TESTIMONY

2:00 PM TIME CERTAIN

### **DISPARITY STUDY REPORT**

#### 36868

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP CODE	Email
Roy weedman	POBOX 535 BORING OR 91009	popuredman@ad.com
se Gale Castillo	333 S.W. 5th Ane 5-100	g castillo c Anccoreson : Com
Derry Jackson	233 NE IL, St. Apt A	derry jackso- @ comeant. net
James Josey		
Melvin Oden-Or (NAmer)		Melvin @ aden-O-124, cm
V Tony Jung	MCIP 2808 NE MILL Blud Super MDx 97212	tury pmcip-pdx.org
- Alerb Fricke	ONAC/CZE	herb@onacc.org
Henny Painter	CZE/OWAC	penny pe cooper cm. com
GERAND DeLoney	3920 N. KEVE by	
let dime Ramos	PoBox 688 Forest Grave 0897116	Jaine@ramosinc.co
ANEESAH FURDAN PEAC	A OABA COWWW. OABA, US	ATBIGCAPITALI Equal, Con
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Date <u>06-22-11</u>		Page of

### DISPARITY STUDY REPORT

36868

IF YOU WISH TO SPEAK TO CITY COUNCIL, PRINT YOUR NAME, ADDRESS, AND EMAIL.

NAME (print)	ADDRESS AND ZIP COD	Ε	Email	
V Jorge Guerra	VAME VIJY N. Vanca var A	20 Etuloparizin	Jorge@oam	e.org
Maxine	Partland Atr.			
V FITZPATVICK	Leadership	Forum		
JAMES FAISON	FAISON COU	STRUCTION	FAISON INTO MARK	+ Com CANA
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Date 06-22-11

#### 36868

#### PORTLAND AFRICAN-AMERICAN LEADERSHIP FORUM

June 22, 2011

City of Portland Portland Development Commission

Re: Draft Disparity Study

In consideration of the vast disparities that exist in the City of Portland for ethnic and racial minorities in the areas of economic development, education, health, housing, civic engagement and leadership - my initial thought on the matter is what is it going to take for us to holistically address these disparities in the City of Portland. To simply provide justification for their existence is not a solution – it's an excuse.

Today I am here to speak as a member of the Portland African-American Leadership Forum and on the behalf of an associate organization, the National Association of Minority Contractors of Oregon, commonly known as NAMC-O.

Construction related activities are only a portion of the work I do professionally. However, an overarching goal in my work is advocacy and the inclusion of all community residents in the American dream of prosperity. I am here today specifically representing the African-American population as well as other minority populations.

We are all aware of the numerous inadequacies that exist in economic opportunities for all in the city of Portland. Minorities have historically been left out of the mainstream economy for many reasons, including disparate treatment – some thing I believe to be at the core of the problem. With the current Disparity Study which is the topic of this meeting, the City has positioned itself in a proclaimed defensible, yet in my opinion - an inexcusable situation of exclusion. NAMC-O and others are challenging the methodology. They have been more vested in the process, and those of us who have not, respectfully rely on their conclusions. I don't believe the resolution of this historical discrepancy can be satisfied with explanations and justifications. I urge the City to consider recommendations that can help alleviate the problem as advanced by NAMC-O and others directly involved in the construction industry. I further urge you to consider working with them and others such as Priority Builders to answer the vast array of questions and concerns posed in Ron White's letter dated May 13, to John Jackley and Christine Moody.

I believe we all know that the past does not have to be the future, unless we want it to be. Thank you for this opportunity to speak and

Kind regards, Maxine Fitzpatrick Mature (



June 21, 2011

36868

To:City of Portland Mayor, Sam Adams<br/>City of Portland Commissioners: Nick Fish, Dan Saltzman, Amanda Fritz, and Randy Leonard<br/>Portland Development Commission.

From:	Samuel Brooks; Founder/Chair of the Board,
	Jorge Guerra, President
	Oregon Association of Minority Entrepreneurs (OAME)

Subject: Comments on Commission Disparity Study released 2011.

I, Samuel Brooks, Founder & Chair of the Board, send my apology for not being able to attend this Council's Disparity Study discussion. Our President, Jorge Guerra is in attendance.

We commend the City of Portland and Portland Development Commission for continuing to search for information that adds support to minority, women, and emerging small businesses.

We believe the following comments are relevant based on the data and comments in the disparity study:

- The number of minority owned businesses in construction and personal services in Oregon, City of Portland, and the region is small. Determining the capability and needs of each of the certified businesses is possible and would provide an opportunity to track and support the appropriate assistance to MWESBs.
- Using a disparity statistical analysis alone as a means of providing support to MWESB becomes counterproductive over time because the direction of support is based on moving numbers not developing skills and creating capability.
- Accountability for each MWESB outside contract is an essential function to ensure performance of outside contractors. Some City of Portland or Portland Development Commission designated individual must be assigned responsibility for monitoring.
- Conducting support programs for MWESBs, collectively, fosters relationships that grow for all concerned. Fostering partnerships between MWESBs multiplies the opportunity for growth and development.
- Supporting access to capital, management support, sales and marketing, utilization of technology and networking creates partnerships that produce successful businesses.
- The City of Portland and the Portland Development Commission should strive to move MWESBs to business sustainability, as well as award contracts.
- \*\* As it relates to the efficacy of the statistical analysis done by the consulting team, OAME believes its efforts are better spent creating systems that will help to grow and develop minority, women and emerging small businesses. OAME looks forward to joining the City of Portland and Portland Development Commission in that effort.



National Association of Minority Contractors Oregon 10350 N Vancouver Way, Suite 102, Portland, OR 97217 Email: <u>info@namc-oregon.org</u> Website: <u>www.namc-oregon.org</u> Phone: 503-735-9455 Fax: 503-735-9409

City of Portland 1221 SW Fourth Ave Portland, OR 97204-1998

Portland Development Commission 222 NW Fifth AVE. Portland, OR 97209

Date: May 13, 2011

#### Re: Draft Disparity Study

To whom it may concern:

NAMC- Oregon appreciates the City of Portland and the Portland Developments Commission's (PDC) commitment to equity. Over the last ten years our organization's level of trust in the City of Portland and PDC's commitment to equity has increased significantly. We have seen some of our member businesses grow to see annual volumes in excess of \$10 million per year.

Unfortunately, based on the findings led by the BBC Research & Consulting firm in the Draft Disparity Study, that trust is now in jeopardy. The findings in regards to MBE and WBE companies' availability show false levels of availability which in turn creates a misrepresentation of little to no disparity. We refute these findings as they are misleading and skewed and recommend they be reanalyzed and amended prior to the finalization of the report.

We appreciate that the current results are in a draft form and that the City of Portland and PDC have given the public an opportunity to review and provide comment. NAMC-Oregon is now counting on the City of Portland and PDC to demand that the consultants provide accurate results for the true availability of MBE and WBE contractors. It is extremely apparent that several prominent members of the MBE community and the WBE community were left out of the availability results. This is a completely negligent use of our tax dollars and is unacceptable to our community.

You may find attached two exhibits attached to this document based on factual results from the 2009 Daily Journal of Commerce's (DJC) top minority contractors. Please see attached Exhibit (A) Disparity Study Figure L-2 Review City of Portland and Exhibit (B) Disparity Study Figure L-5 Review PDC.

It is compelling to note that the data produced from a small sample of some of the top minority business over a one-year period is over ten times the availability found in the same exhibit found in the draft disparity study done over a five-year period. Such a significant omission is just one example of the consultant's incomplete, flawed analysis. This suggests that the largest MBE and WBE companies were intentionally excluded in order to create a false level of availability.

NAMC has also created a similar document including the key members of the WBE community, which show similar results of skewed availability. The results were not included with this document because we did not have a reliable source like the DJC to point to. However, given the appropriate time, this information could be provided. It was also very disappointing that prominent organizations such as the National Association of Women in Construction (NAWIC) were not a resource to the consultants during their research period.

As we have seen over the last week, discrimination in the City of Portland is alive and well. Several articles have been written about the ongoing issues in affordable housing and the aggressive gentrification of minority communities. In the interest of providing leadership, responsible use of tax dollars, and meaningful action towards establishing equity, we trust that the City of Portland and PDC will take firm and decisive steps and demand the consulting team be expanded to reanalyze and amend the inaccurate and damaging availability results. Furthermore, we request that the community be provided with complete information on the means and methods used to make final determinations of availability.

Sincerely,

NAMC-Oregon Board of Directors

#### Figure L-2 Review City of Portland Type: Construction Time Period: July 1, 2004 - June 30, 2009 Role: Prime Contractors, Subcontractors and Suppliers NAMC Cregon Review - Exhibit A

-

	(a)	(b)	(c)	(x.1)	(x.2)	(d)	(e)	(x.3)	(x.4)	Para Para Para Para	(f)	(x.5)	(0)	[x.6]
Firm Type	Number of contracts (subcontracts)	Total Dollars	Total dollars after Unknown MBE allocation	Average Contract Amount	Average Contract Amount Per Year	Actual utilization (column c / column c, row 1 %	Utilization benchmark (availability) %	Utilization benchmark dollar value	Utilization benchmark (availability) Using DIC 2009 M/W/ESB Top 10 against 1 year average		Difference (column d - column e)	Difference (column d - column e) Using DIC 2009 M/W/ESB Top 10	Disparity index (d / e) x 100	Disparity index (d / x.S) x 100 Using DIC 2009
1) Majority Firms = (Total 2134)-(788 MBE & WBE)	1346	\$ 902,434,000.00	\$ 902,434,000.00	\$ 670,456.17	\$ 180,486,800.00			Contraction of the second of	Concernation and the second	2005 Rg W/250				2009
2] MBE/WBE	788	5 74,664,000.00	\$ 74,664,000.00	\$ 94,751.27	\$ 14,932,800.00	8.27	5.5	\$ 49,633,870.00	37.9	\$ 68,358,181.00	2.8	-29.6	150.4	
3) WBE	424	\$ 48,377,000.00	\$ 48,377,000.00	\$ 114,096.70	\$ 9,675,400.00	5.36	3.5	\$ 31,585,190,00		5. 00,000,101.00		-29.6	and the second se	21.8
4) M8E	354	5 26,287,000.00	\$ 26,287,000.00	\$ 72,217.03	\$ 5,257,400.00	2.91	1.9	\$ 17,146,246,00			1.9		153.2	
5) African American-owned	116	\$ 4,329,000.00	\$ 4,332,000.00	\$ 37,344.83		0.48	0.5	\$ 4,512,170.00		\$ 9,650,000,00		2.9	153,3	
6) Asian-Pacific American-owned	13	\$ 1,122,000.00	\$ 1,122,000.00			0.12	0.2	\$ 1,804,868.00	12.3	\$ 22,150,000,00	0.0	-4.9	96.0	0.1
<ol><li>Subcontinent Asian American-owned</li></ol>	96	\$ 1,883,000.00	\$ 1,884,000,00			0.21	0.0	S 1,004,000.00	0.0	\$ 22,150,000.00		-12.1	62.2	0.0
8) Hispanic American-owned	98	S 13,923,000.00	\$ 13,932,000.00			154	0.5	\$ 4,512,170.00	in the second		0.2	0.2	200.0	0.000000
9) Native American-owned	40	\$ 5.013.000.00	\$ 5.017.000.00	\$ 125,425,00	\$ 1,003,400.00	0.56	0.7	\$ 6.317.038.00		\$ 36,558,181.00	1.0	-18.7	.308.8	0.1
10) Unknown MBE	1	\$ 17,000,00		\$	v 1,005,400.00	0.50	0.7	3 0,317,056.00	0.0		-0.1	0.6	79.4	2012 A 40
State Recognized Certified M/W/ESB Firms														<u>eristen e</u>
11) MBE/WBE (certified)														Prove Cling
<ol><li>Woman-owned (certified)</li></ol>	265													0.080.0
<ol> <li>Minority-owned (certified)</li> </ol>	342				and the second second second									1000000
<ol> <li>African American-owned (certified)</li> </ol>	115													<u> ////////////////////////////////////</u>
15) Asian-Pacific American-owned (certified)	11			al a fair an								and the second		
<ol> <li>Subcontinent Asian American-owned (certifi</li> </ol>	91													<u> </u>
<li>Hispanic American-owned (certified)</li>	86													
<ol> <li>Native American-owned (certified)</li> </ol>	38													
19) Enknown MBE (certified)	1													
20) Unknown MWBE (certified)	0							78-0725 (D. 50)						111111111
21) ES8-certified	549													<u> </u>
<ol><li>African American-owned (certified)</li></ol>	301													<u></u>
22) Majority-owned ESB (certified)	248			Contraction and the										<u> </u>

Company	2009 Gross Billings	Average Contract Amount Per Year
Cisneros Construction, Inc. (Hispanic MBE # 2496)	\$ 28,000,000.00	
In Line Commercial Construction, Inc. (Asian Pacific MBE # 714)	\$ 22,150,000.00	
O'Neil Electric, Inc. (African American MBE # 2007)	\$ 8,500,000.00	
R&R General Contractors (Hispanic MBE # 4585)	\$ 6,429,181.00	1
Chick of All Trades, LLC (Hispanic MBE/WBE # 4546)	\$ 2,129,000.00	1
Pacificmark Construction (African American MBE # 2820)	\$ 650,000.00	1
Black Diamond Asphalt, Inc. (African American MBE # 2813)	\$ 500,000.00	\$ 67.929.60

	which uses the DJC 2009 Top Minority contra									
disparity for MBE/WBE contractors. These figures do not include any WBE firms due to the ability to site reliable sources										
such as the DJC, but based on volumes dis	closed by several reputable large WBE firms	the disparity would dramatically								
increase. These figures also leave out sev	eral large Minority contractors including, bu	it not limited to:								
Note: Please note that row (7) shows 96 contracts as	varded yet colum ( e ) Utilization benchmark (availabilit	y %) shows zero (0) availability.								
CARR Construction	Crestview Construction	Raimore Construction								
Northwest Infrastructure	P&C Construction	Workhorse Construction								
Gray Bear Construction	Parish Excavating	A1 Flagging								
Colas Construction	Staton and Co.	Ergami Construction								
City of Roses Drop Box & Recycling	Affordable Electric	Indian Country								
Faison Construction	McDonald Excavation, Inc.	Alcantar								

## 8 9 8 9 8 8 9 8 9

Figure L-S Review Portland Development Commission Type: Construction Time Period: July 1, 2004 - June 30, 2009 Owner/Sponsored: Sponsored Role: Prime Contractors, Subcontractors and Suppliers NAMC Oregon Review - Exhibit B

	(a)	(b)	{c}	{x.1}	(x.2)	(d)	(e)	(x.3)	(x.4)	1.17.543.64.94.94.94.94.94	(f)	(x.5)	(g)	(x.6)
Firm Type	Number of contracts (subcontracts)	Total Dollars	Total dollars after Unknown MBE allocation	Average Contract Amount	Average Contract Amount Per Year	Actual utilization (column c / column c, row 1 %	Utilization benchmark (availability) %	Utilization benchmark dollar value	Utilization benchmark (availability) Using DIC 2009 M/W/ESB Top 10 against 1 year average	Utilization benchmark (availability) dollar value Using DIC 2009 M/W/ESB	Difference (column d - column e)	Difference (column d - column e) Using DIC 2009 M/W/ESB Top 10	Disparity index (d / e) x 100	Disparity index (d /
<ol> <li>Majority Firms = (Total 2694)-(532 MBE &amp; WBE)</li> </ol>	1346	\$ 1,282,003,000.00	\$ 1,282,003,000.00	\$ 952,453.94	\$ 256,400,600.00			0.000 000000000000000000000000000000000	2.2.2.2.2.1.1.1.1.1.1.1.1.1.1.	and the state of the		and the state of the state of the		
(2) MBE/WBE	532	S 116,148,000.00	\$ 116,148,000.00	\$ 218,323.31	\$ 23,229,600.00	9.06	12.3	\$ 157,686,369.00	26.7	\$ 68,358,181.00	-3.2	-17.5	73.7	34.0
(3) WBE	296	\$ 75,108,000.00	\$ 75,108,000.00	\$ 253,743.24	\$ 15,021,600.00	5.86	7.5	\$ 96,150,225.00		a an	-1.6	5.9	78.1	
(4) MBE	236	\$ 41,040,000.00	\$ 41,040,000.00	\$ 173,898.31	\$ 8,208,000.00	3.20	4.8	S 61,536,144.00		a de tres de	~1.6	3.2	667	
(5) African American-owned	74	\$ 18,267,000.00	\$ 18,476,000.00	\$ 249,675.68	\$ 3,695,200.00	1.44	0.7	\$ 8,974,021,00	3.8	\$ 9,650,000.00	0.7	-2.3	205.9	38.3
(6) Asian-Pacific American-owned	53	\$ 8,644,000.00	5 8,743,000.00	\$ 164,962.26	\$ 1,748,600.00	0.68	0.3	\$ 3,846,009.00		\$ 22,150,000,00	0.4	-8.0	227.3	7.9
(7) Subcontinent Asian American-owned	1	\$ 185,000.00	\$ 187,000.00	\$ 187,000.00	\$ 37,400.00	0.01	0.2	\$ 2,564,006.00			-0.2	0.0	8.8	1000
(8) Hispanic American-owned	84	\$ 8,946,000.00	\$ 9,048,000.00	\$ 107,714.29	\$ 1,809,600.00	0.71	1.8	\$ 23,076,054,00		\$ 36,558,181.00	-1.1	-13.6	39.2	4.9
(9) Native American-owned	20	\$ 4,534,000.00	\$ 4,586,000.00	\$ 229,300.00	\$ 917,200.00	0.36	1.9	\$ 24,358,057.00		•	-1.5	0.4	18.8	
(10) Unknown MBE	4	\$ 463,000.00		\$ 115,750.00	\$ 92,600.00								10.0	
State Recognized Certified M/W/ESB Firms	1	[		1949 (2012) (1949) 1949 (2012) (1949)	den Horderad			2600000000000000		an a		0.0000000000000000000000000000000000000		
(11) MBE/WBE (certified)	360	\$ 76,903,000.00	\$ 76,903,000.00	\$ 213,619.44	\$ 15,380,600.00				and and some the			C. C. And S. A. A. A.		<b> </b>
(12) Woman-owned (certified)	173	\$ 41,946,000.00	\$ 41,946,000.00	\$ 242,462.43	\$ 8,389,200.00			Serie and		A State Contract				
(13) Minority-owned (certified)	187	\$ 34,955,000.00	\$ 34,956,000.00	\$ 186,930.48	\$ 6,991,200.00					an a		and the control rates		
(14) African American-owned (certified)	70	\$ 18,178,000.00	\$ 18,422,000.00	\$ 263,171.43	\$ 3,684,400.00							Contraction and the second		
(15) Asian-Pacific American-owned (certified)	45	\$ 5,053,000.00	\$ 5,121,000.00	\$ 113,800.00	\$ 1,024,200.00			1						
(16) Subcontinent Asian American-owned (certifi	1	\$ 185,000.00	\$ 188,000.00	\$ 188,000.00	\$ 37,600.00					100000		Sector Colescience		
(17) Hispanic American-owned (certified)	54	\$ 7,695,000.00	S 7,798,000.00	5 144,407.41	\$ 1,559,600.00					0. 6925 M. E. C. M.		a se a constant a se const		<b></b>
(18) Native American-owned (certified)	13	\$ 3,382,000.00	\$ 3,427,000.00	\$ 263,615.38	\$ 685,400.00	1		1	And and an a start of the start	49-29-27-22		C. Park Martin South Light		
(19) Unknown MBE (certified)	4	\$ 463,000.00		\$ 115,750.00	\$ 92,600.00				ana da kara para k	nonia a la lago		to the production of the		
(20) Unknown MWBE (certified)	0	\$ -										Letter extension of the		
(21) ES8-certified	318	\$ 59,205,000,00	\$ 59,205,000.00	\$ 186,179.25	\$ 11,841,000.00							1.1.1.1.1.1.1.0.2.1.1.1.1.		Constant of
(22) African American-owned (certified)	185	\$ 36,593,000.00	\$ 36,593,000.00		\$ 7,318,600.00			a gala ta générala.	nteres information and parts	-hange en her her her her		in a second second		
(22) Majority-owned ESB (certified)	133	\$ 22,612,000.00	\$ 22,612,000.00	\$ 170,015.04	\$ 4,522,400.00			1000 Mar 1000 1000	ding alas ing an	Sector and the sector of the		a de construcción de la constr		and so the

Company	2009 Gross Billings	Average Contract Amount Per Year
Cisneros Construction, Inc. (Hispanic MBE # 2496)	\$ 28,000,000.00	-
In Line Commercial Construction, Inc. (Asian Pacific MBE # 714)	\$ 22,150,000.00	
O'Neil Electric, Inc. (African American MBE # 2007)	\$ 8,500,000.00	1
R&R General Contractors (Hispanic MBE # 4585)	\$ 6,429,181.00	1
Chick of All Trades, LLC (Hispanic MBE/WBE # 4546)	\$ 2,129,000.00	1
Pacificmark Construction (African American MBE # 2820)	\$ 650,000.00	1
Black Diamond Asphalt, Inc. (African American MBE # 2813)	\$ 500,000.00	\$ 67,929,609.

Please review column (g) vs. Colum (x.6) which uses the DJC 2009 Top Minority contractors. This shows a very clear disparity for MBE/WBE contractors. These figures do not include any WBE firms due to the ability to site reliable sources such as the DJC, but based on volumes disclosed by several reputable large WBE firms the disparity would dramatically increase. These figures also leave out several large Minority contractors including, but not limited to:

CARR Construction	Crestview Construction	Raimore Construction
Northwest Infrastructure	P&C Construction	Workhorse Construction
Gray Bear Construction	Parish Excavating	A1 Flagging
Colas Construction	Staton and Co.	Ergami Construction
City of Roses Drop Box & Recycling	Affordable Electric	Indian Country
Faison Construction	McDonald Excavation, Inc.	Alcantar



National Association of Minority Contractors Oregon 10350 N Vancouver Way, Suite 102, Portland, OR 97217 Email: <u>info@name-oregon.org</u> Website: <u>www.name-oregon.org</u> Phone: 503-735-9455 Fax: 503-735-9409

City of Portland 1221 SW Fourth Ave Portland, OR 97204-1998

Portland Development Commission 222 NW Fifth AVE. Portland, OR 97209

Date: May 13, 2011

Re: NAMC-Oregon Proposed Disparity Study Critiques & Comments

DETERMINATION OF "MINORITY" STATUS OF FIRM OWNERS REMAINS A MYSTERY. The Disparity Study provides no indication as to the basis for determining the minority status of those firms not certified by the state. See Chap 1, Page 7; see also Chap 5, page 7. Does a minority-race person wholly own them? Was there an independent determination that they would qualify for certification if they applied? The failure to explain clearly the basis for the classification disregards what certification is designed to do: level the playing field for firms actually owned and controlled by minority-race persons. Even though such an expansive definition of a minority-owned firm might increase the number of "available" firms, it might also very well result in counting contracts awarded to these "minority-owned" but uncertified firms, thus hiding the true extent of disparities experienced by minority-owned firms properly identified through a certification process.

STUDY FAILS TO EXAMINE DISCRIMINATION IN PRIVATE CONSTRUCTION INDUSTRY AND RELATIONSHIP WITH PUBLIC CONTRACTING. The Disparity Study fails to assess to what extent firms do not use minority-owned firms on private construction projects. Such information would shed more light on the extent to which discrimination exists in the local marketplace. Evidence of discrimination by suppliers to, and customers of, minority contractors would provide strong evidence of PDC and the City of Portland's need to use their spending power to remedy private discrimination. Unlike public processes that largely require competitive bidding, whether through low-bid or alternative contracting methods, private construction projects do not. Indeed, it is there that the true face of "equality" in the construction industry would be shown. The Study should have examined that aspect of the local marketplace. USE OF HYBRID METHODOLOGY RAISES QUESTIONS AS TO STUDY'S VALIDITY. The Study purports to survey the entire "population" of construction firms. See Figure 6-18 and Chap 6, page 20. At the same time, it acknowledges that it actually fell short of identifying and obtaining information about that population. Instead, it hedges its bets by saying, "could be considered a population". It states that because it "attempted to contact all" the relevant firms, that it is "reasonable to treat the data as a population." The fact of the matter is that of the 3,726 firms they contacted for interviews, 1,754 provided no information at all. See Chap 5, page 4. Moreover, there is no indication whether the 1,754 had an under or over representation of minority-owned firms. We simply know nothing at all about almost half of the "population." This raises a very real question as to whether statistical sampling would have been a better and more accurate method.

EFFECTS OF HISTORICAL DISCRIMINATION DISCOUNTED AND NOT ADDRESSED. The Disparity Study makes no effort to quantify minority firms who have gone out of business between 2004 and 2009 based on being discouraged from bidding on City projects after suffering years of discrimination. See Chap 5, page 4, ES Page 3, footnote 4. Essentially, if a firm was not in business at the end of 2009, it did not exist during the study period. It makes no effort whatsoever to discern the actual effects of past or present discrimination, whether through government policies and practices, or the private marketplace. Clearly, such things can discourage bidding on City and PDC projects. Thus, in the opinion of NAMC-Oregon, the study severely undercounts actual availability that could have existed, and, did exist, but for the effects of discrimination because it fails to determine the real universe of available minorityowned firms that existed during the study period. From: Ron White [mailto:ron@probitybuilders.com]
Sent: Friday, May 13, 2011 6:24 AM
To: 'Jackley, John'; Christine.Moody@portlandoregon.gov
Cc: mark@pacificmarkconstruction.com; posej@comcast.net; maurice@oneillelectricinc.com; 'Melvin Oden-Orr'; 'Sam Brooks'; 'Jorge Guerra'; 'Watkins-McKenzie, Angela'; mel.jones@skanska.com; 'Rhonnda Edmiston'; 'MYERS Cheryl L\* GOV'; 'BOSTONASHBY Cyreena \* GOV'
Subject: Draft Disparity Study Comments by Probity Builders

Hi John and Christine,

First and foremost, thanks to you both for your continued exceptional efforts for the betterment of historically underutilized businesses. Our collective communities owe much to you both for your commitment. I'm writing to go on record regarding the draft disparity study by BBC currently open for public comment. As an M/WESB certified business owner and life-long industry professional, I feel compelled to comment and offer these comments for the good of our communities.

I'll qualify our comments by stating that we have not read all of the hundreds of pages of the study. Since our preparation of these comments are viewed as a voluntary, public service, we've reviewed key elements as we do not have extra staff or resources to completely review. Nevertheless, our company has extensive experience in conducting studies, creating / implementing methodologies, disparity analysis, and work with historically underutilized communities in Portland. In addition, our resume of clients include the PDC, City of Portland, Port of Portland, Oregon Department of Transportation, MCIP and several other large and small companies / organizations in Oregon. Our company memberships include ACCA, AGC, OAME, BDI, and NAMC. I'll invite you to visit our website at <u>www.probitybuilders.com</u> for additional qualification and service areas (in particular our list of clients on "Seminars / Classes"). In short, we provide the below opinion with extensive experience and qualification. We request you do us the honor of acknowledging and appropriately responding.

We offer the following comments for consideration by the City / PDC and your consultant:

a. Executive Summary: Industry standards typically provide better brevity and focus in an Executive Summary. The purpose of the summary should be to distill the salient issue into an easily readable document to communicate the essence of the study. We've been told by you both that the study does provide some documentation of disparity (and we agree), but the take-away from all major publications and the public perception is that No Disparity exists. This poor

messaging comes from the quality of the Executive Study. For example, only one figure (ES-1) appears in the summary. The figure clearly lists No Disparity in 4 categories. While others exist, the messaging here promotes the perception of No disparity. If the city / PDC truly believes disparity exists as you both have publicly stated and as suggested in many parts of the study, this summary must clearly and specifically state the fact. As we all know, disparity and discrimination cannot be allowed, in any form. Your consultant should clearly and definitely call out the identified disparity as a result of their findings.

- b. Methodology Grossly Negligent in Application: Clearly the selected "Custom Census" methodology is a legally defensible approach in disparity studies. However, the conservative application appears fatally flawed given the established extremely low availability (ie. 1.9% in City work). Both anecodal and empirical data demonstrates higher availability across the board in both City and PDC projects. Evidence of availability can be seen in extremely higher utilization by agency projects. The study fails to properly account for or acknowledge higher utilization by scores of projects by the City, PDC and many other Portland area agencies (ie. TriMet, the Port of Portland and Multhomah County). Proper application of the Custom Census methodology would have intentionally included research and polling of firms utilized by the scores of projects in the Portland area with utilization often exceeding 20, 30 and 40%. We believe the consultant failed to properly implement the Custom Census methodology by blatantly disregarding the higher utilization on these highly public projects. As a contract administrator, the City should demand reconciliation on this matter and audit the results of their findings. At the two most recent NAMC meetings in which both of you were in attendance, at least 3 major projects listed actual utilization in excess of 20%. We believe this failure to acknowledge the higher utilization and represent proper availability demonstrates gross negligence on the part of your consultant team.
- c. Evidence of Higher Availability / Capacity not considered from other Disparity Studies: In the last 5 years two agencies (the Port of Portland and ODOT) have completed studies with disparity / capacity analysis. Proper execution of contract requirements would both acknowledge and include discussion on these relevant studies. Again, the consultant team appears grossly negligent in not considering these relevant studies. In both cases, the Portland Metropolitan areas were considered. In addition, ODOT separately completed a Capacity Analysis for their Region 1 (Portland Area). A copy is attached for your ready reference. This study shows exceptionally higher availability and capacity. Why is this study not considered by your consultant team? These findings would significantly increase the consultant team findings in capacity and availability. The net result would be evidence of disparity in virtually all categories
- d. Evidence of Higher Availability / Capacity not considered from General Contractors: In the last 5 years, General Contractors, such as Stacey-Witbek, Hamilton, Skanska, HSW, Hoffman and Kiewit, have consistently delivered major projects with utilization in excess of 20%. How can your consultant team simply disregard their successes in the completion of their study? Proper due diligence by your consultant team would have intentionally included investigation on utilization by these firms. Again, if the custom census methodology had been

properly administered, consideration of these actual utilizations would have demonstrated real differences in their findings on availability.

- e. Failure to comply with RFP requirement Section B (Work Requirements) B.1.c: Contract scope requirements specifically state that the consultant team shall "obtain and analyze prior disparity and availability studies that relate to the relevant market area" and reconcile with the current findings. Items b, c, and d demonstrate a failure to complete this contract requirement.
- f. Failure to comply with RFP requirement Section B (Work Requirements) B.1.e: Again, gross negligence in failure to properly include information from local organizations when conducting the availability analysis. Had information from local organizations been properly included, substantially higher availability and capacity would have resulted. This higher utilization and capacity would have show disparity across the board.
- g. Weak and Insignificant Recommendations: In general, we believe the consultant team failed to properly analyze the finding and provide guidance to the City / PDC. The recommendations section provides a laundry listing of typically generic recommendation for the City / PDC. As a result, the City / PDC appears to have poor guidance in moving forward with study results. Thus, we believe the city will be significantly exposed to future litigation as the study leave your agency vulnerable to lawsuits, both in support of and against goals oriented programs. In contrast, our company completed a Small Business Resource Study in 2010 for ODOT that identified significantly higher capacity and provided specific, real recommendations (a link to the study is on our website http://www.probitybuilders.com/odotsurvey.html).
- h. Predicted future dismantling of MBE / WBE Programs and Elimination of Goals: As we know, prior case law establishes the need for Disparity Studies for MBE / WBE programs / goals. Given the draft findings and "no disparity" in many areas, the City / PDC will be challenged to continue and / or expand their contract requirements in support of MBE / WBE programs / goals. Without significant revision and strong public statement / support by City / PDC leadership, existing and future programs / goals will likely come under intense scrutiny due to the lack of apparent disparity. Even with strong public statement by leadership and limited changes in the Disparity Study, we predict your counsel may move to eliminate and/or "water down" your agency contract requirements in the face of large lawsuits by majority firms. Given the challenging economic conditions, this brutal reality will likely result as the City / PDC will be faced with paying for costly litigation or backing down on their support of MBE / WBE initiatives. Regretfully, our historically underutilized communities will be "set back" another 10 years or so of progress toward actual elimination of disparity and realization of inclusion.
- i. Some final questions: Does the study represent the current state of affairs as you know it? Will the leadership of the City / PDC make significant statements / opinions on the study? How are certifiable, uncertified firms considered? Does this study properly represent our communities? Do you feel this \$1M public investment really serve the Portland demographic? How will future availability and utilization be impacted by this study?

Again, thank you both for your commitment to our community. Regretfully, the current draft study feels both insulting and ignorant of the status of historically underutilized communities in Portland. Let's take a hard look at this study and do the right thing. Simply, reject this submittal and hold further payment to the consultant until the study better represents reality here in Portland. Failure to take immediate and corrective action may destroy decades of progress toward truly eliminating disparity / discrimination and establishing a genuinely inclusive community. Your organizations have done tremendous good for our communities, let's keep moving forward and not let the hands of time turn back by accepting the message from this draft study.

Peace and blessings to you.

Ron White, P.E., LEED®AP

503-880-8809

(f) 503-292-2626

www.probitybuilders.com

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From: FMBurchPR@aol.com To: christine.moody@portlandoregon.gov, jeffrey.baer@portlandoregon.gov, jackleyj@pdc.us CC: kwilliams@bbcresearch.com, andre@groupagb.com Sent: 5/5/2011 7:38:13 A.M. Pacific Daylight Time Subj: Disparity Study Recommendations

Hello Everyone: Here are a few recommendations that I have for going forward from the Disparity Study. I look forward to our continued dialogue. Faye

Provide a press conference and announce the findings as this previous announcement has already damaged opportunities from other entities. Gain agreement on steps to move forward and program concepts from construction related organizations that can be announced collectively.

Disband the Sheltered Market as it exists because there is strong agreement with the Auditors findings that it more readily helps those that have not experienced discrimination. It's lost all confidence that it has the ability to assist M/W's.

Create a new tiered Target Opportunities Program or TOP designed to get Minorities and Women to the TOP of their game.

Suggested Tiers \$250,000 \$500,00 1 Million 1.5 Million 2 Million and 2.5 Million that will develop Prime Contractors.

Requirement for the program references that you have performed at the level you would like to enter at and or an assessment that you are equipped to advance to the next level moving forward. MWBE's should be in the program until they have performed at the TOP level desired by their company this should develop more Prime Contractors ready to take on PDC and PHB projects. Consider establishing equal targets of 16.7% for M's all groups Native American, African American/ Hispanic American and Asian American/ Women /ESB's.

Monitor WBE Program participation with compliance by requiring participation and negotiations with the women owners as assurance that women have control of their businesses.

The City's implementation of new programs appear to be not well thought out and exasperate the already plagued construction programs and muck up the industry; including the Supplier Diversity Program with lack of parameters similar to the DBE Program that would allow only the benefit to the MWESB firm to be counted toward goals.

Minorities and women selling Lowe's, or Home Depot Products or ordering highway specialties equipment does not provide benefit to the MWESB communities of any more than the brokers fees. These programs are supporting large markets and doing nothing more than forcing them all to create the same scenarios to be competitive in their markets.

Build more compliance with actual consequences into Good Faith Efforts.

The Veterans Program has been reviewed by many entities with more detail that the City of Portland we should follow a successful local program model rather than continue on this path of let's give it a try. Drivers for new programs should come from relevant issues and timing and should not coincide or be forced to fit with political maneuvering.

Workforce Program diversity utilization should be divided up the same way as suggested for the Top Program 16.7% for each group. Allowing opportunities for development in each specific group for both employment and future business ownership development.

Business training should be developed at the Journeyman level for those interested in being future business owners.

#### **Certification**

Work with the certification office to review the certification of WBE's with a history of construction prior to flipping the business in the WBE's name. Review spouses, daughters, sisters etc. of existing firms.

Current Numbers of Certification in Oregon

Total count of DBE\* firms: Total count of MBE firms: Total count of WBE firms: Total count of ESB firms:

#### NAMC Oregon MEMBER LIST

LAST	FIRST	COMPANY	OFFICE	FAX	CELL	EMAIL	TRADE	STREET ADDRESS	СІТҮ	STATE	ZIP	MBE #		
Anderson	Fredell	Leajack Concrete Construction, Inc.	425-771-7168	425-771-6914	206-948-9196	leajak.concrete@verizon.net	Concrete & Concrete Pumping	24007 56th Ave. West	Mount Lake Terrace	Washington	98043	854		
Andrews	Robert	J & R Trucking	503-572-9853		503-572-9853	andrews@qwestoffice.net	Trucking and Dispatch	1611 N Prescott	Portland	Oregon	97217	780		
Anthony	Rogers	Rogers Construction & Contracting Co. LLC	503-819-4147		503-819-4147	Rogers.anthony@comcast.net	General Contractor	5701 NE 10th Ave.	Portland	Oregon	97211	4506		
Artharee	Hasan	Safeguard Security	503-807-21212	503-254-1896	503-380-2780	hasan@arthareeandassociates.com	Security	5257 NE Martin Luther King Blvd # 202B	Portland	Oregon	97211	4785		
Baugh	Andre	Group AGB, LTD	503-736-2565	503-736-2579	503-816-2522	andre@groupagb.com	Technical Assistance	3327 NE 59th	Portland	Oregon	97213	2808		
Brookins	Harold	Alarm Tracks, Inc.	503-288-7716	360-892-0761		alarmtracks@comcast.net	Security & Alarm Systems	4134 N Vancouver #203 B	Portland	Oregon	97217	2464		
Burch	Faye	FM Burch& Associates Inc.	503-735-9455	503-735-9409	503-936-6898	fmburchpr@aol.com	Consultant Technical Services, Project Staffing	2009 NE Edgewater Drive	Portland	Oregon	97211	596		
Cason	Charles	Cec Inspection and Security Services Inc.	503-284-2724	503-288-8846		cecservices@gwestoffice.net	Security & Inspection Services	4134 N Vancouver Ave. Ste. 306B	Portland	Oregon	97217	2926		
Cason	James	Nosac Construction	503-380-2780	503-249-5096		nosacconstruction@yahoo.com	Portable Toilets, Misc.Estimating Services	4134 N. Vancouver Ave. Ste. 400 H	Portland	Oregon	97217	4923		
Colas	Andrew	Colas Construction, Inc	503-292-4025	503-292-4024	503-784-6019	andrew@colasconstruction.com	General Contractor	5319 SW Westgate Dr. Ste. 207	Portland	Oregon	97221	2716		
Colas	Hermann	Colas Construction, Inc	503-292-4025	503-292-4024		hermann@colasconstrction.com	General Contractor	5319 SW Westgate Dr. Ste. 207	Portland	Oregon	97221	2716		
Elmanov	Zion	Pioneer Women Construction Company	503-654-0067			<u>zìonelmanov@yahoo.com</u>	General Contractor	13517 SE Rusk Road	Milwaukie	Oregon	97222			
Faison	James	Faison Construction	503-314-9918		503-314-9918	info@faisonconstruction.com	Concrete & General Contractor	6226 SW 33RD PLACE	Portland	Oregon	97239	2768		
Figueroa	Jose	Azuri Construction Inc	503-289-8431	503-289-1791		lose@azuriconstruction.com	Fencing, Site Prep	5617 NE 16TH Ave	Portland	Oregon	97211	238		
Garrett	Arthur	Garrett Trucking	503-384-8829	503-283-3553			Trucking	P.O. Box 17582	Portland	Oregon	97217	5081		
Gilbert	Carreon	Liberty Steel Erectors, Inc	503-254-7346	503-257-0206	503-307-1459	libertysteel1@aol.com	Steel Supply & Iron Works	4115 NE 148th Avenue	Portland	Oregon	97230	123		
Gilbert	Martin	Greenlife Construction Inc	503-658-8759	503 558-8487	503 957-8313	greenlife@verizon.net	General Contracting	14009 SE Summerfield	Happy Valley	Oregon	97086	3431		
Guevara	Vicqui	Valley Growers Nursery and Landscape	503-651-3535	503-651-3044	503-519-3599	vlygrwrs@web-ster.com	Landscape & Nursery	30570 S. Barlow Rd.	Hubbard	Oregon	97032			
На	Chi Min	Ha's Painting, Inc.	503-799-3315	503-281-7461		haspainting@hotmail.com	Painting	2630 NE Hancock St.	Portland	Oregon	97212	3069		
Hampton	Kathy	Kathy Hampton Construction	503-281-7445	503-284-3743	503-421-6500	Kathyhconst@aol.com	Janitorial Services	4815 NE 10th Ave	Portland	Oregon	97211	4389		
Harrison	Vicente		503-710-4944			vicenteharrison@gmail.com	NAMCO Operations	2808 NE MLK Jr, Blvd. Ste. K	Portland	Oregon	97212			

#### NAMC Oregon MEMBER LIST

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LAST	FIRST	COMPANY	OFFICE	FAX	CELL	EMAIL	TRADE	STREET ADDRESS	СІТҮ	STATE	ZIP	MBE #
Hart	Bill	Carleton Hart Architecture	503-206-3180		503-680-3143	<u>bill.hart@carletonhart.com</u>	Architect	322 NE 8th Ave	Portland	Oregon	97209	343
Hartley	Nathaniel	Professional Lath and Plaster	503-289-2307			hartleycreationsinc@hotmail.com	Plastering	3820 N Juneau St.	Portland	Oregon	97217	4823
Jones	Tony	Metropolitan Contractor Improvement Program	503-288-1211	503-288-5786	503-954-4027	tjmcipdx@yahoo.com	MCIP Exec Director	2808 NE MLK Jr, Blvd. Ste. K	Portland	Oregon	97212	
Kariye	Nuradin	VIP Supply LLC	503-980-5935	503-907-5022			Pipe & Material Supply					6811
Malary	Jean -Wildy	Affordable Electric	503-880-6872	503-262-7154	503-880-6872	jean.ae@comcast.net_	Electrical	34325 SE Dodge Park Blvd	Portland	Oregon	97080	4027
Martin	Michael	NW Infrastructure	503-849-5142	503-760-7577	503-849-5142	<u>mmartin@nwi-corp.com</u>	Civil Work, Trucking	2323 SE Clatsop St.	Portland	Oregon	97202	1773
Martinez	Rosa	Professional Minority Group	503-761-5924	503-523-0094		rosa@pmgasbestos.com_	Abatement & Demolition	27090 SE Highway 224	Eagle Creek	Oregon	97022	3516
Matthews	Mark	Pacificmark Construction Corp.	503-208-3355	503-208-3358	503-572-6828	mark@pacificmarkconstruction.com	General Contractor	2340 SE Clatsop St. Portland	Portland	Oregon	97202	2810
McDonald	Ryan	McDonald Excavation Inc	360-835-8794	360-835-1514	360-921-5276	rvan@mcdonaldexcavtinginc.com	Excav.Utilities Trucking	2719 Main Street	Washougal	Washington	98671	
Michael	Suh	Suh's Equipment	503- 449-2811	503-281-7720		<u>suhsequipment@gmail.com</u>	Mechanical Heating, A/C					
Mitchell	Kendrick	West Hills Electrical Construction, LLC	503-382-9447			kendrickm@westhillsllc.com	Electrical	6750 SE Brooklyn St.	Portland	Oregon	97206	5956
Moreland	Jeffrey	Raimore Construction, LLC	503-493-3533	503-593-1370		morelandi@raimore.com	Trucking and Masonry	2613 NE MLK Jr. Blvd	Portland	Oregon	97212	3527
Nwerem	Cosmas	Bestrade Janitorial Svcs.	503-421-6500	503-287-7184		erubeifeyì@msn.com	Janitorial Services	3100 SE 166th Ave	Portland	Oregon	97236	3676
Oden Orr	Melvin	Oden Orr law	503-235-3477	503-255-4718		melvin@oden-orrlaw.com	Legal Services	519 Southwest Park Avenue # 310	Portland	Oregon	97205	
Posey	James	Workhorse Construction	503-936-0277	503 249-0462	503-572-9853	posej@comcast.net_	Trucking and Dispatch, Paving, Water Trucks, Excavation	2808 NE MLK Jr, Blvd. Ste. M	Portland	Oregon	97212	5081
Rahming	Maurice	O'Neill Electric	503 493-6045		503 849-8877	maurice@oneillelectricinc.com	Electrical	1212 SE Gideon St.	Portland	Oregon	97202	2007
Ramos	Jaime	Ramos Landscape, Inc	503-359-3569	503-359-0478		jaime@ramoslandscape.com	Landscaping	450 S Dogwood St.	Cornelius	Oregon	97113	3420
Rodriquez	Jesse	R & R General Contractors, Inc.	503-570-3388	503-570-3380	503-798-0831	irodriguez@rrgcinc.net_	Water/Sewer/Concrete/ Track Work	9720 SW Hillman Ct. STE 840	Willsonville	Oregon	97070	5485
Sanchez- Duarte	Miguel	MSD Construction LLC	530-701-7520	503-628-0792		<u>miguel@msdconst.net</u>	Fencing All	29580 SW Farmington Rd.	Hillsboro	Oregon	97123	3283
Shabazz	Mikal	VIP Supply LLC	503-705-5300	503-907-5022		mikal@vipipe.com	Pipe & Material Supply	3439 NE Sandy Blvd Ste. 151	Portland	Oregon	97232	6811
Shanklin	Don	Assurety Northwest	503-205-8125	503-205-8185	503 789-5033	Don.Shanklin@assuretynw.com	Bonding and Insurance	8931 SE Foster Rd	Portland	Oregon	97266	

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#### NAMC Oregon MEMBER LIST

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LAST	FIRST	COMPANY	OFFICE	FAX	CELL	EMAIL	TRADE	STREET ADDRESS	CITY	STATE	ZIP	MBE #
Shaw	Howell	Shaw Sustainable	503 489 8270	866 568 4297		<u>hshaw@shawsustainable.com</u>	Green Building Materials and Training	2009 NE Edgewater Drive	Portland	Oregon	97211	N/A
Simpson	Alando	City of Roses Disposal & Recycling	503-285-9940	503-249-5096	503-522-2933	alando@citvofrosesdisposal.com	Drop Boxes & Trucking	4134 N Vancouver Ave	Portland	Oregon	97217	377
Simpson	Alonzo	City of Roses Disposal & Recycling	503-285-9940	503-249-5096	503-756-8440	cityofrosesdr@yahoo.com	Drop Boxes & Trucking	4134 N Vancouver Ave	Portland	Oregon	97217	377
Clevenger	Ray	Fine Painting and Allied Services LLC	503-286-5328	503-286-3689	503-437-1405	ravclevenger@fine-or.com	Painting	804 N Killingsworth Ct.	Portland	Oregon	97217	4503
Solorzano	Valerie	Chick of All Trades (C.O.A.T.)	503-467-6386	503-241-1601		Val@chickofalltrades.com	Flagging & General Contracting	2711 SE Milwaukie Ave	Portland	Oregon	97202	4546
Suell	Billy	Billy Suell Painting	503-288-6122	503-331-1515		suellpainting@g.com	Painting	864 NE Simpson St.	Portland	Oregon		268
Tekle	Kidane	Champion Sweeping	503-234-4131	503-287-0101		kidtek360@aol.com_	Sweeping & Striping	5416 N. Vanocuver	Portland	Oregon	97217	4268
Trujillo	Rudy	Island Landscape Co.	503-289-6010	503-289-6150	503-519-3599	info@islandlandscape.net	Landscape Maintenance and Design	9020 NE Vancouver Way STE A	Portland	Oregon	97211	729
Tshribi	Joe	Pacific Innovations	503-488 0933	503-459-4714		<u>innvpc@aol.com</u>	General Contractor, Painting,	2419 NE Saratoga St.	Portland	Oregon	97211	5306
Tyler	Jerry	J & R Trucking	503-572-9853			tyler3695@comcast.net	Trucking	1610 N Prescott	Portland	Oregon	97217	780
White	Ronald	Probity Builders LLC	503-880-8809	503-292-2626		ron@probitybuilders.com	Consultant Technical Services (AM)	9975 NW Murlea Drive	Portland	Oregon	97229	
Williams	Evan	Portland Flagging	503-715-5760	503 715-0495		Evan@portlandflagging.com	Flagging	4134 N Vancouver Ave.	Portland	Oregon	97217	6037
Witty	John	Gray Bear Construction Co.	503-282-2116	503-282-0349		John@gbccoregon.com	Mechanical Heating, A/C /GC Services	4548 N. Albina Ave	Portland	Oregon	97217	3787
Zamudio	Jesse	Plumbing Concepts Inc	503-658-5232	503-317-0864		info@plumbing-concepts.com	Plumbing	16969 SE 232nd Drive	Damascus	Oregon	97089	5271

#### Metropolitan Contractor Improvement Partnership (MCIP)

As the training arm of NAMC Oregon, MCIP is a business development, support and training program for historically underutilized and viable minority construction businesses. The partnership provides training opportunities designed to help minority contractors secure work, successfully manage construction projects, and develop their capacity and skills to continuously improve their businesses.

MCIP works closely with NAMC Oregon to provide contracting opportunities that help minority contractors strengthen their business systems to tackle bigger projects.

> CREATES STRENGTH

#### For more information, contact:

Tony Jones Executive Director, MCIP 503-288-1211 http://www.mcip-pdx.org/



Suite 102 Portland, OR 97217





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#### **About NAMC**

NAMC is a nonprofit trade association established in 1969 to address the needs and concerns of minority contractors. While membership is open to people of all races and ethnic backgrounds, the organization's mandate, "Building Bridges— Crossing Barriers," focuses on construction industry concerns common to African Americans, Asian Americans, Hispanic Americans and Native Americans.

NAMC-Oregon was established in 2006 and is one of 23 chapters of the National Association of Minority Contractors. Each chapter is a separately formed nonprofit organization with its own governing leadership.

#### **Our Priorities**

- Providing advocacy
- Building the technology capabilities of our membership
- Providing technical support and training programs to build capacity
- Creating economic equity and sustainability in our communities
- Having a voice in local state and federal issues that impact our businesses
- Building the capacity of our existing general contractors
- Developing new and existing partnerships with local business organizations, AGC and union partners





- Recognizing general contractor partners that are working well with local MBEs (minority business enterprises)
- Finding solutions and eliminating barriers to the low and sometimes non-existent percentage of minority participation in public projects
- Participating in community-based workforce programs to provide staffing
- Working to develop options so that nonunion members can participate fully
- Developing equipment sharing banks
- Building a bridge with Washington state projects and opportunities



NAMC Oregon 10350 N Vancouver Way, Suite 102 Portland, Oregon 97204 www.NAMC-Oregon.org Vicente Harrison Director of Operations 503-710-4944 vincenteharrison@gmail.com Faye Burch Mark Matthews Maurice Rahming 503-735-9455 503-208-3355 503-493-6045

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www.NAMC-Oregon.org

Summer 2011

### LaHood visits Portland for project kickoff

March 22 marked the official groundbreaking of the Southwest Moody Avenue project in Portland's South Waterfront. The project, being completed by Stacy Witbeck General Engineering, will replace the current two lanes and single streetcar track on Moody Avenue with a three-lane configuration complete with two streetcar tracks, MAX light-rail tracks, larger sidewalks and a two-way separated cycle track.

The project also will connect acres of vacant central city land to transportation access, and align the Portland streetcar and MAX light rail with a new transit bridge for bikes and pedestrians that will be built over the Willamette River. Construction of

see MOODY, page 10

U.S. Transportation Secretary **Ray LaHood**, in Portland to celebrate the groundbraking of the SW Moody Avenue project, shakes hands with project construction manager, **Brodie Harvey**. Also attending the groundbreaking were (from left) **Faye Burch**, project DBE coordinator, **Mayor Sam Adams**, former PBOT Director **Sue Crane** and **Bill Bruce** Stacy & Witbeck's project manager.

### NAMC Oregon elects Matthews among association officers for 2011-12



Mark Matthews was overwhelming elected by the membership to serve as president of the National Association of Minority Contractors (NAMC) Oregon chapter. Mark is the president of Pacificmark Construction, a firm he owns and manages with his wife Deborah. The company successfully performs as a general contractor on health care, commercial and public works projects. He takes over for outgoing NAMC Oregon president Maurice Rahming of O'Neill Electric.

Mark has tremendous respect from his peers as a hands-on general contractor who exemplifies what the organization stands. He has a diverse workforce, and he looks for every opportunity to utilize other NAMC Oregon member firms, as well as other certified minority contractors, for his subcontracting opportunities at an unusually high percentage rate.

"Mark and his company are a pleasure to work with; I can see why they are so successful. He is definitely someone we look forward to working with again in the future," NAMC Oregon partner Mike Clifford, project manager for Mortensen Construction, said. "We also had a partnership with Pacificmark on our holiday drive for the Bradley Angle House, and their company's character showed in its support of such an important, charitable organization."

Providence Health System, another NAMC Oregon partner, said: "After worksee OFFICERS, page 5



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#### D M W E S B Contractor Networking DJC 2011

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FREE PARKING & ADMISSION

### Join us Quarterly.

The next event will be on July 21, 2011 4:30 - 7:00pm

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Summer 2011

National Association of Minority Contractors Oregon

## **Snapshot MBE Utilization Analysis: The Portland Housing Bureau**

By Leesha Posey and Tony Jones

Working in conjunction with NAMC Oregon, MCIP is conducting analyses of agencies and prime contractors and their utilization of MBEs and DBEs. MCIP recently reviewed information on four construction projects managed by the Portland Housing Bureau.

In the provided chart, the Clifford Apartments renovation represents the largest percentage of MBE participation (16 percent) in a Portland Housing Bureau project totaling

\$2 million. The project slightly exceeds the PHB's 20 percent aspirational goal.

That's great news, right? Wrong. The Clifford Apartments renovation represents an insignificant anomaly. The other three statistics show the true trend of MBE utilization within the Portland Bureau. Housing Statistics like these are not conducive with the ideas and policies of the PHB's newly implemented three-year strategic plan or its Statement on Social Equity and Justice.

Other projects of major concern in the PHB portfolio include Rose Quarter Housing, a Howard S. Wright

project achieving a total of 0.61percent MBE participation, and 5.98 percent ESB and 5.38 percent WBE participation.

The Portland Housing Bureau is taking on new efforts to improve its track record of poor MBE utilization. In its Business and Workforce Equity Policy, PHB states, "MWESB investments are concentrated on women-owned and emerging businesses, while business owners and contractors of color still get little work." This is a sentiment that minority business owners have been frustrated with and fighting against for awhile now.

The Pearl Family Housing statistics give a clear picture of how "well intended" MWESB policies fall short when it comes to MBE participation. This particular project total was \$28 million. Out of that total, MBEs received a dismal \$22,000, while WBEs and ESBs received well over \$3 million.

In order for PHB's new Business and

makeup of both the WBE and ESB categories, overwhelmingly, MWESB provisions still end up going to white firms.

Also lacking in the PHB strategy is the apparent lack of use of minority prime contractors; the development of MBE primes that effectively utilize other MBE's should be a strategy. The city of Portland PDC Disparity Study also noted this lack of development.

According to PHB, the new Business and Workforce Equity Policy "will require

Project Name	ect Name Total Construction MBE Value Utilization/( Report)		NAMC Members(Subset of MBE)	WBE/ESB
Pearl Family Housing	\$28,270,500	\$22,850 (1/11)	\$12,850	\$3,160,998
%		.08%	.0005%	10.9%
Clifford Apartments Renovation	\$2,102,224	\$330,460 (3/10)	\$194,617	\$ 115,978
%		16%`	9%	6%
Fesseden/Exeter \$791,636 Greenplexes		\$32,054 (12/10)	\$4,765	\$279,149
		4%	1%	35%
Resource Access \$32,359,383 Center	\$32,359,383	\$2,219,347 (9/10)	\$729,343	\$5,618,749
		6.84%	2%	17.3

Workforce Equity Policy to be truly effective in the future, PHB must take to heart the built-in loop holes in most MWESB standards. Many WBE firms are only 51 percent owned by women and 49 percent male/white males. The make-up of these WBE firms consists of more white males in management positions and receiving benefits from the certifications. Only making matters worse is the lack of diversity with the ESB category, where again white males dominate. Considering the racial

proposers to specifically address how they intend to meet PHB's MWESB goal, by targeting at least half of the 20 percent goal for hard construction costs to award to firms owned by people of color." This sounds good and can quite possibly be a step in the right direction. However, the key will be that the "initial assessment" criteria employed by PHB must be stridently enforced in order to truly affect change and dollars spent within minority communities. National Association of Minority Contractors Oregon

### American Recovery Reinvestment Act not providing equitable opportunities at the state level to MWESB firms

By NAMC OREGON EVALUATION AND LEGISLATIVE TEAM

House Bill 2958, legislation presented by state Rep. Lew Frederick, asked for a review of who is getting the American Recovery Reinvestment Act, or ARRA, work. We offer our special thanks to Rep. Frederick for introducing this legislation.

A committee hearing was held on Feb. 22 to review this bill and require a reporting of the utilization of ARRA-funded projects. NAMC Oregon past President Maurice Rahming was present for testimony in favor of receiving more accurate reporting.

In response to the request the reporting identified the following numbers:

Note: Under ARRA, vendors are classified as prime vendors (contracted directly with a state agency) or sub vendors (contracted with a local government that received a distribution from the state agency).

Prime Vendors

Total amount of prime vendor payments made through Dec. 31, 2010: \$177,616,676

Amt paid to MWESB Vendors: \$4,373,342 (2.46 percent)

Total number of unique prime vendors: 166

Number of MWESB vendors: 9 (5.42 percent)

Sub Vendors

Total amount of sub vendor payments made through Dec. 31, 2010: \$115,500,173

Amount paid to MWESB vendors (col-



lectively): 231,546.00 (.20 percent)

Total number of unique sub vendors : 2,696

Number of MWESB vendors: 8 (.30 percent)

A subsequent audit was performed by FHWA on the DBE area deemed a Risk Area for four identified projects, and below are the findings.

The Oregon Department of Transportation received six Risk Notations for out of compliance and five Notations for being in compliance. However, the overall risk assessment was listed as "satisfactory."

Very troubling to NAMC Oregon is the significance of the evaluation risk notations and the ranking after these notations.

Here are a few examples of Non Compliance with DBE requirements

• Retainage being held by prime contractors after completion of the subcontractors work and through the state's final acceptance of the project. Findings indicate ODOT projects managers inconsistently complied with this requirement as per 49cfr26.29 (b), which indicates "you must endure prompt and full payment of retainage from the prime contractor to the subcontractor within 30 days after the subcontractor's work is satisfactorily completed."

49CFR 26.29 (c) defines satisfactory completion as "when all tasks called for in the subcontract have been accomplished and documented as required by the recipients." 49CFR 26.29 (d) requires that your DBE program must provide appropriate means to enforce requirements of this section:

No assurances that prompt payment and requirements of payment to subcontractors within 10 calendar days are being met. It was recommended that ODOT develop a mechanism to monitor and enforce compliance of prompt payment provisions in see ARRA, Page 9

National Association of Minority Contractors Oregon

#### Officers: Rahming, Posey agree to continue serving on board of directors

#### Continued from page 1

ing with Pacificmark for the first time, we don't see any difference between Pacificmark and all of our other large general contractors. They deliver a quality product, and we plan to work with them again."

In addition to NAMC Oregon, Mark is an active member of AGC and many other organizations. Mark's election as a chapter president enables him to a sit on NAMC's National Board of Directors. Mark and Pacificmark Construction were inducted in the 2010 NAMC Hall of Fame.

NAMC Oregon members also elected several others to officer positions for 2011-12:

· Gil Carreon from Liberty Steel and a member of the Iron Workers Union was elected to serve as a vice president.

· Fave Burch, a local DMWESB consultant, was re-elected to serve in that role for NAMCO.

• Vicqui Guevara from Valley Growers Nursery and Landscape Inc. was elected secretary-treasurer.

· Ryan McDonald, from McDonald Excavation, and Rosa Martinez, of PMG Abatement and Demo, were re-elected to the NAMCO Board of Directors.

Newly elected Board members included Chi Min Ha from Ha's Painting and Andrew Colas of Colas Construction.

Other committee appointments included: • Andre Baugh, of Group AGB LTD and a NAMC National Board Member, who will serve as chair of the Local Legislative Committee.

· Tony Jones, executive director of MCIP, the nonprofit training partner of NAMC Oregon, who will lead training efforts and programs including sustainability training.

• Maurice Rahming and James Posey, as presidents emeritus and members of NAMC Hall of Fame, who both agreed to continue serving on the board of directors.

NAMC Oregon and the Board of Directors thank Maurice Rahming and O'Neill Electric for their great service to the organization for the last two years. Maurice has agreed to continue some of the many efforts that he has been engaged in on behalf of the organization and will begin working with Mark to transition others.



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DMWESB Program Manager

National Association of Minority Contractors Oregon

## City disparity study fails to address critical issues

The City of Portland and the Portland Development Commission (PDC) recently released their draft of the city of Portland Disparity Study 2009. At almost 800 pages, it will take a while to fully digest. NAMC Oregon, however, is in the process of reviewing and analyzing the study's conclusions and encourages its membership to provide their feedback directly at a city website designated for that purpose: http://www.portlandonline.com/omf/index .cfm?c=54139.

The Disparity Study is a constitutionally required predicate to the city and PDC continuing their efforts to combat the effects of historical discrimination in their contracting programs. No one disputes that such discrimination has existed. The U.S. Supreme Court has even acknowledged this, saying that there is "no doubt that the sorry history of both private and public discrimination in this county has contributed to a lack of opportunities for black entrepreneurs."

NAMC Oregon acknowledges that the city's Disparity Study was a necessary step to identifying and addressing the underutilization of all the talents that Portland's metropolitan area has to offer, including those of minority-owned businesses. The study does not, however, address some critical issues that disproportionately affect minority communities in the Portland area: poverty, schools that don't educate our children, and the historical remnants of societal discrimination that continue to plague the creation and growth of many minority-owned businesses. Nevertheless,



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we believe it starts a discussion and provides a good foundation for the Ccty and PDC to address the identified disparities in their respective construction and professional services contracting programs.

Based on our own experience, NAMC-Oregon continues to believe that the real disparities that exist are significantly higher than those found in the study. Be that as it may, the city and PDC must continue to take the lead on eliminating the identified disparities and others. Indeed, the study suggests that only through affirmative efforts by the city and PDC to encourage utilization of minority-owned firms can any gains be made.

The city's contracting programs are far from "ok." The city, PDC and the community cannot be satisfied with a contracting process that sees no prime contracts awarded to an African-American or Asian-American firm over a four-year period. In fact, substantial disparities were found for these firms as well as Hispanic-owned firms for prime contracts even under the city's Good Faith Efforts program. No one can be satisfied with minority-owned firms on PDC-sponsored projects receiving less than one-half of 1 percent of the contracting dollars. And no one should be satisfied with the substantial disparities found for minority-owned firms in contracting for professional services, particular for Native Americans, Asian-Americans and African-Americans.

NAMC Oregon looks forward to working with the city of Portland and PDC to eliminate the real disparities in their contracting processes and to remove barriers that continue to disproportionally exclude minority-owned businesses and make their contracting programs more equitable.

National Association of Minority Contractors Oregon

#### NAMC-Oregon Membership Guidelines

Membership in NAMC Oregon is open to any MBE certified by the state of Oregon and in business for more than 2 years. The organization values the assistance of our partners who work with us to achieve our goals. For that reason, associate member status is available for firms that are neither certified nor active in the construction industry. The chapter's membership committee reviews member applications on a rolling basis and looks for potential members who have a high standard of performance practices, financial strength and business capacity, and have a history supporting the goals and objectives of the organization, as represented by their utilization history. MBEs working on improving these issues are referred to MCIP for further training and development before officially becoming members of NAMC Oregon.

NAMC Oregon works and advocates for all MWESB businesses, but continues to have a strong focus on the development of minority businesses to encourage parity in the market place. NAMC Oregon does not compete with other organizations advocating on behalf of minority business issues, but hopes to work in concert with all who are working toward improved status and opportunities for Small Businesses in Oregon. Both NAMC Oregon and many of our members are active members of many small business advocacy organizations.

NAMC Oregon does not support companies that work to manipulate the system by engaging in business ownership flipping, impermissible pass-throughs or other potentially fraudulent activities, because we feel it takes away opportunities for those who are playing by the rules, and defeats the purpose of the certification program.

#### NAMC Oregon 2010 - 2011 Partner List

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### Thank you to the National Association of Minority Contractors Oregon for hosting the PLA Forum

Union-Only Project Labor Agreements (PLA) on government-funded projects reduce competition. According to the U.S. Department of Labor, only 13 percent of America's private-sector construction workforce is unionized. When required on public projects, PLAs make it almost impossible for nearly nine out of ten construction tradespeople to work on projects financed with their own tax dollars. That's not right.

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NAMCO salutes Bruce Watts. We honor that his work at TriMet has ended with success We will continue to be the benefactors of his talents in the industry and his future support of minority businesses.



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#### ARRA: Garrett cautions 'biggest boon' to construction ending

Continued from page 4

accordance with the CFR.

Commercial useful function review not being completed for projects.

Specific review of the firm Westside Iron on State Project number 13225 – Prime Contractor Hamilton Construction.

Observations by the auditor expressed concern whether Westside Iron is performing a Commercial useful function on this project. Westside Iron, a DBE, is a second tier to Hamilton Construction, a non-DBE firm. Westside Iron is providing for delivery and installation of the bridge pre-cast girders at a cost of \$4,520,190.00, which is also the amount claimed towards the DBE contract goal commitment.

The interviewer was informed that the precast girders were manufactured and transported by a non-DBE company, Knife River Corporation. Once delivered, they must be set in place using special cranes that are not owned and/or leased by Westside Iron, nor do they have licensed crane operators. Findings by the interviewer for this subcontract raise serious doubt whether Westside Crane is performing a CUF. It is noted in the audit that Westside Iron is operating as more of a pass-through company to gain a large DBE credit on this project for work that the firm simply did not perform.

It is further recommended by the audit process that ODOT should investigate this DBE firm to determine if there are violations of commercially useful function requirements. The Oregon transportation department should also be attentive to other projects in the future where precast concrete girders are acquired and installed by a DBE.

Westside Iron is regularly used by ODOT prime contractor Hamilton Construction to perform and meet DBE requirements. Has OODT reviewed other contracts with this subcontractor?

In ODOT's Jan. 27 response to FHWA by agency director Matt Garret related to

risk area CUF violations, it was stated that due to a miscommunication between ODOT and the contractor, no CUF review had been performed. Now the forms have been revised and the field inspectors, project managers and local agencies will continue to receive training on CUF requirements and proper procedures.

NAMC Oregon is very concerned that ODOT compliance officers are not sufficiently trained or willing to do CUF reviews, although that is what they are paid to do. NAMC Oregon also is concerned that prime contractors are regularly permitted to exhibit out of compliance actions showing that their apparent relationship with ODOT drives compliance reviews. We believe this is a key reason why legitimate DBE firms continue to miss out on opportunities to work with ODOT and that they are a driver for the lack of equity and immense lack of wealth distribution in this state. This belief is underscored by the recent statement from ODOT Director Matt Garrett on April 23 that, "the biggest boom in (the) construction industry with \$800 million dollars at its peak in 2009 based on the stimulus influx is coming to an end."

Minority contractors are asking once again why they have been left out. How do these actions correspond to the federal requirements associated with the state accepting ARRA dollars, and what happens now that the state is obviously not in compliance? What will the state Legislature do? What will the Secretary of State review? What will the Attorney General's office do? And finally, what will Gov. Kitzhaber do? Or should we expect it to be business as usual and a "do nothing" response?



**For more information**, please contact Cinna'Mon Williams, CPPB, MCA, HAP Procurement and Contracts Manager, at **503-802-8533**, or visit the HAP website at **www.hapdx.org**.

## NAMC Oregon counsel Melvin Oden Orr attends USDOT roundtable at the White House

Melvin Oden Orr, an NAMC representative, has been invited to attend National Transporation Week by the U.S Department of Transportation.

National Transportation Week will be held May 15-21. Melvin Orden Orr will participate in a "Winning the Future – Champions for Change" tour and roundtable at the White House On May 16.

National Transportation Week was

established by President John F. Kennedy in 1962 to celebrate the achievements that have been made in transportation and highlight the needs and opportunities that exist. The annual observance offers a chance to recognize the nation's transportation systems and the people who move America every day.

At this year's event, individuals who are employed in the transportation sector and

**Dones leaves lasting NAMC legacy** 

#### by James Posey

In the early 1960s, Ray Dones, the owner of Dones Electric, and Joe Debro, director of the Oakland Small Business Development Center, began discussing the experiences African-American contractors



faced in their attempts to be recognized as viable businessmen in their industry.

Ray Dones and Joe Debro started speaking around the community, quietly organizing other contractors who experienced the same problems. Using the resources available to them, they put together the first conference of the National Association of Minority Contractors (NAMC).

In July 1969, more than 300 minority contractors met in San Francisco to join forces and discuss ways to enter the mainstream of the construction industry. By the end of the meeting, the National Association of Minority Contractors was formed. Ray Dones was elected the first president and Joe Debro became executive director of the organization.

The conference attendees came from different and diverse backgrounds. They were Asian Americans, Native Americans and Latinos, all facing discrimination and all aware that minority contractors were getting less than 1 percent of the work available in construction.

Ray Dones passed away in March of 2011, and he leaves the legacy of NAMC.

The goals of NAMC that Ray Dones helped establish remain the same today: to educate contractors, workers and our communities; to maintain a national voice relative to the needs of contractors; and to increase their market share in the construction industry. who embody the theme concepts of "Innovate, Educate, and Build" across a range of transportation careers will be recognized.

The roundtable discussion will highlight common experiences across the transportation industry and will explore ways to continue to build job opportunities in transportation-related careers.

#### Moody: Project will create hundred of jobs

#### Continued from page 1

in-water piers for the bridge is scheduled to begin later this year.

Portland Mayor Sam Adams was joined at the groundbreaking by Oregon Congressional members Sen. Jeff Merkley, Rep. Earl Blumenauer, David Wu, Kurt Schrader. Also attending was U.S. Transportation Secretary Ray LaHood.

Several NAMC Oregon members that are working on the project, including Affordable Electric, McDonald Excavation and Workhorse Construction, also attended the groundbreaking.

Federal investment in the project is a \$23.3 million transportation grant that's part of the 2009 American Recovery and Reinvestment Act, along with local and state funding.

The Moody Avenue project is expected to create 389 family-wage construction jobs in Portland.

To date, the project has 41 subcontractors with 23 certified and DBE/ MBE/WBE firms.

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National Association of Minority Contractors Oregon

### **Volunteers spruce up Spring Water Corridor Trail**

By Deborah Matthews/Pacificmark Construction

A group of volunteers from Pacificmark Construction and Pioneer Women Construction in April teamed up with the Johnson Creek Watershed Council to help improve the habitat for wildlife on the Spring Water Corridor Trail.

With the help of more than a dozen volunteers, the group conquered the task of removing overgrown brush and debris, and added some native foliage. Everyone involved had a great time and took pride in knowing they were making a difference.

Pacificmark will be coordinating future NAMC Oregon volunteer projects. Please email your contact information to admin@ pacificmarkconstruction.com if you have a project or are interested in volunteering.



Volunteers from PacificMark Construction, Pioneer Women Construction celebrate their accomplishment.



Volunteers removed brush and debris and planted native foliage.





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National Association of Minority Contractors Oregon

#### Summer 2011

## NAMC Oregon makes its voice heard in Salem

By DAN BATES

The State Legislature has turned the corner on the mid-point of the 2011 session. Bills that were not approved by the committee of jurisdiction in the House of origin died on April 21, unless they had been referred to three committees (Revenue, Ways and Means and Rules).

The next deadline is May 23, which is the date by which committees must have scheduled a work session on a bill for it to remain alive (with the same exception of the Revenue, Ways and Means and Rules committees). NAMC Oregon has been very involved in this session. Past-president Maurice Rahming, current President Mark Matthews and NAMC board members have testified and written testimony on numerous bills of importance to NAMC Oregon members, and have submitted letters of support or opposition.

NAMC Oregon had a very successful afternoon lobbying key members of the Legislature and Gov. John Kitzhaber on March 21. Legislators attending the meetings with NAMC Oregon included Sen. Diane Rosenbaum, Rep. Paul Holvey, Rep. Gene Whisnant, Rep. Jefferson Smith, Rep. Jules Bailey, Sen. Chip Shields and



NAMC Oregon members headed to Salem recently to looby Gov. John Kitzhaber and key member of the state Legislature.

Rep. Lew Frederick. A number of Gov. Kitzhaber's staff joined us throughout the afternoon.

Gov. Kitzhaber has committed to an ongoing dialogue with NAMC Oregon and with minority contractors on important issues. Areas of legislative interest include: · Cool schools - NAMCO has been working to ensure that funding used for energy-efficiency retrofits of K-12 schools would have an equity component that would make sure minority contractors would receive the benefit of these contracting opportunities. Both

legislative and administrative actions are ongoing in this effort.

· Construction Manager/General Contractor bills - a number of bills that would have restricted the use of the CM/GC process were introduced and heard in both Senate and House committees. Most of those bills have died as a result of not having been approved by the committee of referral in the chamber of origin. Bills that would require an audit of alternative bidding processes are still alive, however. The

Continued on next page



NAMC Oregon members met with Gov. John Kitzhaber members of his team and state legislators.



#### Summer 2011

National Association of Minority Contractors Oregon

Continued from previous page

funding mechanism of those bills remains the outstanding issue.

• Retainage/prompt payment bills – NAMCO joined a larger coalition of subcontractors in supporting two bills (SB 890 and SB 657) championed by Sen. Chip Shields. In the waning days before the bill passage deadline, SB 657 (retainage) was amended into SB 890 (prompt payment) and passed out of the committee that Sen. Shields chairs this session. In its combined form, the new bill would: 1) have limited the ability of owners and general contractors to hold onto retainage beyond 60 days after work was completed unless there was a bon fide reason; 2) ensured that government entities paid contractors on time; 3)



Mark Matthews, left and Raleigh Lewis, right, take a break and talk with Rep. Lew Frederick.

ensured that payment withheld did not exceed the amount in dispute or the value of the work remaining on the project; and 4) raised the penalties for contractors that did not pay contractors on time. The combined bill ultimately failed in a relatively close vote on the Senate floor.

• ARRA reporting – House Bill 2958, championed by Rep. Lew Frederick, would require the state to produce data on the types of firms that received contracting opportunities from the federal American Recovery and Reinvestment Act. In the first hearing, state agencies agreed to produce the data. After substantial delay, the Governor's stimulus team delivered data that was incomplete, and that seemed to affirm NAMCO's suspicion that Oregon's



Attendees listen to Senator Chip Shields latest update on several bills moving thru the 2011 Sesson in Salem, including the state's Disparity Study Bill



Participants settle in for the start of the legislative update.

minority-owned firms did not receive contracting opportunities. Given the data's incompleteness and the complete lack of minority contracting from ARRA, Rep. Frederick continued his efforts to pass this legislation, which was referred to the House Rules committee to keep the bill alive.

• Disparity study (Senate Bill 768) – Sen. Shields has championed a bill that would require the Department of Administrative Services to conduct a disparity study. The Senate Committee on General Govern ment and Consumer and Small Business Protection approved this bill. The bill now resides in the Joint Committee on Ways and Means. A disparity study provides a legal framework for the state to set hard targets for minority contracting.

There are many other bills that NAMC Oregon has been engaged in the Legislature through direct involvement and through its lobbyist.

Dan Bates is a partner inThorn Run Partners and an NAMC Oregon lobbyist

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Tony Jones, from left, Mark Matthews, James Posey and Marcus Mundy, Urban League of Portland support NAMC Oregon's Legislative issues in Salem.



## June 1st, 2011 DMWESB TopProjects Free Kick Off!

Breakfast at Kennedy School with a Q&A session on how to complete the nomination form. Come join us from 7:30-9am. Register online • Free event • Limited space available





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Winter 2010

#### DOT, EPA propose nation's first greenhouse gas and fuel efficiency standards for trucks and buses

The U.S. Environmental Protection Agency and the U.S. Department of Transportation have announced the first national standards to reduce greenhouse gas emissions and improve fuel efficiency of heavy-duty trucks and buses. The comprehensive national program is expected to reduce greenhouse gas emissions by nearly 250 million metric tons and save 500 million barrels of oil over the lives of the vehicles produced within the first five years of the program.

"These new standards are another step in our work to develop a new generation of clean, fuel-efficient American vehicles that will improve our environment and strengthen our economy," EPA Administrator Lisa P. Jackson said. "In addition to cutting greenhouse gas pollution, greater fuel economy will shrink fuel costs for small businesses that depend on pickups and heavy duty vehicles, shipping companies, and cities and towns with fleets of these vehicles. Those savings can be invested in new jobs at home, rather than heading overseas and increasing our dependence on foreign oil."

EPA and DOT's National Highway Traffic Safety Administration are proposing new standards for three categories of heavy trucks: combination tractors, heavy-duty pickups and vans, and vocational vehicles. The categories were established to address specific challenges for manufacturers in each area.

For combination tractors, the agencies are proposing engine and vehicle standards that begin in the 2014 model year, and achieve up to a 20 percent reduction in CO2 emissions and fuel consumption by 2018 model year.

For heavy-duty pickup trucks and vans, the agencies are proposing separate see DOT, EPA PROPOSAL, Page 11

#### What's new at MCIP By TONY JONES

Metropolitan Contractor Improvement Partnership is a non-profit organization whose mission is to promote equity for historically underutilized construction businesses, also known as HUBs, and build their business capacity to help them increase their profitability and net worth. MCIP was founded by NAMC Oregon leaders James Posey and Faye Burch, along with other industry leaders from the public and private sectors such as Portland Commission, TriMet. Development Legacy Health Systems, Stacy and Witbeck and Hoffman Construction. These leaders wanted to create a community-based organization to tailor capacity building strategies to meet the needs of HUBs.

see NEW AT MCIP, Page 11

### Updates from the Small Business Administration

#### Women's Contracting Rule

On Oct. 7, 2010, the U.S. Small Business Administration published a final rule effective Feb. 4, 2011, aimed at expanding federal contracting opportunities for women-owned small businesses (WOSBs).

The Final Rule sets forth procedures authorized by the Small Business Act to help ensure a level playing field on which WOSBs can compete for federal contracting opportunities, while helping achieve the existing statutory goal that 5 percent of federal contracting dollars go to women-owned small businesses. The final rule sets forth the following:

· Based upon the analysis in a study



NAMC National and SpringBoard meet with US Department of Transportation Officials in Washington DC regarding Oregon DOT and Minnesota DOT.

Pictured left to Right: Tina Dortch -Executive Director NAMC Carlo Lachmansingh -President of NAMC-Upper Mid West Minnesota Chapter Kathy Meyer-NAMC Industry Chair and Minnesota Native American Chamber of Commerce Camille Hazeur - US DOT Director Civil Rights James Posey -Oregon NAMC and NAMC National Regional Vice President Lennie Chism -Executive Director SpringBoard Economic Development Corp; Not shown- Joe Austin - USDOT

> commissioned by the SBA from the Kauffman-RAND Foundation (referred to as the Rand Report), the proposed rule identifies 83 industries (identified by 4 digit North American Industry Classification System, or NAICS, codes) in which women-owned small businesses are under-represented or substantially under-represented.

• In accordance with the statute, the final rule authorizes a set-aside of federal contracts for WOSBs or economically disadvantaged women-owned small businesses (EDWOSBs) where the anticipated contract price does not exceed \$5 million in the case of manufacturing contracts and \$3 million in the case of other contracts, if certain other conditions are met. see SBA UPDATES, Page 10



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" A ssisting private organizations and minority owned businesses in achieving a regionally diverse and sustainable business community."

Business Diversity Institute (BDI), formerly known as the Minority Business Opportunity Committee (MBOC) provides linking and enhancing Contracting opportunities to minority-owned businesses and influencing today's entrepreneur and economy.

Business Diversity Institute, Inc. 1631 NE Broadway PMB 714, Portland, OR 97232 www.bdiweb.org

#### NAMC OREGON NEWSLETTER National Association of Minority Contractors Oregon

#### A Dialogue with Doug Tweedy

In this new column feature, Doug Tweedy, the executive secretary treasurer and CEO of the NW Regional Council of Carpenters, answers questions from NAMC Oregon members. Our hope is to bridge the gap and dispel rumors by sharing concerns and information.

**Question:** *PLAs are often seen by minority contractors as a back-door method of forcing union provisions on all projects. Many minority contractors are unable to sustain the stringent requirements and obligations that a union contract would contain.* 

**Doug Tweedy:** First of all, the Northwest Carpenters do not advocate for PLAs in all circumstances. On large-dollar volume, multi-year projects, an argument can be made for labor stability, cost control and continuity of opportunity for minority contractors among other factors.

We do not feel that all contractors have to be union on a PLA if their work or scope is very limited (recent Edith Green issue with laborers). In this, we differ from most of the other building trades.

**Q:** For example, requiring a weekly payroll verses a bi-monthly payroll or medical benefit provisions that only large constituent group could effectively afford or employees working in dual craft areas.

**DT:** For contractors with significant work and duration on a project, there may be a significant change in the way their business is usually done.

But the large general contractors and the development community do not necessarily care about that as much as your ability to field a skilled workforce and meet schedules. If your workforce lacks credentialed training and appears to them to be "jacks of all trades," it may fail to inspire their trust and confidence.

The Northwest Carpenters believe that we can partner with you and that we can both make changes to overcome obstacles that are in our way. We want this ongoing dialogue to continue.

**Q:** There are concerns about issues such as requiring employees to pay union dues and fees when the project is relatively short in duration and having little prospect for continued employment or continuity of work. How does formulating a union relationship help mitigate these circumstances?

**DT:** You are absolutely correct that when a job is limited and of short duration it makes little sense to require fees and dues and union affiliation. Although we are advocates for workers, we share with you that we want continuity of opportunity for you and your workers.

But I have to pose this question: "How will you become the next Howard S. Wright Constructors unless you are willing to step up?"

Howard S. Wright is widely known to deliver quality projects on time and on budget. They do this in large part because of their access to a pool of highly skilled workers from the trades, not only for themselves but their sub contractors as well. The carpenters are the largest among them. You and your workers can benefit. Stepping up requires risks without doubt; change makes people uncomfortable. A union relationship is for some that kind of risk. It is also an opportunity to break into a new sector as equals.

That means change for both of us. It means being open to new ways of doing things. It means being frank and honest with each other.

#### Correction

A profile of *Valley Growers Nursery & Landscape* that ran in the fall 2010 issue of the NAMC Oregon newsletter misidentified the head of the company. Vicqui Guevara is the founder of the company and heads its operations. The article also should have contained the following information: Valley Growers Nursery & Landscape is working to contribute to the restoration of a lot of natural resources that have been lost because of construction and other man-made calamities.

# NAMC Oregon members recognized

Recent honors received by NAMC Oregon members include:

Business Diversity Institute: Colas Construction – Contractor of the Year

Business Diversity Institute: **Herman Colas** – Humanitarian Award for his work with Haiti

DJC DMWESB Top Projects: **Ryan** and **Mike McDonald** – Best Contractor and also a 2nd place award for private buildings

DJC DMWESB Top Projects: **O'Neill Electric** – 2nd place for work on Interstate 205 Lightrail Project

DJC DMWESB Top Projects: **R** and **R** General Contractors – 3rd place recognition for the Morrison Bridge

**Rudy Trujillo** – Island Landscape: received a regional MWESB Recognition from Skanska USA and a commendation from Legacy Emanuel and Hoffman Construction for landscape and irrigation system installation and training.

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Winter 2010

#### Businessman pleads guilty to fraud in obtaining federal road contracts

By DAN HERBECK Buffalo News staff reporter

An African-American businessman admitted that he falsely claimed to be a disadvantaged minority contractor when he was selected to do millions of dollars of concrete work on road projects funded by the federal government.

Oscar E. Rayford, 71, of Buffalo, N.Y., pleaded guilty to a felony charge of mail fraud in the court of U. S. District Judge William M. Skretny.

His company, Rayford Enterprises, also known as Rayford Concrete Products, claimed to be manufacturing concrete for road projects when the concrete was actually made by a huge international company, Lafarge North America, the U. S. Attorney's Office said in court papers.

Rayford's company was selected by the government as a "disadvantaged business enterprise" for five road projects that received federal funding that totaled nearly \$3.3 million, according to court papers.

In fact, managers and workers for Lafarge North America performed "virtually all of the work functions that should have been performed by Rayford Enterprises," Assistant U. S. Attorney Edward H. White said in court papers.

Rayford kept "a small percentage" of the government cash paid out to his company for the projects, while turning the rest over to Lafarge North American, authorities said.

The businessman's guilty plea followed an investigation of more than two years by the FBI and the Inspector General's Office of the U. S. Transportation Department.

"There were some issues regarding who actually made the concrete, but Oscar's work is evident on road projects and sidewalks all over Western New York," said defense attorney Joel L. Daniels, who rep-



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resents Rayford with Herbert L. Greenman. "Oscar has been in business for more than 30 years and is very active and well-respected in all kinds of civic organizations in the black community."

So far, no charges have been filed against anyone associated with Lafarge North America, but authorities said the government probe is continuing.

The company, based in Reston, Va., did not respond to telephone and e-mail messages left late Monday by a Buffalo News reporter. A Washington attorney for the company also did not return a call.

According to law enforcement officials, there was no complaint about the quality of concrete that was provided under the contracts with Rayford's company. But federal prosecutors and agents determined that Rayford's firm obtained the contracts under false pretenses, taking work away from legitimate minority contractors.

Rayford supplied false affidavits, letters, work sheets, forms and reports to the state Department of Transportation, overstating the amount of work done by African-Americans on the projects, prosecutors alleged in court papers.

According to court papers, the projects were funded by the Federal Highway Administration. Rayford's company was selected as a "disadvantaged business enterprise," or DBE, under a program set up in the early 1980s to help businesses run by minorities or women. No specific information has been given on the locations of the projects.

In order to qualify for the program, the business must be at least 51 percent owned by "a socially and economically disadvantaged individual."

Rayford's scheme took place between 2001 and 2007, according to court papers. Skretny scheduled sentencing for Jan. 5, 2011.

Under sentencing guidelines, Rayford could face anywhere from eight to 51 months in prison, depending on Skretny's interpretation of how they apply to the case.

This article originally published in the Buffalo News on Sept. 14, 2010. It has been reprinted with permission of the Buffalo News.

National Association of Minority Contractors Oregon



### Candidates for elected/appointed positions address NAMC business meeting attendees

Tom Hughes (top right) discusses his support for Minority Business participation on Metro Projects and discusses how he expects to lead the organization as Metro President.

Aneshka Colas-Dickson (bottom right) The newly appointed PDC Commissioner talks about her qualifications and her role on the PDC Commission.

> Loretta Smith (below top) explains her plan to support the local minority business community.

Bob Stacey (below middle) Candidate for Metro President and current Metro Councilor

Carol Collymore (below bottom) Candidate and current staff for County Chair Jeff Cogen.









#### Project Evaluation: Port of Portland/J E Dunn Deicing Project

NAMC Oregon Evaluation Team is evaluating Projects based on overall MBE Participation, Project Goals and Workforce Diversity.

Owner: Port of Portland Ranking: Indifferent

CMGC: J E Dunn Construction Ranking: Indifferent

Evaluation Committee Notes – The Prime Contractor for this project has acknowledged Lessons Learned and is on a path to build relationships with Minority Contractors and improve project results on future projects. *Rankings rated by the following criteria:*  The Owner the Port of Portland has had some positive results in the past couple of years on their projects earning them recognition from NAMC Oregon for the HQP2 Project as Agency of the year. This only compounds our disappointment in them for failure to address conditions outlined in their own Disparity Study and for this project earns them the \*ranking of *Indifferent* to local conditions.



GOOD To be rated good a project represents achieving stated goals established by owners and those internal to Prime Contractor based on their companies corporate objectives / significant consideration and advancement to findings for current market conditions and relevant Disparity studies available for review. Significant accomplishment in workforce Diversity relative to the above information.



INDIFFERENT Final Results failing by all standards of NAMC Oregon Evaluation Committee shows a lack of effort to achieve any significant results that would support the local MBE subcontractor market or that would address local employment deficiencies.



BAD To be rated bad a project Prime and its owners failed to make the mark, they failed to utilize Portland Metropolitan area Minority subcontractors and did not address workforce Diversity sufficiently. National Association of Minority Contractors Oregon

#### NAMC Oregon Members Give Back to their Communities

• Andre Baugh serves as a commissioner for the City of Portland Planning and Sustainability Commission.

• Hermann Colas serves as a planning commissioner for the city of Gresham.

• Andrew Colas served on the Rose Quarter Advisory Committee for one year and was appointed to the Portland Housing Bureau Advisory Board.

• James Faison served on the Northeast Advisory Committee for Portland Development Commission.

• Maurice Rahming serves as chair of the Clean Energy Committee and the Rose Quarter Advisory Committee.

• **Tony Jones** volunteers as a member of the Metro Zoo Bond Measure Committee and the PDC River District Urban Renewal Advisory Committee.

• Gil Carreon is a volunteer for design and construction iron work for the Cancer Center deck and Recovery Center at Legacy Good Samaritan Hospital.

• Alando Simpson serves as a member of the city of Portland Small Business Advisory Council.

• Faye Burch is serving on the Rose Quarter Committee, replacing Andrew **Colas**, and the Portland Public Schools Bond Measure Committee.

• James Posey serves as regional vice president for NAMC National for the Western Region and has been instrumental in developing a new Washington state chapter.

• John Witty volunteers with the Native American Chamber of Commerce. ONABEN as the treasurer, he is an ONAC: co-founder and works with NAYA as a volunteer, John also serves with the Earth Advantage Institute as a volunteer lecturer on Green Build and works with DEPAVE (http://depave.org/) providing labor and equipment.

• Vicente Harrison, Tony Jones and Faye Burch were participants in the Portland Housing Bureau's strategic planning process.

• Pacificmark's **Deborah and Mark Matthews** serve on the Small Business Growth Opportunity Council (AGC), as the Timely Subcontractor Payment Subcommittee chair, a subset of the Mayor's Fair Contracting Committee, and they volunteer for the Bradley Angle (Battered Women and Children's Shelter/Services) Supplies & Donation Drive.

• Kendrick Mitchell served as a volunteer with Northeast Neighborhoods Coalition as it prepared an RFP for clean energy improvements and upgrades for the residents in the area.

• Aneshka Colas is serving as the newest PDC Commissioner, and NAMC Oregon is very excited to have someone on the commission who understands the challenges small businesses face in the market.

**COMTO, the Conference of Minority Transportation Officials**, invites you to consider membership and participation in the organization.

Members include individuals, academic organizations, transportation agencies, HUB businesses and individuals that supply goods and services to transportation agencies. Debora Leopol Hutchins is president of the local chapter.

For more details see the group's website at www.comto-orsw.org. Or contact Robert Brooks at Brooksr@Trimet.org or Kimberly Ruffin at 503-936-2808 to find out about meeting schedules and activities.

### Specialties Identification of Business Niche and Master of Ideas

#### CURRENT PROJECTS

City of Portland Bull Run Project Legacy Children's Hospital Portland Streetcar Loop Design of East Portland Milwaukie Light Rail TriMet/DEA City of Portland/PDC Disparity Study DBE Program Audit Denver ODOT Sandy River Project Design High Speed Rail ODOT/DEA

Technical Services Partner: Kevin Spellman



503 735-9455 or 503 936-6898 fmburchpr@aol.com

DMWESB Program Manager



National Association of Minority Contractors Oregon

#### Winter 2010

#### NAMC-Oregon Membership Guidelines

Membership in NAMC Oregon is open to any MBE certified by the state of Oregon and in business for more than 2 years. The organization values the assistance of our partners who work with us to achieve our goals. For that reason, associate member status is available for firms that are neither certified nor active in the construction industry. The chapter's membership committee reviews member applications on a rolling basis and looks for potential members who have a high standard of performance practices, financial strength and business capacity, and have a history supporting the goals and objectives of the organization, as represented by their utilization history. MBEs working on improving these issues are referred to MCIP for further training and development before officially becoming members of NAMC Oregon.

NAMC Oregon works and advocates for all MWESB businesses, but continues to have a strong focus on the development of minority businesses to encourage parity in the market place. NAMC Oregon does not compete with other organizations advocating on behalf of minority business issues, but hopes to work in concert with all who are working toward improved status and opportunities for Small Businesses in Oregon. Both NAMC Oregon and many of our members are active members of many small business advocacy organizations.

NAMC Oregon does not support companies that work to manipulate the system by engaging in business ownership flipping, impermissible pass-throughs or other potentially fraudulent activities, because we feel it takes away opportunities for those who are playing by the rules, and defeats the purpose of the certification program.

#### AGC NAMC Oregon Biz Development Team

AGC and NAMC Oregon have teamed up with 15 members from each organization to develop an information and relationship building roundtable model. The model, formed by former AGC President Andrew Beyer of LCG Pence, AGC staff and NAMC Oregon Executive Committee members Faye Burch and Rosa Martinez, represents a new partnership for the two organizations. Team members from AGC are volunteer participants open to developing new subcontracting relationships and partnership arrangements and requirements. MBE Partners participating for this program are included because they are ready to take advantage of those opportunities without any mentorship components.

Business Development Team members are matched up across areas of work to discuss business direction and explore future business teaming opportunities. As a result, several work opportunities have developed between the participants for both the MBEs and the AGC partners. The entire group meets bimonthly and the project will be maintained by NAMC Oregon Director of Operations Vicente Harrison and AGC Government Affairs Director John Rakowitz.

**NAMC Oregon** will hold its December meeting on Dec. 14 at the Kaiser Town Hall facility, 3704 N. Interstate Ave. in Portland.

The meeting will run from 4 to 5 p.m., following by holiday networking from 5 to 7 p.m. NAMC Oregon members and partners and their guests are welcome. The event is not open to the general public.

This year in lieu of a formal holiday event, given these difficult economic times, NAMC Oregon will adopt three Self Enhancement Inc. families and two BPI families and provide them with meals and holiday gifts from their wish lists.

More details or agenda items for the meeting are available by contacting Vicente Harrison at vicenteharrison@gmail.com.



National Association of Minority Contractors Oregon



#### National NAMC Member Profile

Gloria Shealey, president and CEO of The Daniele Company LLC By: Vicente Harrison

Since 1998 Gloria Shealey has been the president and CEO of The Daniele Company LLC, currently located in downtown Durham, N.C. She has used her knowledge and comprehensive experience The Daniele Company President & CEO: Gloria Shealey Office phone: 919-682-6700 E-mail: thedanieleco@aol.com

in structuring and management to complete a variety of commercial construction projects for her company.

She is recognized as an excellent executive and project manager with strong organizational and interpersonal skills. The Daniele Company has benefited from her ability to implement projects from concept to completion through program space assessment, budget and schedule management. The Daniele Company views the business of construction as not simply building structures, but ultimately about changing the shape of communities, enhancing the quality of people's lives, and catalyzing the growth of neighborhoods and cities. The company embraces each project as a demonstration of its philosophy of integrity, professionalism, excellence and service.

The Daniele Company has been in business over 20 years as a general contractor, construction manager and real estate consultant for various commercial projects. The company's services are comprehensive in scope and include: pre-construction planning, new construction and major renovation, project management and contract administration, and electrical distribution as well as program development for diverse contractor participation.

The Daniele Company is currently engaged in over \$100 million in construction projects in the Triangle, Triad and Charlotte areas of North Carolina. The Daniele Company market focus is strategically targeted in five primary segments of construction: higher education, government, health care, pharmaceutical and electrical distribution.

Gloria Shealey says her company has positioned itself to survive tough economic times.

Gloria Shealey's integrity, professionalism and ability to engage issues and identify effective solutions continue to propel The Daniele Company to new levels of accomplishment and growth.



Portland Housing Bureau The **Portland Housing Bureau** thanks **NAMCO** for their continued *advocacy* and *support* of DMWESB businesses who are truly making a difference in our communities.

Investing in projects and programs that address the continuum of housing needs in our city, the Portland Housing Bureau funds affordable housing development projects serving some of our most vulnerable neighbors.

> Learn more about our work, funding opportunities, and ways to get involved at www.portlandoregon.gov/PHB

Portland Housing Bureau 421 SW 6th Avenue, Suite 500, Portland, OR 97204 | (P) 503.823.3239 | twitter.com/portlandhousing

National Association of Minority Contractors Oregon



Local NAMC **Member Profile** 

Gilbert Carreon, Liberty Steel Erectors Inc. By Vicente Harrison

Liberty Steel Erectors Inc. is a small business, specialty contractor, steel erector and metal fabricator founded in February 1995 by Gilbert and Diane Carreon.

Gilbert Carreon has many examples of why contractors have chosen Liberty.

#### Liberty Steel Erectors Inc.

Founders: Gilbert and Diane Carreon Office phone: 503-254-7346 Fax: 503-257-0206 E-mail: libertysteel1@aol.com Primary trade: Steel supply & iron works

"Liberty Steel Erectors has a long history facilitating customers' projects by being responsible, problem solvers and responsive with our scope of work," Gilbert Carreon says.

This has been the case with successful contract awards Liberty Steel Erectors has earned in recent years. Liberty has done work on the Kaiser Westside Medical Center - Template Hospital and Central Utility Plant with general contractor Andersen Construction. Liberty Steel

Erectors also provided maintenance facility installation of the precast panels for Knife River on the Portland Streetcar Loop with general contractor Stacy and Witbeck.

Liberty Steel Erectors has been a faithful member of the National Association of Minority Contractors of Oregon since the group was founded in 2006. The company credits membership in the organization as being a significant asset to its growth.

With the support and success the company has received, Liberty has given back recently by fabricating and erecting an activity pavillion for the Stenzel Healing Garden at Legacy Good Samaritan Hospital. This project is a voluntary donation to the hospital from Liberty Steel Erectors and should be completed in November.

For up-and-coming minority contractors, Gilbert Carreon offers some advice: "To be successful we have stayed focused on our goals and keep a positive attitude. It takes lots of hard work, determination, and the ability to do what we say we can do."



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SBA UPDATES Continued from page 1

• The final rule removes the require-

sion, that each federal agency certify that

it had engaged in discrimination against

women-owned small businesses in order

The final rule allows WOSBs or

that agency.

for the program to apply to contracting by

ment, set forth in a prior proposed ver-

to be certified by third-party certifiers, including government entities and private certification groups.

• The final rule allows SBA to engage in program examinations to confirm eligibility of individual WOSBs or EDWOSBs.

#### Small Business Jobs Act of 2010

The Small Business Jobs Act, signed by President Obama on Sept. 27, will provide critical resources to help small businesses continue to drive economic recovery and create jobs. The new law extends the successful SBA Recovery loans while offering billions more in lending support and tax breaks for entrepreneurs and small business owners.

The new law puts more capital in hands of entrepreneurs and small-business owners

• Recovery Act Loans extension - \$14 billion more in lending support:

The law will extend SBA Recovery loans (with the 90 percent guarantee and reduced fees) through Dec. 31, 2010. The \$505 million for Recovery loans in this new law will support about \$14 billion in overall small business lending. More than

We want to do

1,400 small businesses that have been in a queue waiting for this bill to become law will be funded in a matter of days.

Since passage of the Recovery Act, SBA has supported nearly 70,000 Recovery loans, turning \$680 million in taxpayer dollars into more than \$30 billion in lending support.

• Higher loan limits – significantly increases maximum loan sizes in top loan programs:

The law will permanently increase 7(a) and 504 limits from \$2 million to \$5 million (for manufacturers in 504 loan program, up to \$5.5 million).

The law will permanently increase microloan limits from \$35,000 to \$50,000, helping larger entrepreneurs with start-up costs and small business owners in underserved communities.

• Alternative size standards – more small businesses eligible to get SBA loans:

The law expands the number of businesses eligible for SBA loans by increasing the alternate size standard to those small businesses with less than \$15 million in net worth and \$5 million in average net income.

• Temporary enhancements to help with working capital, commercial real estate refinancing:

The law will increase maximum amount of SBA Express loans from \$350,000 to \$1 million (expires Sept. 27, 2011). The law will allow some small businesses to refinance their owner-occupied commercial real estate mortgages into the 504 loan



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For more information, please contact Cinna'Mon Williams, CPPB, MCA, HAP Procurement and Contracts Manager, at **503-802-8533**, or visit the HAP website at www.hapdx.org. program (expires Sept. 27, 2012).

• Dealer Floor Plan pilot program extension and expansion:

The pilot program, which began in 2009, will be extended to 2013. After the \$5-million loan limit is implemented, this will help even more small businesses owners who sell cars, RVs, boats and other title-able inventory

• Small Business Intermediary Lending pilot program:

The law provides \$16 million over the next three years for an intermediary-facilitated microloan program that will target small businesses needing microloans up to \$200,000.

New law strengthens ability of small businesses to compete for contracts

• Equal treatment across federal contracting programs:

The law reaffirms "parity" among federal small business contracting programs. Contracting officers will be free to choose among businesses owned by women and service-disabled veterans, as well as those participating in HUBZone and 8(a) programs, and soon the women's contracting program when conducting contracts that are set-aside for small business.

• Better playing field for small businesses – more accountability, integrity, transparency:

The law gives agency procurement officers more ability to provide both large prime contracts and mircocontracts to small businesses. The law makes it harder for agencies to "bundle" contracts, a practice that often takes opportunities away from small business.

The law also has stronger enforcement so agencies will be held more accountable for reaching small business goals.

The law enforces stronger subcontracting plan requirements for large prime contractors to ensure small businesses are utilized in subcontracting. It also discourages late payments to small subcontractors.

The law enforces SBA's continuing efforts to combat fraud, waste, and abuse. Federal agencies, including the Department of Justice, will have more ability to vigorously pursue companies that win contracts by misrepresenting their small business status.

• Small business teaming opportunities: The law provides \$10 million for a new pilot that provides grants that will help small businesses team up with each other to compete for larger and more complex federal government contracts.

Source: U.S. Small Business Administration

National Association of Minority Contractors Oregon

wide range of opportunities.

#### Winter 2010

### NEW AT MCIP Continued from page 1

MCIP has taken three approaches to working with the industry and develop HUBs. We work with our partners and utilize best practices. MCIP with NAMC and our industry partners identify future contracting opportunities. We then assist HUB businesses to get timely and accurate information about the projects, and through our collective partnerships with NAMC and the industry, help our businesses forecast future opportunities and link them to the work. We provide an intensive executive management program for HUB businesses that includes monthly meetings, developing a plan and working on business goals. We also partner to provide classes such as "How to Survive the Recession" and "Green Building for Contractors."

We are excited about some new and upcoming activities that will continue to help HUB businesses grow. We also added new members to our experienced and dedicated team.

Leesha Posey is our program assistant. Leesha is the friendly voice you hear when you contact MCIP. Leesha has greatly enhanced our project information database for NAMC and MCIP contractors, which is web-based and easier to read so contractors can get relevant project information faster. Leesha also has enhanced a number of MCIP organizational systems.

Tastonga Davis, our new bookkeeper, has over 15 years of bookkeeping experience with corporations and small businesses. Working in conjunction with Tastonga, MCIP will launch a new service in winter 2011. MCIP will provide temporary contract administration services to assist HUBs with one of their main challenges keeping up with the "paperwork."

MCIP anticipates that the construction market will continue to slowly improve in 2011. One of the main sectors will be building renovation and green construction. In November MCIP will host a workshop to outline green construction market opportunities to HUBs in the public and private sectors. MCIP also will host a workshop in December to help firms position themselves to secure bonding. This will be a two evening workshop, so keep your eyes and ears open for the announcement, which will be coming soon!

We plan to offer "Green Building for Contractors" again in spring 2011 to orient HUBs to the main components of green building as it relates to specific trades and to the various business and professional certifications. MCIP wants to keep providing capacity building tools to HUBS so they can continue to build great construction businesses.



#### DOT, EPA PROPOSAL Continued from page 1



gasoline and diesel truck standards which phase in starting in the 2014 model year, and achieve up to a 10 percent reduction for gasoline vehicles and 15 percent reduction for diesel vehicles by 2018 model year (12 percent and 17 percent respectively if accounting for air conditioning leakage).

For vocational vehicles, the agencies are proposing engine and vehicle standards starting in the 2014 model year, which would achieve up to a 10 percent reduction in fuel consumption and CO2 emissions by 2018 model year.

Overall, NHTSA and EPA estimate that the heavy-duty national program would provide \$41 billion in net benefits over the lifetime of model year 2014 to model year 2018 vehicles. With the potential for significant

fuel efficiency gains, ranging from 7 percent to 20 percent, drivers and operators could expect to net significant savings over the long term. For example, it is estimated an operator of a semi-truck could pay for the technology upgrades in under a year and then save as much as \$74,000 over the truck's useful life. Vehicles with lower annual miles would typically experience longer payback periods, up to four or five years, but would still reap cost savings.

The innovative technologies fostered by this program would also yield economic benefits, enhance energy security and improve air quality. New technologies include widespread use of aerodynamic improvements and tire rolling resistance, as well as engine and transmission upgrades.

EPA and NHTSA are providing a 60-day comment period that begins when the proposal is published in the Federal Register. The proposal and information about how to submit comments is at: http://www.epa.gov/otaq/climate/regulations.htm and http://www.nhtsa.gov/fueleconomy.

Sources: EPA, U.S. Department of Transportation



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