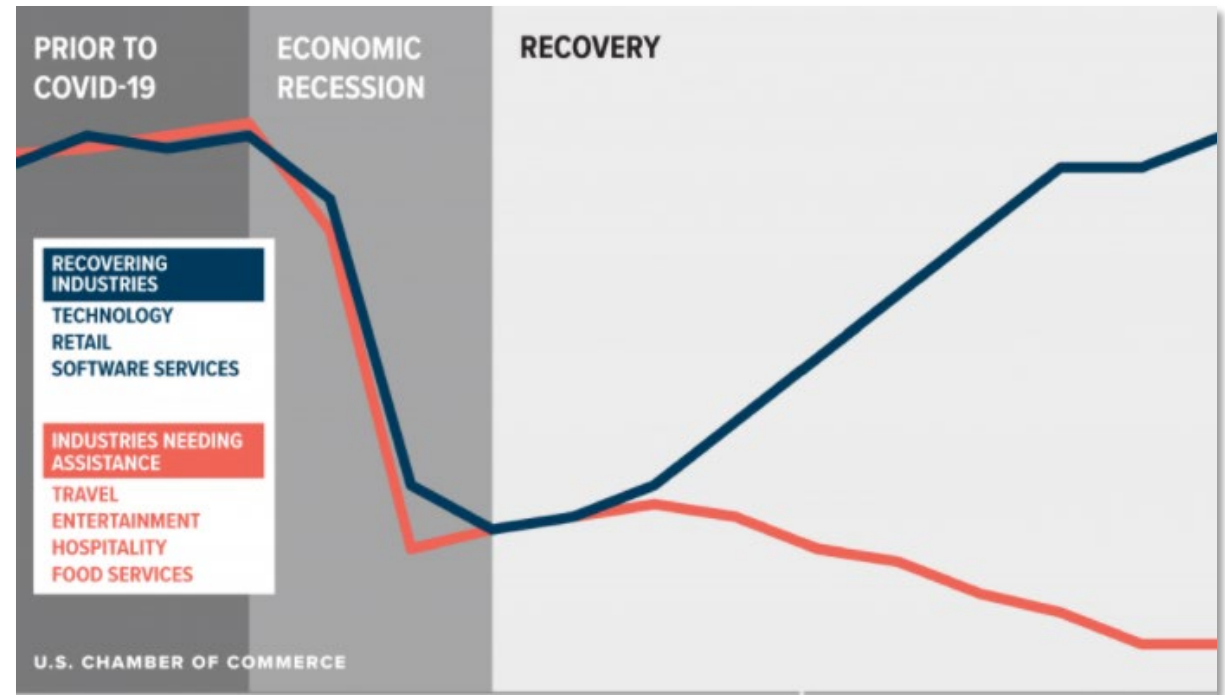
- What has been the experience of developers trying to push GCs and subcontractors to get to 20%?
- Should PHB continue its pilot of a contracting threshold of \$300,000 for WFT participation?

Related NW Project Highlights



Market and Policy Environment

- OHCS equity goals and statewide demand
- Timing of NOFAs
- Current trends in contractor buy-ups
- COVID impacts



Next Steps

- Prepping for the Metro Housing Bond Solicitation
- Meet and Greet Event: 04/07/2021
- Validation process with developers on mid-stream cost data
- New project-specific dashboard

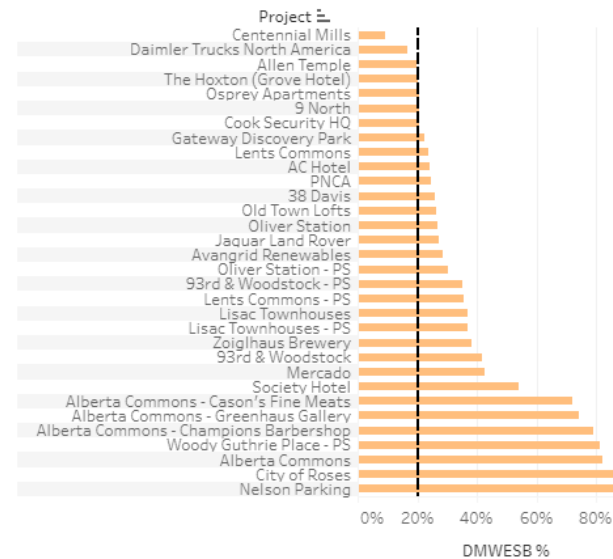
Prosper Portland: Workforce Equity Dashboard

Construction Data

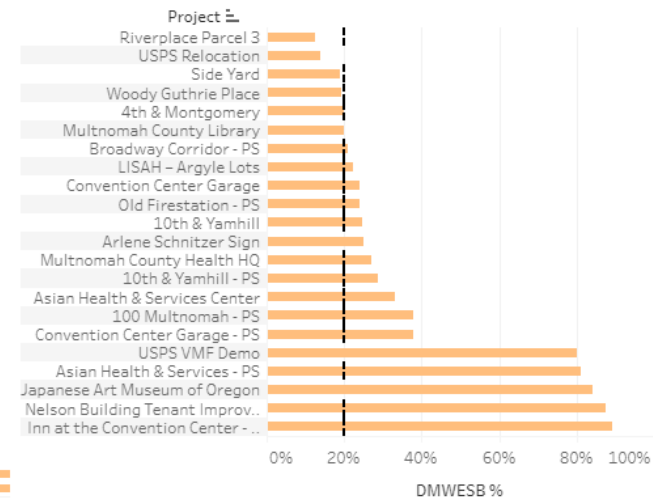
The data below details the performance on projects within the last three years where our Business & Workforce Equity Policy applies (see above for details). Please note that for projects under construction, the data will be updated to reflect project progress.

Note: Projects with PS in the name refer to Professional Services.

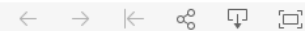
DMWESB Performance - Completed Projects



DMWESB Performance - Under Construction Projects



Share or download this data:



Reflections & Discussion

- What effects should we anticipate from new OHCS statewide MWESB goals?
- What ongoing impacts from COVID are we seeing, and what might we expect during recovery?
- Are there other ways we could be prepping before 2021 MBOS?