



Portland Housing Bureau

Equity in Contracting

DMWESB-SDV & WORKFORCE
PARTICIPATION

PHAC

September 6, 2022

Goals for Today's Presentation

Review of Changes and Updates

PHB Equity in Contracting and Workforce Goals

- Review of 2017-2021 Data for Hard Cost, Soft Cost, and Workforce Diversity

Discussion and Recommendations for Improvement

DMWESB-SDV 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.

Service-**D**isabled **V**eteran (SDV)

SDV is a State of Oregon certification that is race and gender neutral and is based on veteran status of a 51% owner.

PHB Updates

Updates to PHB's Equity in Contracting programs

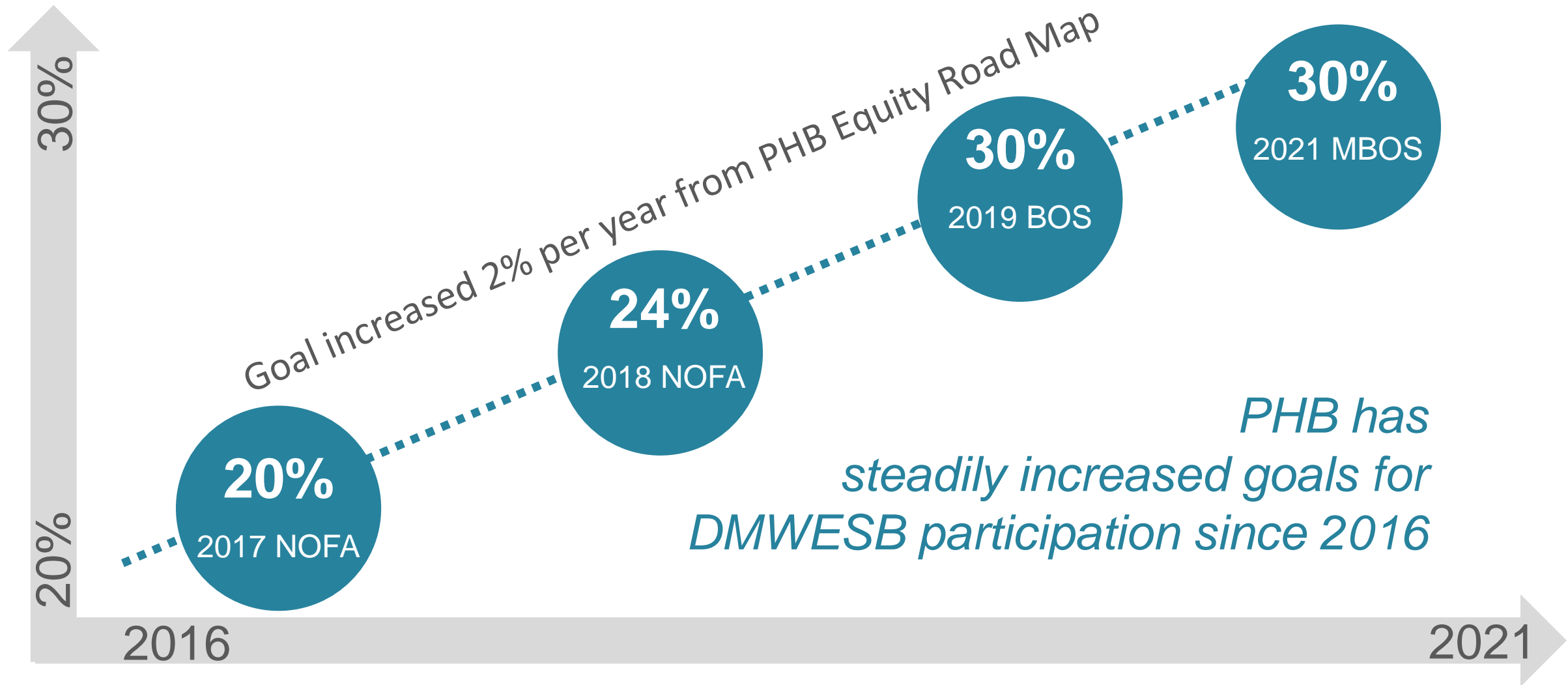
- Change to 3-bid minimum: focus on projects falling short of goals
- PHB thresholds formalized: count certified GCs in addition to subs
- Program name changed to recognize distinctions between PHB and public works projects
- Equity in Contracting updated policies and program requirements went into effect on January 1, 2022, capturing projects in PHB's pipeline

Equity in Contracting and Workforce Diversity

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

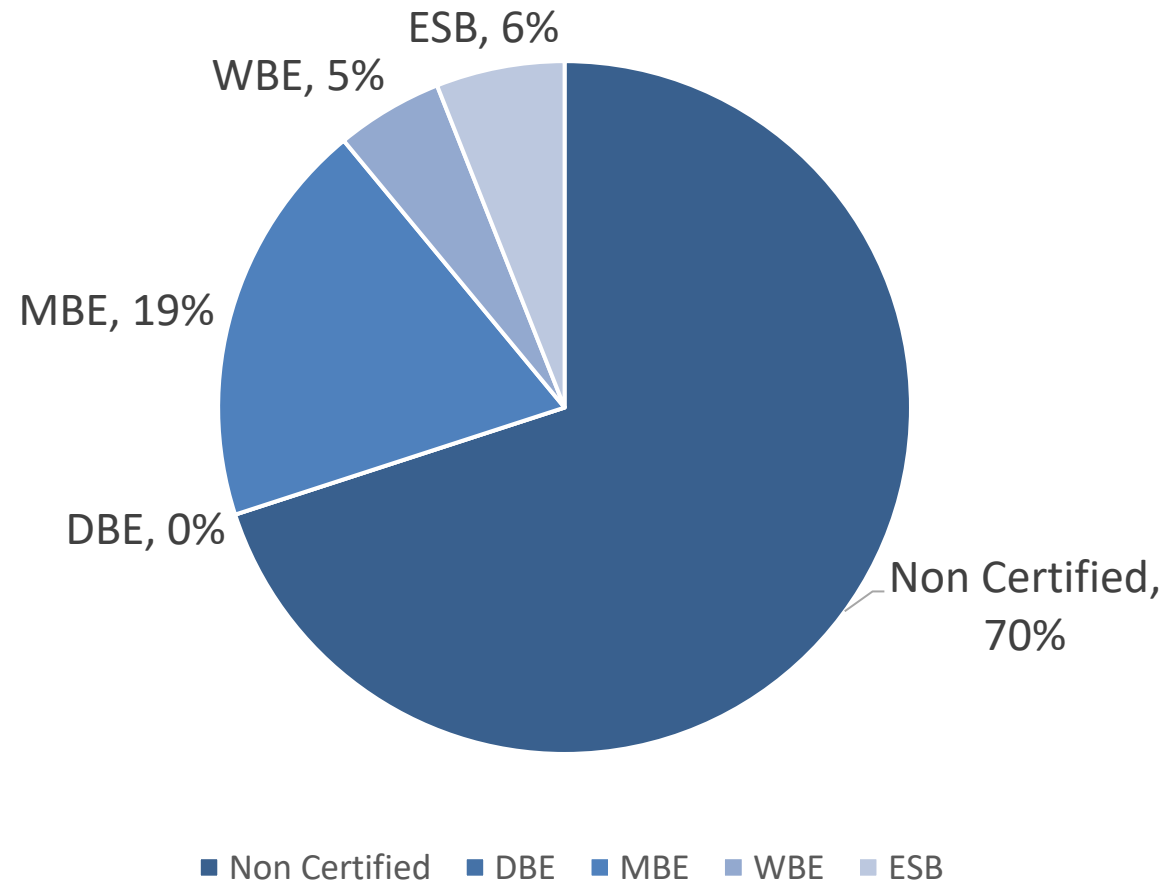
- PHB targets of 30% for DMWESB-SDV certified firms for hard cost contracting (primes + subs), exceeding the City's target of 20% of subcontractors
- PHB goal of 20% for soft cost contracting starting with 2019 Bond Solicitation
- New PHB Apprentice & Workforce Diversity program goals and contract thresholds distinct from City's Workforce Training and Hiring Program
- All PHB-funded projects must report COBID certified firms to City Procurement office

Goals: Hard Costs Over Time



Goals: Hard Costs

Total Certified Firm Participation, 2017-2021
(Primes and Subcontractors)



Total Value of Contracts
from 2017-2021 = approx.
\$700 million

Total Projects = 34

Largest share of certified
firm participation = MBE at
19%

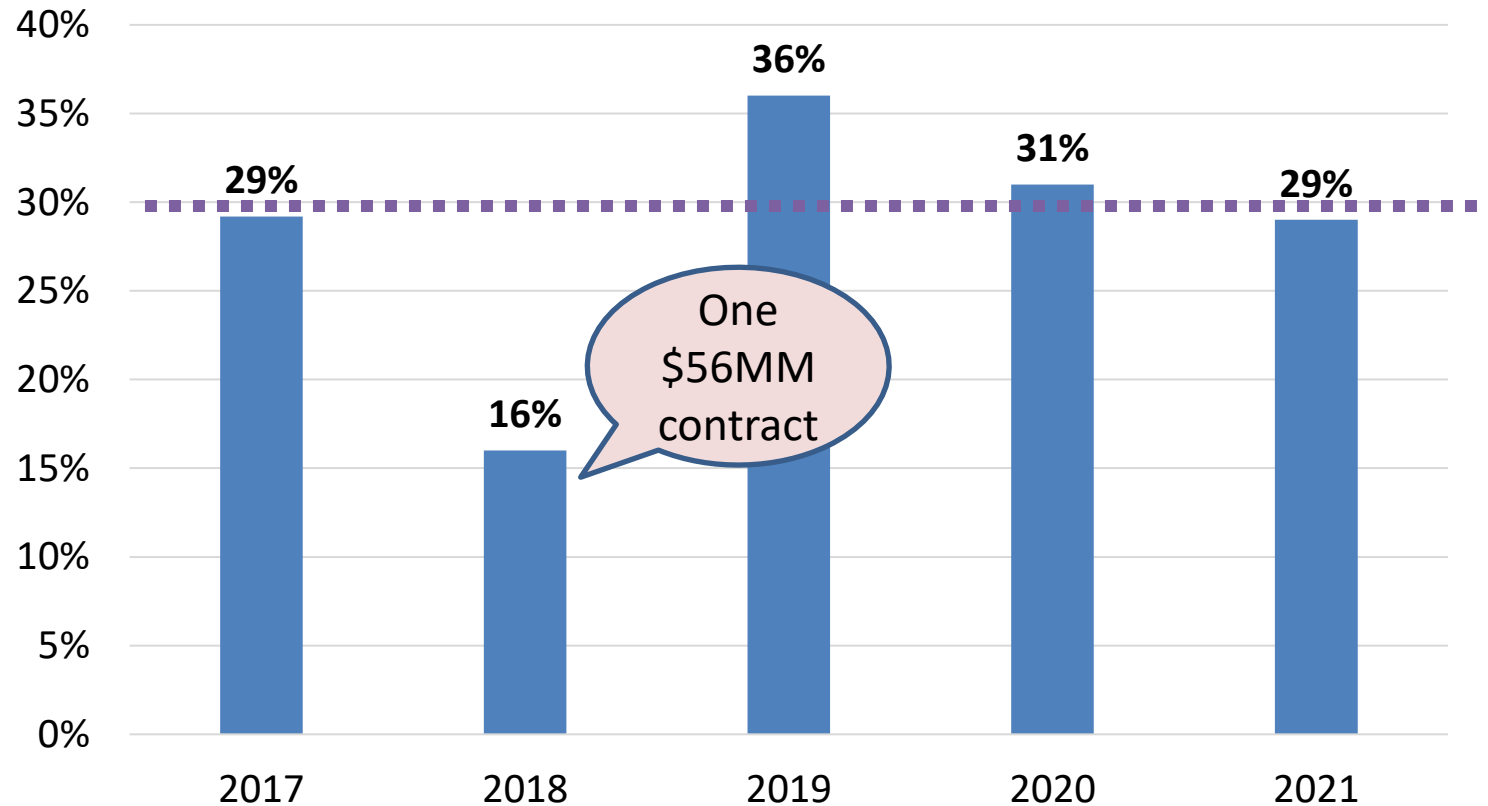
Goals: Hard Costs

2017-2021 avg. participation of certified primes and subcontractors

Contracts by Year :

- 2017 = \$193 M
(9 Projects)
- 2018 = \$84 M
(4 Projects)
- 2019 = \$123 M
(7 Projects)
- 2020 = \$59 M
(5 Projects)
- 2021 = \$253 M
(11 Projects)

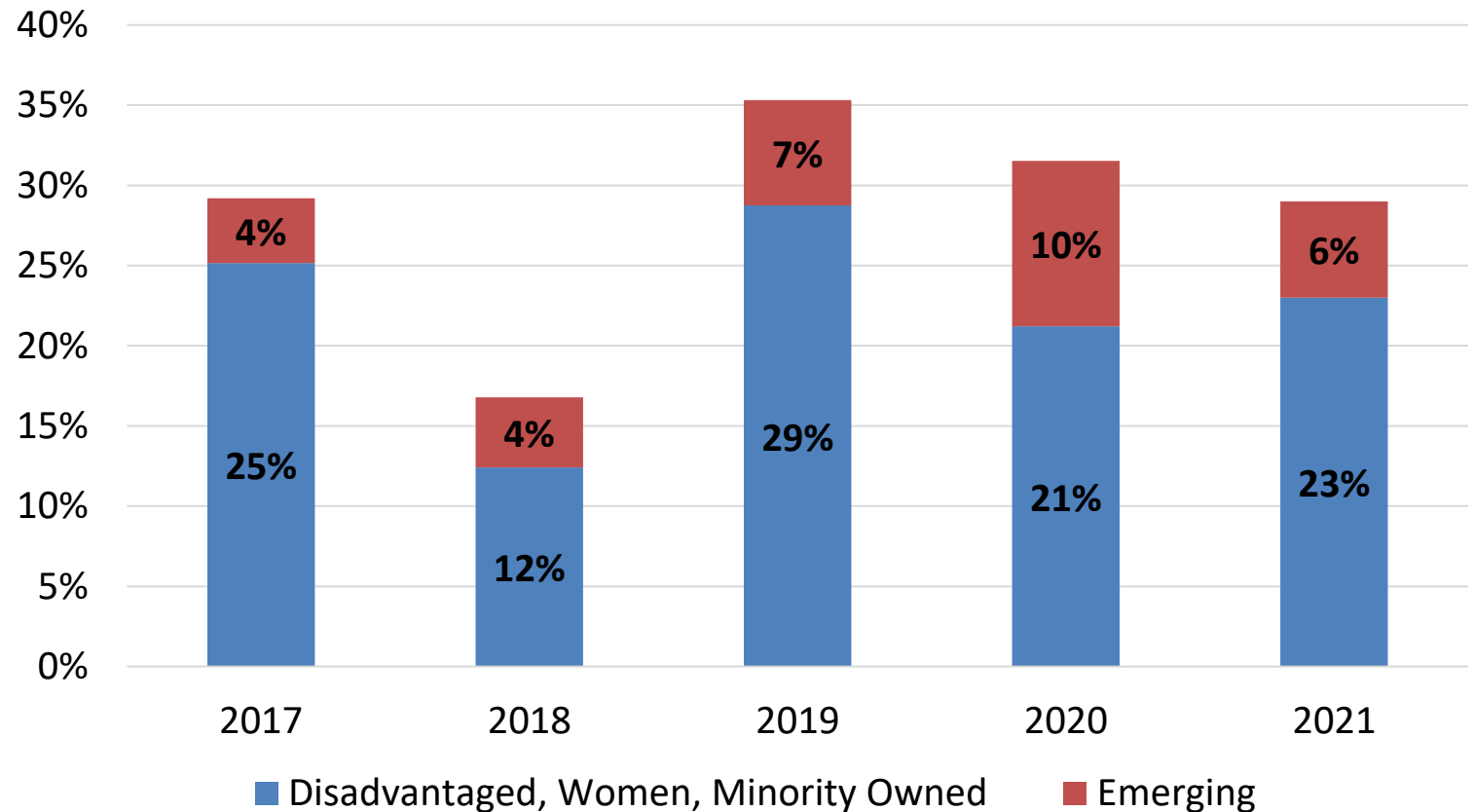
Average DMWESB Participation, by Year



Goals: Hard Costs

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)

Average DMWESB Participation by Year, with ESB Breakout



Trends in Hard Costs by Project

Observations of project's traits not meeting goals:

- Competing projects at time of bid
- Shortage of certified firms bidding
- Additional barriers to BIPOC firms due to inflation and uncertain supply chains
- Larger contractors out growing COBID eligibility



Professional Services (Soft Costs)

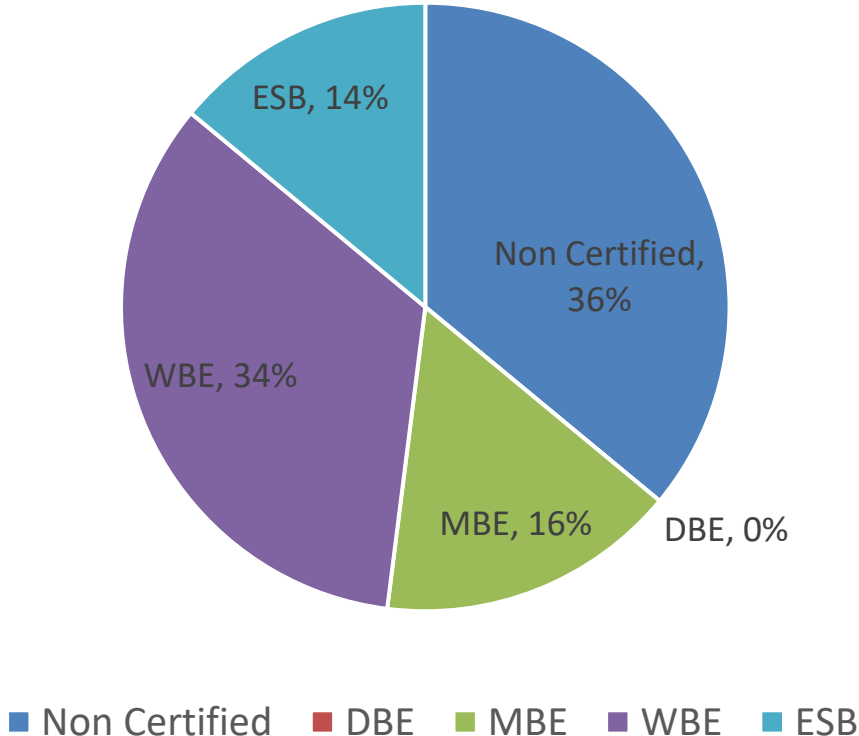
20% Goal

Estimated 64% of aggregate professional contracts going to DMWESB firms

Soft cost percentages range from 22-96%

Largest portion of soft cost is architectural fees

2019 BOS DMWESB Soft Costs



Goals – Apprentice & Workforce Diversity Programs

Goal: minimum **20% of total hours worked**, by trade, on contracts meeting threshold *or* more than 300 jobsite work hours in any trade

Contract Threshold:

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



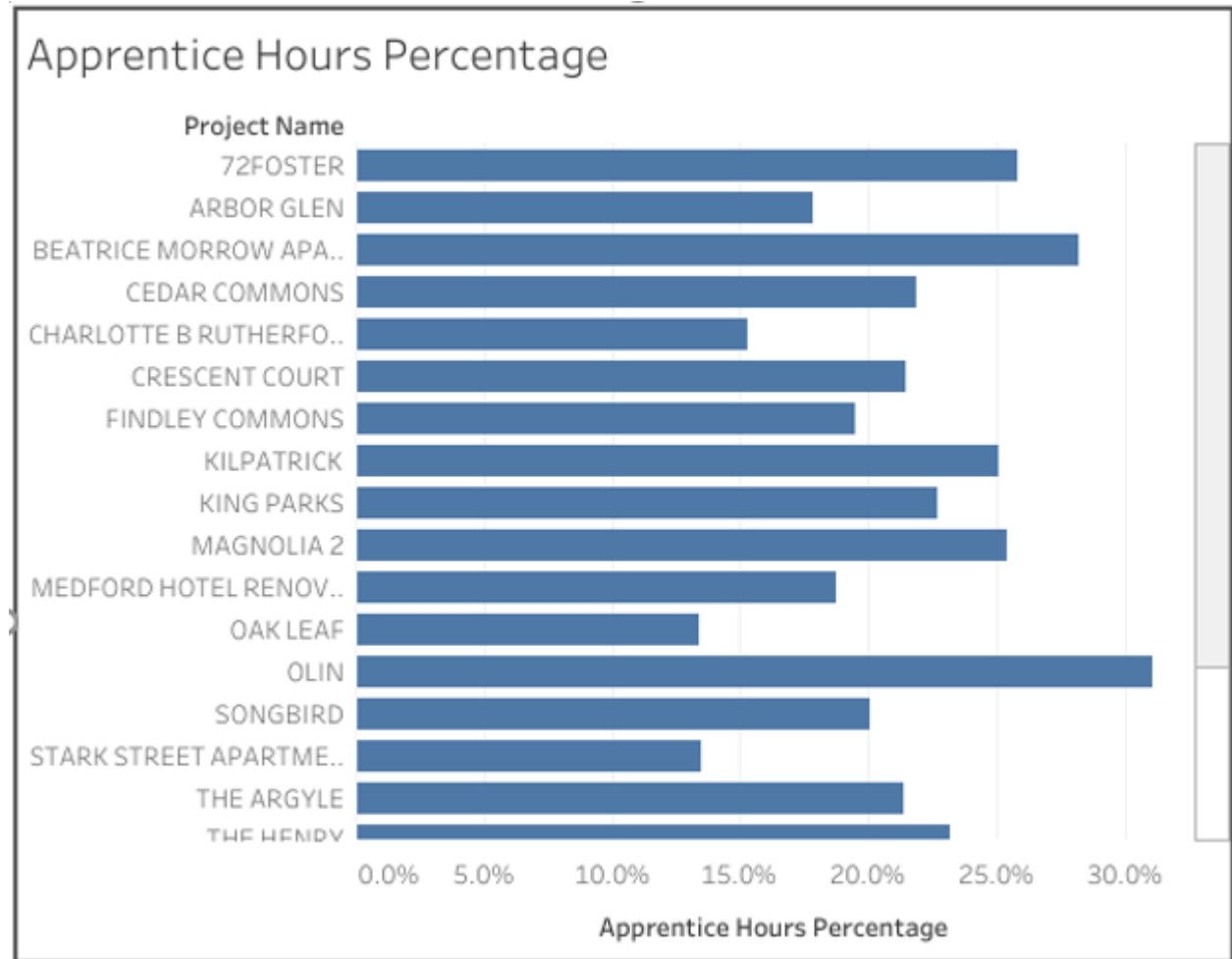
Additional Goals:

- Apprentice hours: 22% BIPOC and 9% female participation
- Journey-level hours: 22% BIPOC and 6% female participation

Goals – Workforce Training & Development

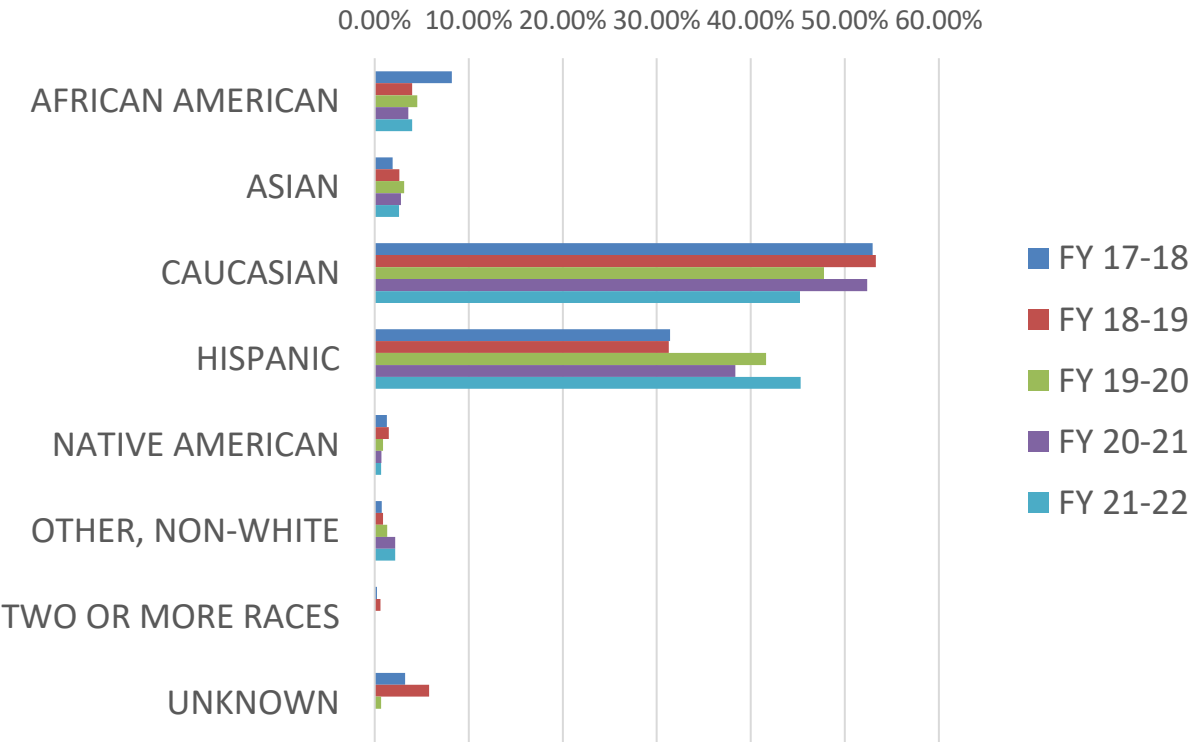
Goal: Apprentices make up 20% of total hours worked

17 of 20 projects between 2017-2020 met goal
(2021 projects still underway)

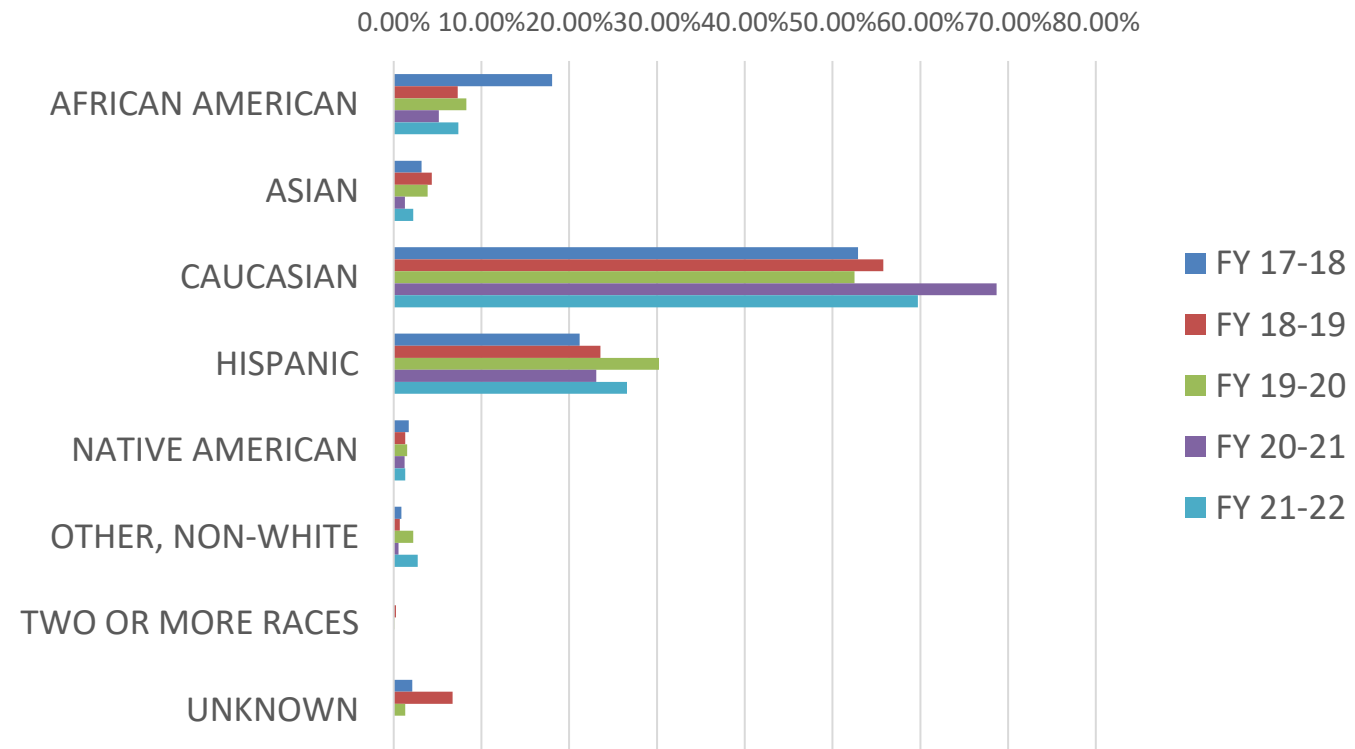


Goals: Apprenticeship & Workforce Diversity

Workforce Participation by Race/Ethnicity

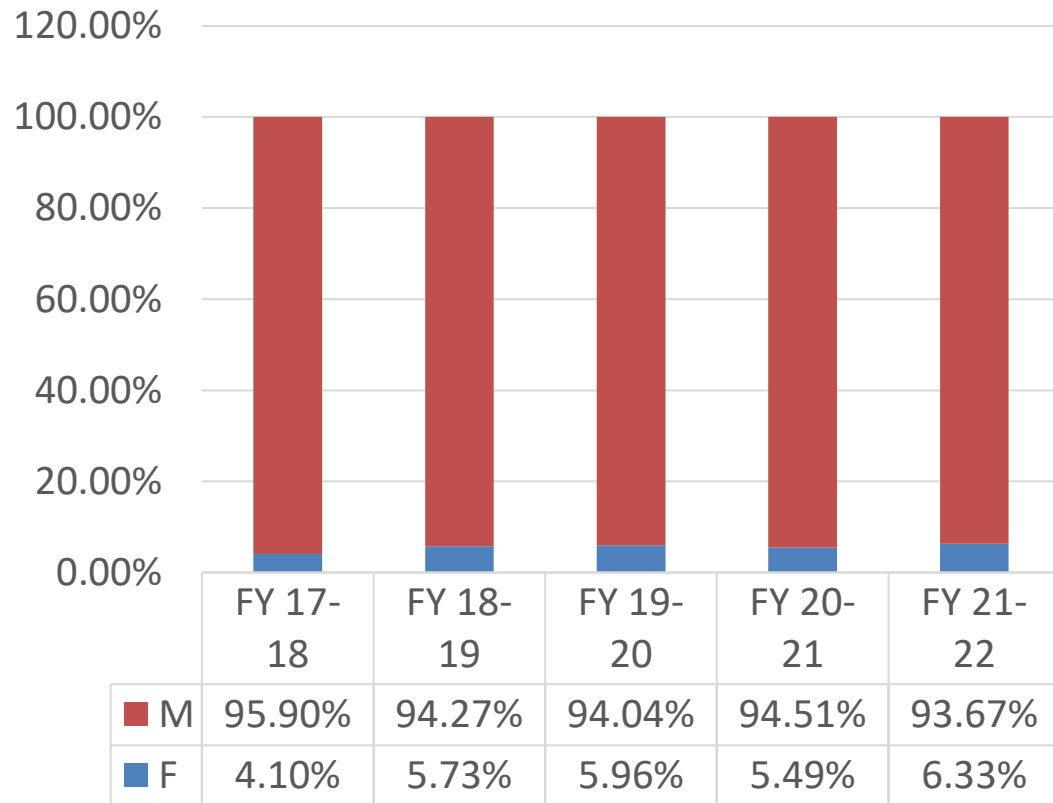


Apprenticeship Participation by Race/Ethnicity

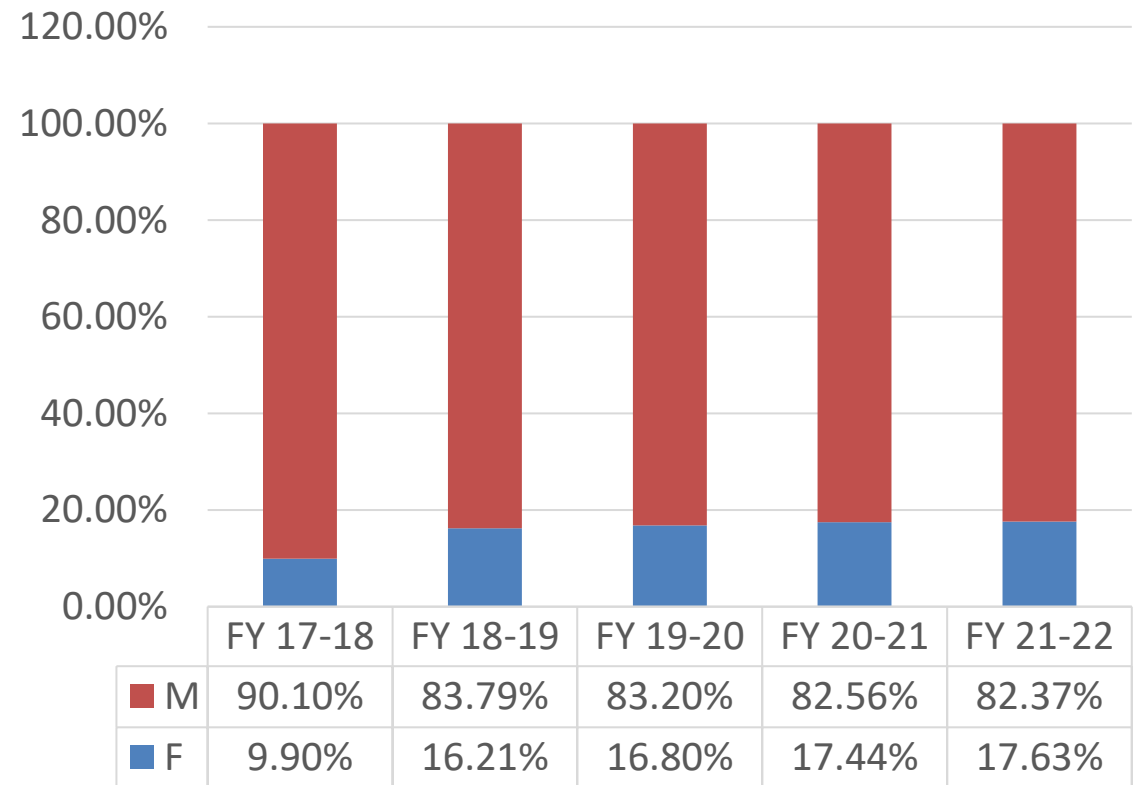


Goals: Apprenticeship & Workforce Diversity

Workforce Hours by Gender



Apprentice Hours by Gender



Reflections & Discussion

- How can we encourage contractors to report non-certified minority and women owned firms to better capture this data?
- How can larger minority and women owned firms that no longer qualify as COBID certified be included?
- For the projects that are midstream and falling short, what recommendations do you have to help meet the goal?

Reflections & Discussion

- Should PHB increase a contracting threshold pilot of higher than \$300,000 for Workforce participation?
- What ongoing impacts from COVID are we seeing, and what might we expect during recovery?
- What strategies might PHB pursue to address the impact of increased market demand and contractor capacity?

New Equity in Contracting Dashboards

