

**Construction Equity Agreement
for Contracting, Workforce Training and Professional Services
for the Oregon Sustainability Center**

Project overview

The Portland Development Commission (PDC), in partnership with the Oregon University System (OUS), City of Portland (City), and a coalition of sustainability-related nonprofits known as the Oregon Living Building Initiative (OLBI) are working together to develop the Oregon Sustainability Center (OSC).

OSC is striving to be the world's first high-density, multi-use, net zero energy, water, and wastewater building. Importantly, it will seek to expand the role of social equity in sustainability by contributing to a strategy for providing environmental and economic opportunities for low-income people and people of color.

The OSC has been designed and will be constructed to meet the International Living Future Institute's Living Building Challenge and the U.S. Green Building Council's LEED Platinum designation, the "most advanced measure of sustainability in the built environment" available today. By meeting the Challenge's imperatives, OSC will serve as a replicable model for creating new industries, spawning green jobs and protecting the environment.

The building will be located on the eastern edge of Portland State University campus in downtown Portland, Oregon. It will form the nucleus of the Portland State University EcoDistrict, a neighborhood strategy to develop and integrate smart buildings, infrastructure, transportation, and community connectivity along sustainable lines.

The OSC will generate approximately 780 direct and indirect jobs in diverse sectors. More importantly, these workers will gain first-hand experience working on an innovative prototype building that includes cutting-edge energy, water and waste-saving systems.

Goals of the Construction Equity Agreement

This project will provide many opportunities for local businesses enterprises to participate as designers, contractors, suppliers and laborers. The City and PDC assembled a group of stakeholders to create this Construction Equity Agreement (CEA) that clarifies business and workforce equity goals, metrics and monitoring processes.

The purpose of this Agreement is to:

- Make public the project team's commitment to meeting or exceeding the goals set forth in the agreement for construction firms that are certified by the State of Oregon as Minority, Women and Emerging Small Business (M/W/ESB).
- Create, market and promote new opportunities for women and minority-owned professional service providers and women and minority professional services workers.
- Ensure that women, people of color, and other historically disadvantaged or underrepresented groups have equal access to working on the project.
- Offer opportunities and access to information that helps M/W/ESB firms earn work on this and future sustainability related projects.
- Involve stakeholders and community members in developing and enacting policies and processes.

The Agreement

Whereas, the Oregon Sustainability Center will be among the most sustainable buildings ever designed and constructed, and

Whereas, the Oregon Sustainability Center has been designed and will be constructed to meet the International Living Future Institute's Living Building Challenge and the U.S. Green Building Council's LEED Platinum designation, and

Whereas, the Oregon Sustainability Center aims to celebrate and nurture the values and strengths of Oregon's leadership on climate change, land use planning, smart growth, green building, environmental stewardship, civic engagement and social justice, and

Whereas, the Portland metro area is committed to growing green businesses and a green economy that puts people back to work and provides new employment opportunities to disadvantaged communities, as reflected in the 5-year Economic Development Strategy, and

Whereas, the Coalition for a Livable Future's Regional Equity Atlas demonstrates the need for ongoing advancement of equity for people living in poverty, people of color, and women as a key component of the region's development, and

Whereas, the development of the Oregon Sustainability Center has been marked by an impressive degree of collaboration among and contributions from public, private, nonprofit, and community institutions,

Now, therefore, it is the recommendation of the undersigned parties that the following goals are aspirational and shall not be construed to limit any additional efforts those private firms involved in this project should pursue. These goals shall be incorporated into the design and construction phases of the Oregon Sustainability Center.

I. Project Requirements

The City, the PDC, Gerding Edlen Development, Skanska USA, GBD Architects, SERA Architects and the Community for Equity shall work closely together to achieve the following goals in the design and construction of the OSC.

II. Construction Subcontracting

For all subcontracted work the project shall strive to achieve an overall 25% utilization of State of Oregon certified M/W/ESB firms. The percentage will be based on 25% of hard construction costs as calculated by an analysis of availability and capacity of certified firms and specific divisions of construction for the project and includes the removal of non-hard costs such as permits, bonding and insurance from the percentage; the identification of divisions of construction such as elevators and others for which there is no small business capacity; and the analysis of availability of divisions of construction and the availability of certified firms shall be based on current PDC procedures and contracting plan templates.

III. Workforce Training, Hiring and Benefits

For subcontracts over \$100,000, contractors must:

- A. Require a minimum of 20% of labor hours in each apprenticeable trade performed by the contractor and subcontractor are worked by state-registered apprentices. (Note: All trades are considered apprenticeable in this Agreement.)

- B. Be a Bureau of Labor and Industry (BOLI) registered Training Agent who is registered with a Joint Apprenticeship and Training Committee (JATC) that has been in existence for a minimum of five (5) consecutive years and has produced graduates.
- C. Give preference to State of Oregon certified M/W/ESB firms which are prequalified and categorized by capability.
- D. Employer contributions towards an employee benefit allocation shall be equal to or greater than the amount established under the prevailing wage fringe rate for that craft.
- E. Submit a detailed plan that describes how the contractor will meet the workforce diversity goals and information about the healthcare coverage provided to workers in bid documents.
- F. If an employer offers either employer-paid or employee-paid health insurance coverage to the spouses of its employees, in order to provide equal benefits, the employer must also offer health insurance coverage to the domestic partners of its employees. Where health insurance coverage is available for the children of employees' spouses (such as step children), such benefits must be extended to the children of employees' domestic partners.
- G. Make all reasonable and necessary efforts to employ a workforce that reflects the diversity of the city of Portland that:
 - Women should work not less than 9% of total project hours (percentage includes both apprenticeship hours and journey level hours)
 - People of color should work not less than 27% of total project hours (percentages include both apprenticeship hours and journey level hours).

IV. Professional Services

For architectural, design and engineering services, the goals are to: Maximize the number of State of Oregon certified minority-owned, and women-owned firms working on the project and build these firms' capacity to participate in future sustainability-driven professional service opportunities. Since policy guidelines do not currently exist for MBE and WBE utilization on professional services contracts, success will be measured by:

- A. Providing a one-time report to the Evaluation and Implementation Committee on the existing design firms' workforce diversity characteristics by race and gender. Each firm will include the number of minorities and women within the current workforce broken out by ethnicity, positions held, and project work hours performed.
- B. Reporting to the Evaluation and Implementation Committee how the existing design firms provide advancement opportunities for women and minorities within the firm and ways it mentors, trains and builds the capacity of minorities and women that are entering the field.
- C. Identify and increase opportunities for minority-owned and women-owned firms to be involved in the project by subcontracting scopes of work for acoustical, signage, audio/visual, façade, hardware, tenant fit-out, space planning including identifying furniture and workstation options as required. Other opportunities will be identified as the project progresses.
- D. Performing focused outreach to ensure minorities and women are aware of the project's remaining contracting opportunities, including pre-bid, one-on-one and networking meetings involving PDC, the existing design firms, and MBE and WBE contractors.
- E. Providing recommendations as requested by the City and PDC for future policy development based on workgroup findings.
- F. Creating mentorship opportunities related to the project for minorities and women who are graduating high-school and/or freshman/sophomore year college students.

For the purpose of the Professional Services section, "minority" is defined as racial and ethnic groups identified in the federal regulations in Oregon Administrative Rule 445-050-0005. Only firms that are State of Oregon certified as Minority-owned or Women-owned Businesses will be included in calculating related utilization rates, but the workforce diversity characteristics of all firms will be reported to the Evaluation and Implementation Committee.

V. Accountability, Reporting and Monitoring

Representatives from the signatory parties and the CEA workgroup will form an Evaluation and Implementation Committee to help set accountability strategies to enforce compliance with required elements of the agreement, as well as recognition of excellence in complying with or going beyond standards; and to take actions to improve progress toward standards and community benefits and to enforce within the parameters of approved City and PDC policies.. This Committee will establish tracking mechanisms for the business utilization and workforce requirements. The Evaluation and Implementation Committee will convene monthly to review submissions by the professional services teams and workforce and M/W/ESB utilization reports generated by the City of Portland. The City generate reports will provide prime and sub trade hours by project, list minority and female apprentice hours worked and track percentage utilization of M/W/ESB firms. These reports will be made available to members of the public upon submission of a public records request. At the end of the project, the Evaluation and Implementation Committee will produce a report quantifying the results of the hiring practices and a narrative about successes and lessons learned.

VI. Roles and Expectations of Signing Organizations

Signing organizations are expected to contribute to the successful outcome of this Agreement. The City of Portland will pass a Resolution endorsing this Construction Equity Agreement. The Resolution will establish the Evaluation and Implementation Committee and direct the Portland Development Commission to provide outreach to targeted contractors and the City of Portland Procurement Services to provide needed data and information to the Evaluation and Implementation Committee.

VII. Authority and Effective Date

Each of the individuals signing below represents that he or she is properly authorized by the party for whom the individual is signing to execute this Construction Equity Agreement which is effective as of September 21, 2011.

City of Portland
 Portland Development Commission
 Gerding Edlen Development
 Skanska
 GBD Architects
 SERA Architects
 Community for Equity