

RESOLUTION No.

3 6 9 4 4

Accept recommendations for a social equity contracting strategy to increase minority-owned, women-owned and emerging small business utilization in City contracting (Resolution)

WHEREAS the Portland Plan, adopted by Resolution 36918, is intended to help make Portland a prosperous, educated, healthy and equitable city; and

WHEREAS, the Portland Plan, recognizes that advancing equity must be at the core of our plans for the future; and

WHEREAS the Portland Plan includes a Framework for Equity to guide plan implementation and improve City operational and business practices, support actions that promote accountability, close disparity gaps and increase community engagement in civic activities; and

WHEREAS, equity is defined in the Portland Plan as when everyone has access to opportunities necessary to satisfy essential needs, advance their well-being, and achieve their full potential; and

WHEREAS, it is the intent of the City Council to achieve equity in City government policies, procedures and practices; and

WHEREAS, the City of Portland has a compelling governmental interest in not perpetuating the effects of discrimination in the contracting industry; and

WHEREAS, for many years the City has had a variety of programs to combat the effects of past discrimination and increase the participation of minorities and women in public contracting but recognizes that there is much work left to be done to ensure equal opportunities for all; and

WHEREAS, equity in contracting and workforce opportunities in the City are essential to achieving the vision of the Portland Plan; and

WHEREAS, on December 16, 2009 the City passed Resolution 36757 requiring all City Bureaus to include at least one minority evaluator on all formal contractor evaluation and selection panels; and

WHEREAS, the Minority Evaluator Program now has over 370 participants from communities of color and has enabled the City to have over 248 diverse evaluation panels on formal solicitations, increasing the equity of in the procurement process; and

WHEREAS, in light of evidence from the 2009 Disparity Study of statistically significant disparities in the utilization of minority and women owned firms in government contracting when City fair contracting programs were not applied, a Disparity Study Advisory Group was convened; and

WHEREAS, based upon the initial work of the Disparity Study Advisory Group the City Council adopted Resolution 36868 in June 2011 directing staff to work with the Fair Contracting Forum and other interested organizations and stakeholders to review the data provided by the 2009 Disparity Study and to bring forward recommendations to expand and strengthen equity in the City's procurement and contracting programs; and

WHEREAS, over 40 meetings were convened with over 85 diverse participants including contractors, consultants, representatives from a variety of community and professional organizations and City and PDC staff to develop recommendations in five programmatic areas: contractor workforce, subcontracting, prequalification, a new prime contracting program and professional, technical and expert services; and

WHEREAS, the City has partnered with Clean Energy Works Portland to foster equitable economic development through climate action while producing jobs, energy savings, carbon reductions and housing affordability; and

WHEREAS, these recommendations will enhance the City's ongoing efforts to ensure equity in its contracting and procurement policies and processes and to help all small businesses, regardless of race and gender; and

NOW THEREFORE BE IT RESOLVED, that the Minority Evaluator Program Report of the Office of Management and Finance, Bureau of Internal Business Services, Procurement Services Division, attached hereto as Exhibit A, is accepted;

BE IT FURTHER RESOLVED, that the **High Road Outcomes Report** Of Clean Energy Works Oregon, attached hereto as Exhibit B, is accepted;

BE IT FURTHER RESOLVED, City Council directs the Office of Management and Finance, Bureau of Internal Business Services, Procurement Services Division to take the following actions:

- Develop a Business Equity Performance Recognition Program based upon a contractor's performance in the areas of subcontracting utilization and contractor's workforce diversity efforts as well as other programmatic areas.
- Contractor Workforce: 1) Establish a 27% aspirational goal for minorities and women on City funded construction projects for apprentices and journey level workers and review these goals annually, 2) Require contractors to submit a workforce plan for subcontracts over \$100,000 and prime contracts over \$200,000, 3) Establish a post project contractor report that provides details of utilization of state certified firms, minority and women workforce participation, and construction manager project review.
- Subcontracting: 1) Enhance the City's subcontracting program by creating an inclusion plan for certified firms to participate as subcontractors on City construction projects, 2) Establish internal city criteria for construction projects that may lend themselves to utilize a procurement process other than low bid, 3) Establish internal city criteria to eliminate unnecessary contract bundling and to

lessen the effects of necessary and justified contract bundling to improve opportunities for certified firms.

- Prequalification: 1) Establish consistent evaluation criteria and application review process citywide, 2) Eliminate the requirement for contractor prequalification on projects \$250,000.00 and less, with intent to monitor outcomes and further eliminate prequalification for projects \$500,000 and less in two years absent adverse impacts, 3) Procurement Services to standardize and centrally administer the contractor prequalification program, 4) Require all requests for project specific special prequalification to be evaluated and approved by the Chief Procurement Officer before being applied, 5) Applicability of state prequalification to City prequalification standards will be examined by staff.
- Prime Contracting for Public Improvements: 1) Establish a program for projects \$1,000,000 and less that creates access to contracting opportunities for certified firms, 2) Set in place a business development course for program participants to enhance their business and contracting skills, 3) Establish a mechanism to track the success of program participants over time, 4) Work with interested parties to set performance goals for MBE/WBE participation, and 5) Establish metrics for program performance and report results back to Council.
- Professional Technical and Expert Services: 1) Increase formal dollar threshold to allow for further targeting of informal contracts to certified firms, 2) Enhance and update Request for Proposals Diversity in Contracting language.

BE IT FURTHER RESOLVED City Council hereby directs the Office of Management and Finance, Bureau of Internal Business Services, Procurement Services Division to work with City Bureau's and the Office of Equity and Human Rights to create administrative rules for equity contracting programs; and

BE IT FURTHER RESOLVED City Council recognizes that code changes will be required to achieve these objectives and directs staff to develop the necessary code amendments; and

BE IT FURTHER RESOLVED City Council recognizes that internal business practices need to be modified in order to assure the actions identified herein can be fully implemented; therefore directs staff to develop manuals and procedures and other resources where necessary; and

BE IT FURTHER RESOLVED this Resolution shall be binding city policy and shall be in full force and effect after adoption by City Council.

Adopted by the Council: JUL 19 2012

Mayor Sam Adams

Prepared by: Peter Parisot

Date Prepared: July 12, 2012

LaVonne Griffin-Valade

Auditor of the City of Portland



By

Deputy

Agenda No.
RESOLUTION NO.
Title

36944

Accept recommendations for a Social Equity Contracting Strategy to Increase Minority-Owned, Women-Owned and Emerging Small Business Utilization in City Contracting (Resolution)

<p>INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams</p>	<p>CLERK USE: DATE FILED <u>JUL 13 2012</u></p>
<p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Adams</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Leonard</p>	<p>LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By:  Deputy</p>
<p>BUREAU APPROVAL</p> <p>Bureau: Office of Mayor Bureau Head: Sam Adams</p>	<p>ACTION TAKEN:</p>
<p>Prepared by: Christine Moody Date Prepared: 07/12/12</p>	
<p>Financial Impact & Public Involvement Statement</p> <p>Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/></p>	
<p>Council Meeting Date July 19, 2012</p>	
<p>City Attorney Approval </p>	

<p>AGENDA</p> <p>TIME CERTAIN <input checked="" type="checkbox"/> Start time: <u>3:00 PM</u></p> <p>Total amount of time needed: <u>30 Minutes</u> ^{1 hour} (for presentation, testimony and discussion)</p> <p>CONSENT <input type="checkbox"/></p> <p>REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	<input checked="" type="checkbox"/>	
2. Fish	2. Fish	<input checked="" type="checkbox"/>	
3. Saltzman	3. Saltzman	<input checked="" type="checkbox"/>	
4. Leonard	4. Leonard	<input checked="" type="checkbox"/>	
Adams	Adams	<input checked="" type="checkbox"/>	