

Direct funding for the Workforce Pre-Apprenticeship Program and a SummerWorks Youth Employment Initiative

WHEREAS, the City of Portland acknowledges the urgent need to provide equitable employment opportunities and accessible career pathways for all community members; and

WHEREAS, investing in workforce development is crucial for fostering economic growth and mitigating workforce shortages in essential sectors; and

WHEREAS, pre-apprenticeship programs play a critical role in enabling individuals to acquire the skills, training, and support required to excel in registered apprenticeship programs; and

WHEREAS, the City of Portland is dedicated to advancing diversity, equity, and inclusion across its workforce; and

WHEREAS, Prosper Portland manages the Community Opportunities and Enhancements Program (COEP), which receives its funding through an intergovernmental agreement between the City and Prosper Portland; and

WHEREAS, the City's current FY 2024-25 budget allocated approximately \$2.6 million for COEP; Council hopes that this funding will continue through FY 2025-26 under that intergovernmental agreement; and

WHEREAS, in 2009, the City helped establish a fund the SummerWorks program, an initiative that places Portland-area young adults in summer jobs, helping them gain vital work experience and fostering skills development; and

WHEREAS, this financial support is essential for construction projects and similar labor-intensive initiatives including the Sidewalk Improvement Project and Paving Program (SIPP), the Interstate Bridge Replacement (IBR), the I-5 Rose Quarter Improvement Project, and the Bull Run Filtration Project; and

WHEREAS, just these construction projects alone are expected to contribute about \$15 billion in the city's infrastructure and economy and generate about 22,000 construction jobs (according to a 2024 Interstate Bridge Replacement Program Infrastructure Workforce Market Study); and

WHEREAS, this projected growth in public projects indicates a demand for 3,800 apprentices, 4,700 workers of color (including both journey-level and apprentices), and 2,500 women workers (including both journey-level and apprentices); and

WHEREAS, the current supply of skilled labor falls short, revealing a deficit of approximately 300 workers of color, 1,100 women workers, and nearly 1,300 apprentices to adequately meet the needs for all trades within the region for public projects; and

WHEREAS, this analysis does not account for any private construction demands that may elevate the need for skilled labor even further; and

NOW, THEREFORE, BE IT RESOLVED that the Portland City Council considers the Community Opportunities and Enhancements Program critical to the City’s mission to provide employment opportunities within the City of Portland and the broader community. COEP should receive enough funding to continue for at least the next several years; and

BE IT FURTHER RESOLVED, Council believes that the SummerWorks Youth Employment Initiative should continue to offer summer and year-round employment opportunities for Portland's youth, helping them gain vital work experience and fostering skills development; and

BE IT FURTHER RESOLVED, Council hopes to allocate funding to SummerWorks in the FY 2025-26 City budget at a level sufficient to meet Portland’s workforce needs in the future;

BE IT FURTHER RESOLVED, the City shall establish objectives for both the COEP and the SummerWorks program. Those objectives include, but are not limited to:

1. Delivering high-quality training opportunities across a variety of trades and sectors.
2. Assisting participants in obtaining industry-recognized certifications.
3. Fostering collaborations with local businesses, labor unions, and educational institutions to enhance the effectiveness of the programs.
4. Executing outreach efforts to engage and recruit a diverse array of participants.

BE IT FURTHER RESOLVED, the SummerWorks Youth Employment Initiative will be operated by Worksystems, Inc. and ~~staffed by Councilor Smith’s office~~ [will remain within the Bureau of Human Resources; and](#)

BE IT FURTHER RESOLVED, an advisory committee shall be formed to provide strategic guidance and support for the operations and objectives of the Programs; and

BE IT FURTHER RESOLVED, Worksystems Inc. shall deliver an annual report to Prosper Portland and the City Council detailing the Programs’ accomplishments, demographics of participants, outcomes, and potential areas for enhancement.

COMMITTEE STAFF SUMMARY

Labor Workforce Development Committee.

Resolution (Document 2025-156): Direct funding for the Workforce Pre-Apprenticeship Program and a SummerWorks Youth Employment Initiative

Action Date:	April 10, 2025
Committee Action:	Referred as amended to City Council with the recommendation that it be adopted
Votes:	5-0
Ayes:	Kannal, Novick, Green, Dunphy, Smith
Nays:	N/A
Absent:	N/A
Impact Statements:	Financial and Budgetary Impacts, Community Impacts and Community Involvement, Financial and Budget Analysis
Prepared by:	Ashley Hernandez, Council Operations Coordinator
Committee meetings:	April 10, 2025

WHAT THE RESOLUTION DOES:

The resolution (Document 2025-156) signals the Council's interest in allocating funding to the Summer Youth program in the FY 2025-26 City budget, ensuring it is sufficient to meet Portland's future workforce needs. The resolution outlines objectives established by the Council for Community Opportunities and Enhancements Program (COEP) and the SummerWorks Initiatives to include but not be limited to: (1) Delivering high-quality training opportunities across a variety of trades and sectors; (2) Assisting participants in obtaining industry-recognized certifications; (3) Fostering collaborations with local businesses, labor unions, and educational institutions to enhance the effectiveness of the programs; (4) Executing outreach efforts to engage and recruit a diverse array of participants. The resolution directs that SummerWorks Initiatives will be operated by Worksystems, Inc. and staffed by Councilor Smith's office. It also calls for the formation of an advisory committee to provide strategic guidance. Additionally, Worksystems, Inc. is to deliver an annual report to Prosper Portland and the City detailing the program's accomplishments, participant demographics, outcomes, and areas for potential improvement.

ISSUES DISCUSSED:

- Highlighted the need for an analysis of staffing related to individuals managing programs and participant employment
- Discussed the legal authority of a Council Office to operate a program
- Identified the expected funding sources for the program in the fiscal year 2025-2026
- Identified and considered the needs of various districts in Portland

EFFECT OF AMENDMENT:

Amendments adopted by the committee made the following changes to the original draft resolution:

- Clarify that Prosper Portland manages the Community Opportunities and Enhancements Program (COEP) and receives funding through an Intergovernmental agreement between the City and Prosper Portland
- Clarify that Council aims to allocate \$2.6 million for the program
- Clarify that funding needs to be adequate to meet the workforce needs of Summerworks
- Direct that Summerworks Youth Employment Initiatives will be operated by Worksystems, Inc and by staff from Councilor Smith's Office
- Direct an annual report is to be delivered to Prosper Portland and the City Council

PUBLIC TESTIMONY IN COMMITTEE:

One person submitted written testimony during the meeting.

General themes included:

- Discussed correlation between apprenticeship programs and how they support communities and shared report from the Labor Education Research Center.

BACKGROUND:

The Community Opportunities and Enhancements Program (COEP) is a strategy used by the City of Portland to enhance diversity and equity in construction contracting. COEP aims to provide a consistent funding source that advances the City's construction projects by supporting the development of low-income, disadvantaged, minority, and women workers in the construction trades. COEP is funded by contributions equal to one percent of the hard construction costs from city public improvement contracts. Under an intergovernmental agreement, Prosper Portland manages the day-to-day operations and implementation of the COEP grant program. Prosper Portland also manages service provider contracts, helps the community access services, and reports on outcomes. Prosper Portland is responsible for administering and distributing the COEP funds according to the terms of the agreement.

Worksystems, Inc facilitates collaboration between public and private workforce investments by providing training and education programs. WorkSystems, Inc. manages contracts with service providers to deliver workforce development services. Prosper Portland contracts with WorkSystems, Inc. to oversee the workforce component of the COEP.

Summerworks, Inc is a program that provides employment during the summer for young adults aged 16 to 24. It is managed by WorkSystems, Inc., which offers paid work experience programs to connect young people with meaningful opportunities alongside local employers.

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Resolution

WHEREAS, the City of Portland acknowledges the urgent need to provide equitable employment opportunities and accessible career pathways for all community members; and

WHEREAS, investing in workforce development is crucial for fostering economic growth and mitigating workforce shortages in essential sectors; and

WHEREAS, pre-apprenticeship programs play a critical role in enabling individuals to acquire the skills, training, and support required to excel in registered apprenticeship programs; and

WHEREAS, the City of Portland is dedicated to advancing diversity, equity, and inclusion across its workforce; and

WHEREAS, Prosper Portland manages the Community Opportunities and Enhancements Program (COEP), which receives its funding through an intergovernmental agreement between the City and Prosper Portland; and

WHEREAS, the City's current FY 2024-25 budget allocated approximately \$2.6 million for COEP; Council **expects** hopes that this funding will continue through FY 2025-26 under that intergovernmental agreement; and

~~WHEREAS, the current budget allocation for the Community Opportunities and Enhancement Program (COEP) for the 2024-25 FY is \$1,473,250; and~~

~~WHEREAS, recent City budget proposals have not included funding for COEP, putting the program's future in jeopardy; and~~

WHEREAS, in 2009, the City helped establish a fund the SummerWorks program, an initiative that places Portland-area young adults in summer jobs, helping them gain vital work experience and fostering skills development; and

WHEREAS, this financial support is essential for construction projects and similar labor-intensive initiatives including the Sidewalk Improvement Project and Paving Program (SIPP), the Interstate Bridge Replacement (IBR), the I-5 Rose Quarter Improvement Project, and the Bull Run Filtration Project; and

WHEREAS, just these construction projects alone are expected to contribute about \$15 billion in the city's infrastructure and economy and generate about 22,000 construction jobs (according to a 2024 Interstate Bridge Replacement Program Infrastructure Workforce Market Study); and

WHEREAS, this projected growth in public projects indicates a demand for 3,800 apprentices, 4,700 workers of color (including both journey-level and apprentices), and 2,500 women workers (including both journey-level and apprentices); and

WHEREAS, the current supply of skilled labor falls short, revealing a deficit of approximately 300 workers of color, 1,100 women workers, and nearly 1,300 apprentices to adequately meet the needs for all trades within the region for public projects; and

WHEREAS, this analysis does not account for any private construction demands that may elevate the need for skilled labor even further; and

NOW, THEREFORE, BE IT RESOLVED that the Portland City Council considers the Community Opportunities and Enhancements Program critical to the City's mission to provide employment opportunities within the City of Portland and the broader community. COEP should receive enough funding to continue for at least the next several years; and

BE IT FURTHER RESOLVED, Council believes that the SummerWorks Youth Employment Initiative ~~is created~~ should continue to offer summer and year-round employment opportunities for Portland's youth, helping them gain vital work experience and fostering skills development; and

BE IT FURTHER RESOLVED, Council **expects** hopes to allocate funding to SummerWorks in the FY 2025-26 City budget at a level sufficient to meet Portland's workforce needs in the future;

BE IT FURTHER RESOLVED, the City shall establish objectives for both the COEP and the SummerWorks program. Those objectives include, but are not limited to:

1. Delivering high-quality training opportunities across a variety of trades and sectors.
2. Assisting participants in obtaining industry-recognized certifications.

3. Fostering collaborations with local businesses, labor unions, and educational institutions to enhance the effectiveness of the programs.
4. Executing outreach efforts to engage and recruit a diverse array of participants.

~~BE IT FURTHER RESOLVED, the Workforce and Pre-Apprenticeship Program and the SummerWorks Youth Employment Initiative shall continue to be administered by Worksystems Inc., in partnership with community organizations and industry stakeholders; and~~

BE IT FURTHER RESOLVED, the SummerWorks Youth Employment Initiative will be operated by Worksystems, Inc. and staffed by Councilor Smith's office

BE IT FURTHER RESOLVED, an advisory committee shall be formed to provide strategic guidance and support for the operations and objectives of the Programs; and

BE IT FURTHER RESOLVED, Worksystems Inc. shall deliver an annual report to Prosper Portland and the City Council detailing the Programs' accomplishments, demographics of participants, outcomes, and potential areas for enhancement.



**MARCH
2024**

INTERSTATE BRIDGE REPLACEMENT PROGRAM (IBR)

REGIONAL INFRASTRUCTURE WORKFORCE MARKET STUDY

THE COLUMBIA-WILLAMETTE WORKFORCE COLLABORATIVE
Working together to develop and support regional talent



workforce
SOUTHWEST WASHINGTON

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systems

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EXECUTIVE SUMMARY

This in-depth regional infrastructure workforce market study was commissioned to help the Interstate Bridge Replacement program (IBR) team more effectively consider strategies that enhance career opportunities for women and people of color in the construction and professional, technical and engineering (PTE) trades to support equitable growth in the region's economy.

This report is the result of an extensive research study, which included collecting and analyzing existing available construction and PTE workforce supply data, forecasting the local five-year workforce demand, conducting extensive interviews with public agencies, contractors, apprenticeship programs, unions, contractors and pre-apprenticeship programs, and holding focus groups with diverse construction workers and foremen in the region. The research sought to uncover the major barriers to achieving equity and increasing diversity in the construction and PTE workforce for the Portland–Vancouver–Hillsboro Metropolitan Statistical Area (Portland MSA). A set of recommendations for success are outlined and described in the report.

The Bipartisan Infrastructure Law (BIL) / Infrastructure Investment and Jobs Act (IIJA) authorizes \$1.2 trillion in transportation infrastructure funding to states. This act focuses on grants as a primary funding mechanism for critical infrastructure projects. While the legislation incorporates labor and workforce standards, the realization of quality jobs and equitable access depends on policy decisions on specific projects. Federal agencies are providing greater guidance and oversight, emphasizing factors such as fair wages, union representation, employment access, workplace safety, training opportunities, and discrimination-free environments. The federal government, through the U.S. Department of Labor (DOL), also plays a vital role in supporting agencies to achieve equity and job quality goals by evaluating applicants' plans and enforcing standards and data collection. The public projects in our region have an incredible opportunity to align with these federal directives locally by expanding innovative and effective workforce equity strategies.

As our region rapidly diversifies, public project owners will dramatically benefit from a concerted effort to effectively respond to the growing industry opportunities and federal and local policy directives. Success for the IBR program can be achieved through recommendations as outlined in this report.

Diversifying the construction and PTE workforce will not only help create a stronger supply of needed workers for the industry; it will also directly address issues of poverty and economic mobility within communities of color and working families in the region.

Box 1. Construction-related occupations in Portland Metro Region in next ten years (2020–2030)

134,000 total jobs

13,000 new jobs, +10%

Over **40%** of the workforce is over 45 years old

\$33.00 is the median wage per hour

Box 2. Creating jobs for people of color and women in the Portland Metro Area

If all public projects over \$15M planned for the next five years implemented and met workforce goals of employing 21% people of color and 11% women, there would be:

- **4,700** FTE jobs for workers of color = **\$322.6 million** in earned wages
- **2,500** FTE jobs for women workers = **\$171.6 million** in earned wages

Findings Overview: Existing Workforce Supply

- Approximately 43,000 people work in nonresidential construction occupations in the greater Portland Metro area (2022).
- Five percent are women.
- Twenty-six percent are workers of color.
- Employment for workers of color is largely driven by workers who identify as Hispanic/Latino. Black and Asian workers are underrepresented in the trades.
- Women and people of color are more likely to work in lower paying trades.

Findings Overview: Projected Demand (5+ Years, public projects over \$15 million)

- From 2023 through at least 2028, the 107 known large public capital projects identified by this study will require over 22,000 construction workers.
- Some of these projects have stated apprentice and workforce diversity utilization goals, with average goals of 17 percent apprentices, 21 percent people of color, and 11 percent women.
- These average goals, if applied across all 107 projects, puts the 5-year demand at 3,800 apprentices, 4,700 people of color, and 2,500 female construction workers.
- The current 2022 workforce of 43,000 nonresidential construction workers appears to meet the future 5-year demand of 22,000 workers for large capital projects, even when incorporating the goals for apprentice and people of color utilization. However, the region will need an additional 370 female construction workers to meet diversification goals.
- While the workforce as a whole appears largely ready to meet the demand at a sum total level, this conclusion breaks down when looking through an occupational lens at diversification for each major trade.
- When diversification and workforce deficits are added together by trade, this analysis shows that the current supply would fall short by about 270 people of color, 1,050 females, and 1,290 apprentices to fill the needs for all trades in the region over the next 5 years. These deficits more accurately show the deep need for additional outreach to, training and retention of underrepresented groups for skilled trade career opportunities.
- An estimated 5,900 PTE workers will be needed. As with the trades, these positions may be filled by a combination of the existing workforce and new entrants.
- Three PTE occupations account for over half of total PTE demand: office clerks, project management specialists, and civil engineers.

Box 3. Supply of workers in the nonresidential construction trades in the Portland Metro area: 2022

Total number of Construction workers: **43,000**

- Total people of color: **11,200**
- Total women: **2,100**

Total number of PTE workers: **12,800**

- Total people of color: **2,900**
- Total women: **7,100**

Completion rate for all registered apprentices: **55%**

- People of color completion rate: **46%**
- Women completion rate: **46%**

Box 4. Demand for workers in the construction trades and PTE on public projects over \$15M in the Portland Metro area over the next 5+ years

Total number of projects: **107**

Total dollar amount of projects: **\$13.1–\$15.3 billion**

Total number of Construction workers needed: **22,000**

Total number of PTE workers needed: **5,900**

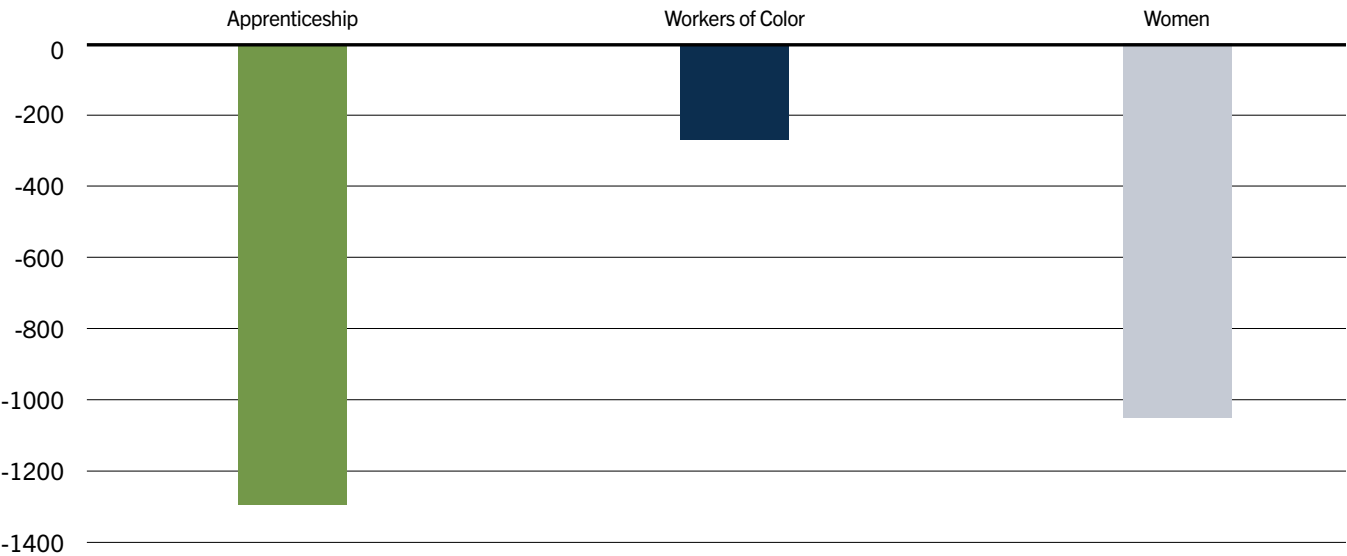
Demand for diverse workers and apprentices for current known workforce goals:

- Apprentices: **1,000**
- People of Color: **900**
- Women: **600**

Demand for diverse workers and apprentices, assuming all public projects have goals of 17% apprentice, 21% people of color, 11% women:

- Apprentices: **3,800**
- People of Color: **4,700**
- Women: **2,500**

SUPPLY AND DEMAND GAP ANALYSIS: Deficits by Trade Assuming Goals on All Projects



Findings Overview: Barriers to Diversifying

- Retention of diverse workers is adversely affected by the lower-quality training these workers often receive on the jobsite from supervising journeypersons, which means that these apprentices are less included in the trades and struggle to excel and advance.
- Harassment remains a significant issue on jobsites. This includes harassment based on gender, race, and other identities; harassment of apprentices; and disrespect often experienced by all workers. Workers also experience isolation and exclusion. This impacts the industry's ability to retain current workers and recruit future workers. The industry has not yet widely adopted policies and practices that effectively address jobsite harassment and discrimination incidents.
- Women and people of color are less likely to have opportunities for advancement within the industry such as becoming forepersons, superintendents, or company owners. Additional support is needed related to the transition from apprentice to journey-level.
- Real-life financial hardships or unexpected life situations often arise (i.e. family care needs, transportation issues, etc.), especially for early term apprentices who may have limited or no savings, which can be enough to prevent them from continuing with their careers. Additionally, the lack of steady work in the construction industry particularly impacts female workers and workers of color. Studies have shown that these workers work far fewer hours annually than their white male counterparts.
- Both the cost of childcare and access to childcare (especially for non-standard shifts) are a barrier to success for parents in the industry.
- Requirements for long shifts, changing schedules, and non-standard work hours without options for flexibility in work hours pose challenges for workers, especially those with caregiving needs.
- Most connections into apprenticeship still occur through personal referrals, which women and people of color are less likely to experience, and outreach that is done by word of mouth is rarely targeted specifically toward marginalized communities. Outreach and marketing efforts are not well coordinated across the region, frequently do not reach a diverse audience, and the impact of this outreach is unknown.
- State-certified pre-apprenticeship programs expose historically underrepresented populations to the trades, screen them for job readiness, and help to cultivate a pipeline of diverse jobseekers. However, these programs have limited capacity due to funding sustainability concerns and reporting fatigue for their numerous existing funders. Not having a more sustained and/or streamlined funding model for pre-apprenticeship programs is a barrier for better and increased recruitment of women and people of color into construction.
- Lastly, the majority of public projects in the Portland Metro area do not have workforce participation goals. Those that do have goals struggle with monitoring and enforcing them. Agencies reported that staff, time, and cost could be barriers to implementing and upholding goals.

Recommended Regional Actions for Diversifying the Construction and PTE Workforce

Meeting the increasing demand for a skilled workforce necessitates coordinated efforts on a regional scale, addressing retention barriers and entry faced by workers often marginalized in the sector. Successful strategies involve participating in regional collaborations to establish diverse worker and apprentice goals, collectively investing in recruitment and retention initiatives, identifying, and implementing culturally specific strategies tailored to the unique needs of workers, especially women and people of color, and addressing the challenge of affordable childcare. With leadership from the federal government and locally, the region has an historic opportunity to incorporate these promising practices into workforce equity strategy and community benefit outcomes.

The following recommendations are discussed at length in the full report:

1. Grow a diverse regional construction workforce through multi-jurisdictional collaboration, coordination, and targeted investments. Make the intentional choice to build up the regional workforce by joining forces with existing successful regional efforts to eliminate barriers for women, people of color and justice-involved¹ individuals accessing and staying in quality construction careers.

- Adopt the Construction Career Pathways Framework (CCPF).
- Join multi-jurisdictional coordination tables and Funder Collaborative to scale up regional workforce planning and investments. CCPF's Regional Collaborative Committee and the CCPF Funder Collaborative.
- Embed equity goals into all workforce agreements. The Regional Workforce Equity Agreement (RWEA) can be a model.

2. Improve retention through addressing jobsite culture and other challenges.

- Mandate contractors commit to actively improve jobsite culture by establishment of zero-tolerance policies, robust reporting mechanisms, and consistent implementation of proven positive work environment training.
- Invest in project-level retention support to keep skilled workers.
- Provide flexibility in work hours to address workers' caregiving and health needs.

3. Knock down the barriers that women and workers of color face to grow a skilled workforce.

- Fund and grow comprehensive support services programs that can help a new generation of workers advance in their careers.
- Make affordable, accessible, reliable, and high-quality childcare a signature workforce and community benefit.
- Allocate resources to fund and grow programs that remove barriers to entry for diverse workers.

4. Implement Effective Project Administration and Procurement Strategies.

- Effectively plan for and resource successful implementation of workforce equity policies within a public jurisdiction.
- Establish oversight committees and sustained labor management community committees to address challenges and share best practices.
- Use procurement processes to ensure contractor compliance on respectful workplaces, inclusion, and anti-harassment initiatives.

5. Increase Communication and Education for Project Managers and Contractors.

- Enhance Project Communication and Expectations between public administrators and contractors.
- Allocate resources for training opportunities and internal support tailored to project managers, focusing on advancing equity in construction projects.

6. Continue to explore and address Professional, Technical and Engineering (PTE) equity opportunities.

- Work with local and state educational institutions, students, and employers to identify the key barriers and solutions to more diversity in PTE jobs.
- Fund and grow comprehensive support services programs that can help a new generation of diverse workers grow in the PTE sectors. ■

¹ Justice-involved: refers to anyone who has had interaction with the criminal justice system as a defendant.

INTRODUCTION

The inaugural regional Portland Metro Construction Workforce Market Study², initiated in 2018 and commissioned by Metro and the City of Portland, sought to identify strategies supporting the growth of the construction workforce through diversifying the sector, especially through the recruitment and retention of women and people of color. **This update to the 2018 study underscores persistent challenges faced by workers of color and women in accessing and sustaining careers in construction.** The challenges have been further exacerbated by the pandemic and a severe shortage of childcare in the region.

Despite these hurdles, the introduction of the regional Construction Career Pathways Program, and multi-jurisdictional efforts such as the Regional Workforce Equity Agreement, coupled with the widespread implementation of respectful workplace training at job sites, instills a renewed sense of optimism. These initiatives not only offer promising new practices to address deeply pervasive problems in construction but have also resulted in tangible workforce outcomes and job stability for the region's large-scale construction projects.

The Portland–Vancouver–Hillsboro Metropolitan Statistical Area (Portland MSA) region foresees a need for thousands of construction workers over the next five years. A significant challenge to meeting this demand is that more than forty percent of the current construction labor pool in the region is aged 45 years or older. Demographics are also swiftly changing, where communities of color have grown by 45% in the last decade. As the local labor pool becomes more diverse and the demand for workers remains high, a new era is emerging in the construction and PTE sector. This shift brings the opportunity for women and workers of color to play a prominent role in the workforce.

It is crucial for businesses, governments, and unions to fully integrate these communities as vital contributors to the expanding workforce. A strategic effort that actively connects underrepresented communities, especially women and people of color, with the growing industry holds numerous advantages for the region's infrastructure developments and economic prosperity. Recognizing the need for a more diverse talent pool, contractors and industry stakeholders are aligning efforts to cultivate a workforce that reflects the community's growing

diversity, striving for success through an expanded pool of skilled workers, equitable job access on publicly funded projects, and an infrastructure workforce that mirrors our regional demographics. This diversification not only addresses the industry's need for a robust workforce but also directly confronts issues of poverty and elevates economic mobility within communities of color and working families in the region.

The infrastructure sector has not kept up with the rapidly diversifying workforce, especially in the numbers of women and workers of color working in the broader workforce. Ninety-five percent of construction workers are male, with sixty-six percent being white. And women constitute just 5% of the construction workforce, despite making up 47% of the total workers in the metro area. Additionally, workers of color hold 26% of construction sector jobs while representing 36% of the overall workforce in the region. While women and workers of color are crucial for meeting the construction demand in the next decade, the industry needs to invest more in recruiting and retaining them. For instance, only 31% of Black apprentices complete their training compared to 59% of white males. Although the construction sector can attract a more diverse workforce, addressing deeply embedded barriers for women and people of color to be successful in the trades is essential. A recent study found a hopeful trend, showing that between 2016 and 2019, the number of Hispanic/Latino apprentices in the trades almost doubled, and the number of Black women apprentices grew by almost 50 percent³. However, the same study revealed that many women, especially women of color, face discrimination and harassment on the job, making them less likely to complete their apprenticeships and more likely to leave the industry.

Barriers to building a diverse and inclusive construction workforce are multifaceted and include issues related to a culture of exclusion on job sites, insufficient financial and programmatic support for apprentices (especially access to childcare), and lack of pathways highlighting the quality and desirability of jobs in the skilled trades. As noted from focus groups with current construction workers and apprentices, many workers face numerous barriers based on their gender and racial and ethnic backgrounds. Some barriers for women include inadequate restroom and lactation facilities, limited access to mentorship and training opportunities, and

² <https://www.oregonmetro.gov/sites/default/files/2018/07/02/C2P2-regional-construction-workforce-market-study-07022018.pdf>

³ https://iwpr.org/wp-content/uploads/2021/03/Here-to-Stay_revision2.pdf

difficulties in achieving work-life balance. The lack of support for parents, especially mothers, is evident in the absence of childcare accommodations and resources and the stress associated with managing work that conflicts with parenting responsibilities. Financial hardships further exacerbate the challenges, with some workers facing struggles such as the inability to take medical leave and precarious financial situations impacting their overall well-being.

Many workers, both in our focus groups and across national studies, describe construction sites with pervasive jobsite harassment. There, they face discriminatory comments, gender-based challenges, and experience unequal treatment overall, collectively contributing to a hostile work environment. Experiences of more subtle exclusion and discrimination can also include being the sole representative of a particular demographic on a jobsite to encountering obstacles in accessing mentorship, training, and job opportunities. Addressing these problems with management can prove challenging, as individuals may fear negative repercussions or reprisal for reporting incidents, which fosters a culture of silence around jobsite harassment and discrimination. The cumulative effect of these barriers underscores the urgent need for comprehensive initiatives to promote diversity, equity, and inclusion within the industry.

This report is the result of an extensive research study, which included collecting and analyzing existing available construction and PTE workforce supply data, forecasting the local five-year workforce demand, conducting extensive interviews with public agencies, contractors, apprenticeship programs, unions, contractors and pre-apprenticeship programs, and holding focus groups with diverse construction workers and foremen in the region. The research sought to uncover the major barriers to achieving equity and increasing diversity in the construction and PTE workforce for the Portland MSA. A set of recommendations for success are outlined and described in the report. ■



Photo: Oregon Tradeswomen, Inc. / Dawn Jones Redstone

Construction Workforce

Data show that there are an estimated 43,000 nonresidential construction workers in the Portland MSA. **Women and people of color are underrepresented in construction.** Five percent of construction workers are women, compared to 49 percent of the working age population. Twenty-six percent of workers in construction identify as people of color, compared to 32 percent of the total working age population. People of color in the construction workforce is primarily made up of people who identify as Hispanic/Latino and make up 19 percent of all construction workers.

Ninety-six percent of workers employed in construction in the Portland MSA are male. In the five largest occupations, between 95 percent and 98 percent of workers are male. The three occupations with the largest percentage of female workers are floor, ceiling and wall insulation workers (9%), construction maintenance and painters (12%), and construction and building inspectors (13%).

More than 40 percent of the current construction labor pool is 45 years or older. In the five largest occupations, the percentage of workers 45 years or older ranges from 37 percent (construction laborers) to 54 percent (first-line supervisors). New workers will be needed as older workers retire or leave the labor force.

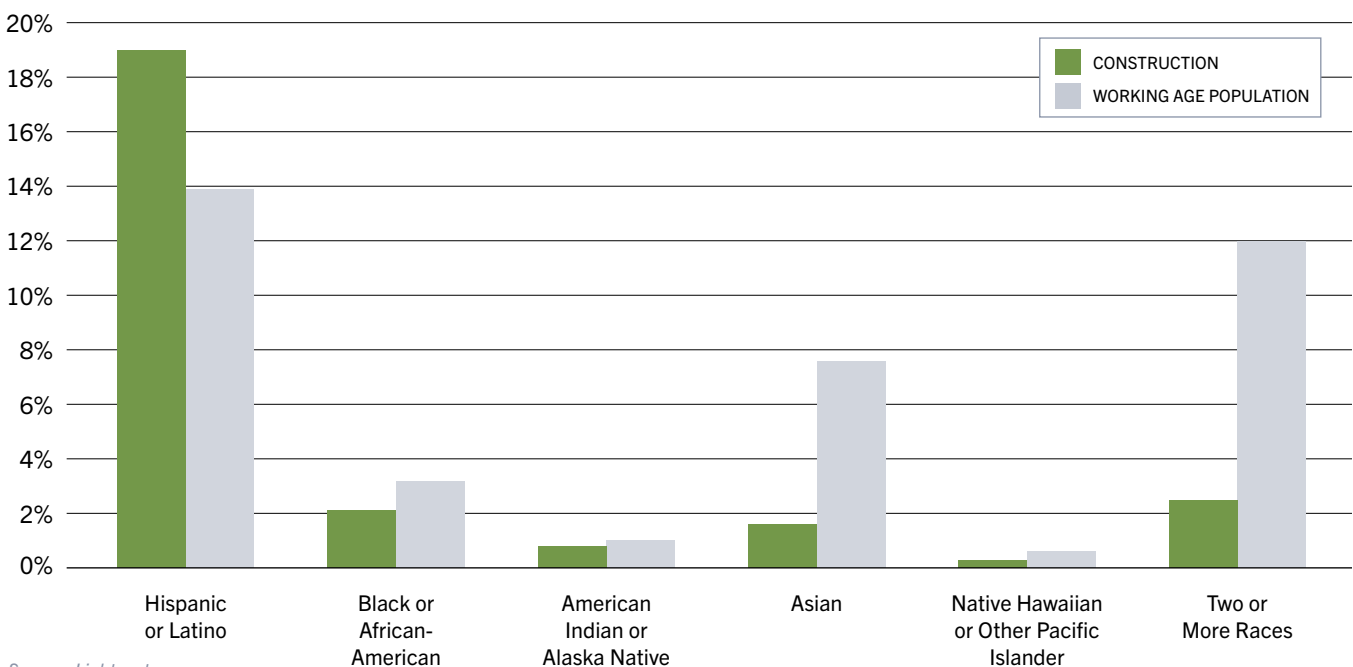
WAGES

Median wages for construction occupations range from \$21.53/hr. to \$59.73/hr. Wages vary widely by subindustry. Residential construction tends to pay lower wages. This impacts the median wages for occupations such as carpenters where a third of workers are employed in residential construction.

Compared to their white counterparts, women and workers of color are more likely to work in lower paying trades. Women are both a small fraction of the construction workforce and are especially underrepresented among the highest paid occupations.

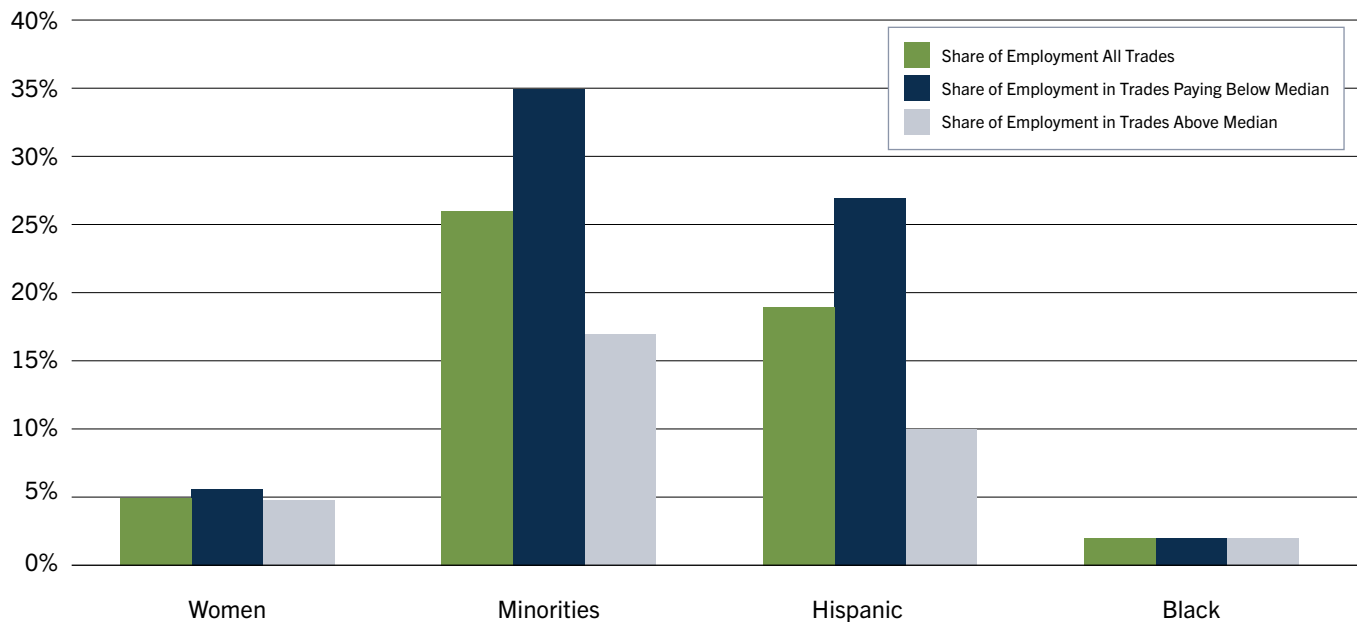
Across occupations, there is also a strong negative correlation between median wage and racial and ethnic diversity. The percentage of workers of color is noticeably lower in higher paid occupations. At the lower end of the wage spectrum, the percentage of workers of color increases.

FIGURE 1: Construction Workforce by Race and Ethnicity, Portland MSA, 2022



Source: Lightcast

FIGURE 2: Share of Employment by Wage for Select Demographics, Portland MSA, 2022



Source: Lightcast

2023 Active Registered Apprentices⁴

As of December 2023, there are currently 4,759 active registered apprentices with the Bureau of Labor and Industries (BOLI) in Portland MSA⁵. This includes more than 1,000 active apprentices who live in Washington State and are registered with BOLI apprenticeship programs⁶.

Seventy-five percent of apprentices work in the industry's largest occupations: carpenters, construction laborers, electricians, and plumbers, pipefitters, and steamfitters.

Sixty-three percent of active apprentices are in union-affiliated programs.

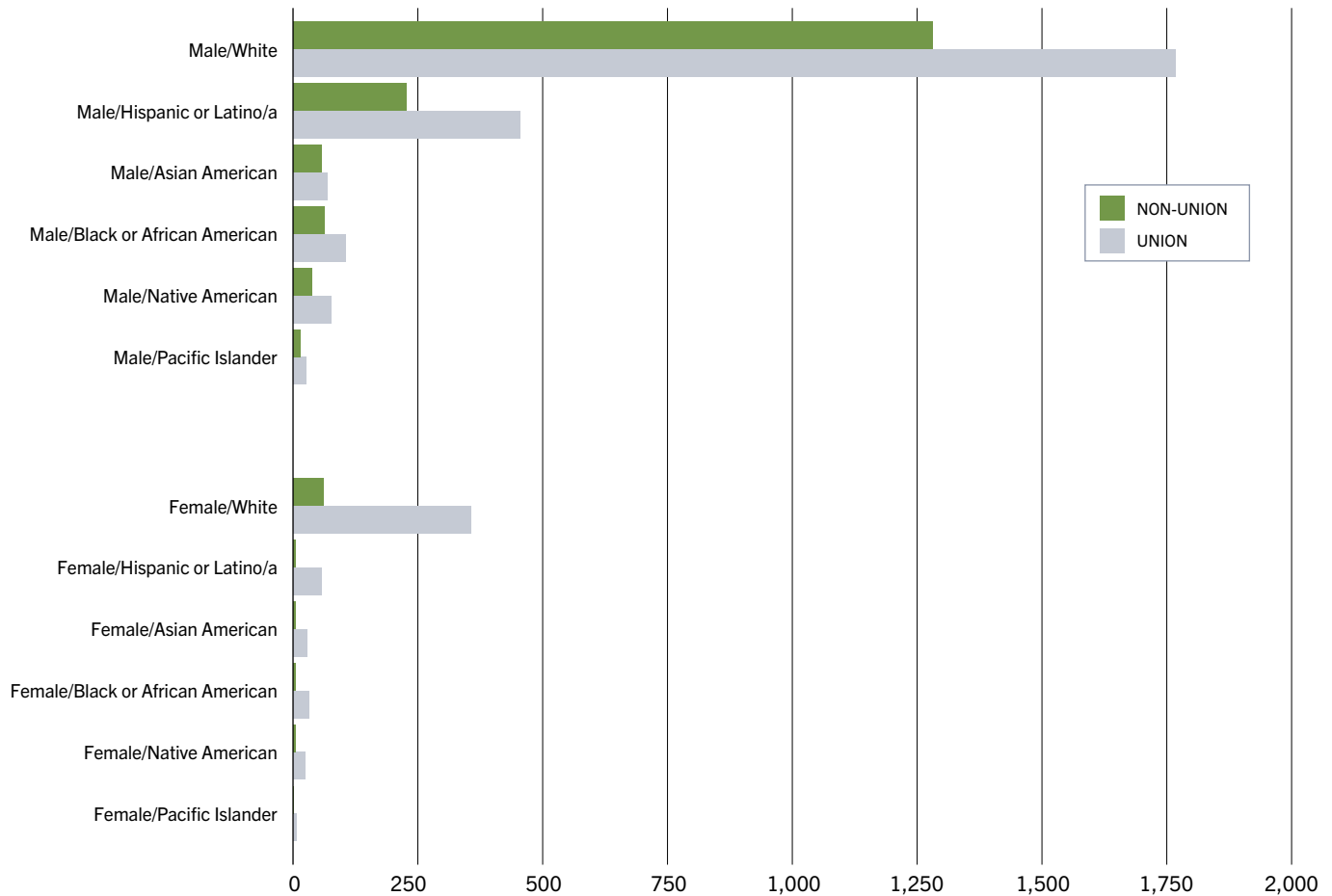
Eighty-eight percent of active apprentices are male, and 12 percent are female or non-binary. Seventy-three percent of active apprentices are white. Apprentices who identify as Hispanic or Latino comprise the second largest racial or ethnic group (16%). Sixty-four percent of active apprentices are white men.

⁴ The following data were collected from the Oregon Bureau of Labor and Industries (BOLI). They are the state agency that regulates and oversees the State Registered Apprenticeship programs. They collect data from all State Registered Apprenticeship programs and update that data regularly. These data include the demographic information of all registered apprentices, the enrollment rates, exit rates, completion rates, as well as oversight on the performance of all programs.

⁵ The geography for this dataset is determined by the home address of the apprentice. Apprentices who listed their home address in Clackamas, Columbia, Multnomah, Washington, or Yamhill counties in Oregon or an address in SW Washington are included. The data is not an exact match for the Portland MSA. Participants who live in a county in SW Washington that is not Clark or Skamania but are registered with an apprenticeship program in the area are included. The county of residence for Washington state apprentices is not available.

⁶ There are also active apprentices registered with programs regulated by the Washington State Department of Labor & Industries (L&I). Despite our best efforts, we were unable to obtain comparable data for the apprentices registered with L&I.

FIGURE 3: Active Apprentices in Portland MSA, 2023



Source: BOLI

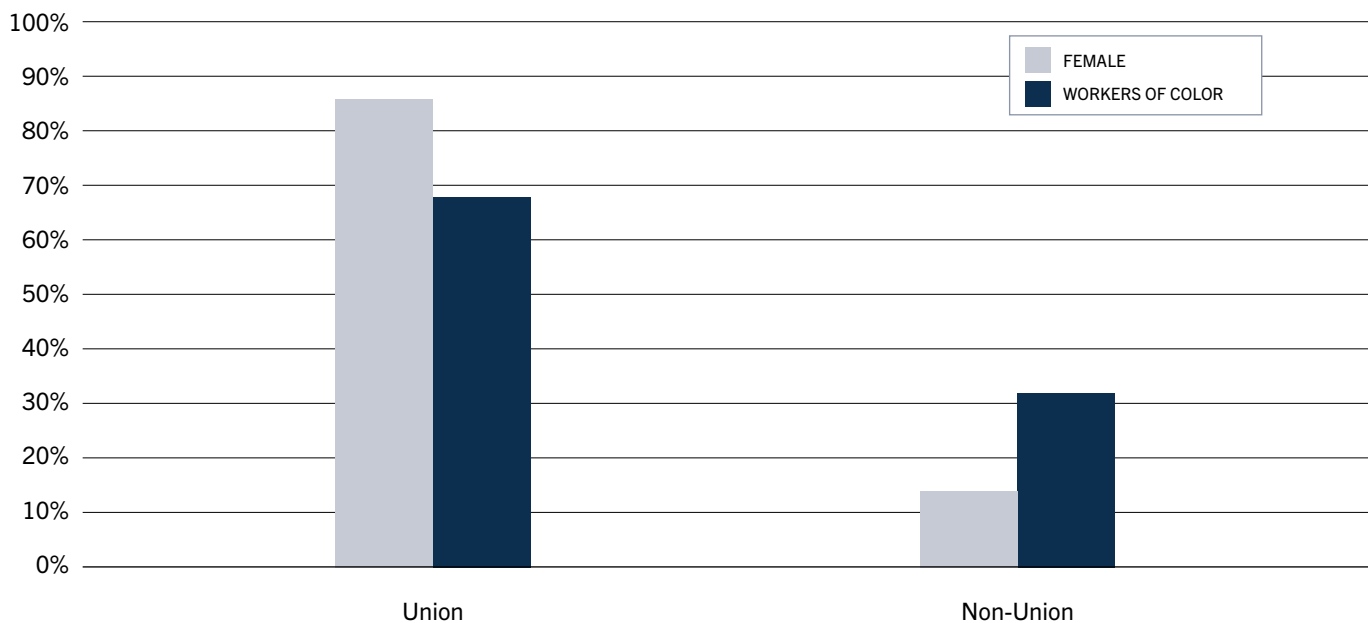
Union and Non-union Affiliated Apprenticeship

A higher share of apprentices who identify as female or non-binary are enrolled in union-affiliated programs (17% v. 5%). There is also a higher total number of women and non-binary apprentices enrolled in union-affiliated programs: 506 women and non-binary apprentices in union-affiliated programs and 79 in non-union-affiliated programs.

Union-affiliated apprenticeship programs also have higher numbers and concentration of people of color. Twenty-nine percent of active apprentices in union-affiliated programs identify as people of color, compared to 24 percent in non-union programs. There are more than twice as many people of color in union-affiliated programs (881) as non-union-affiliated programs (415).

Apprentices who identify as female, non-binary and/or people of color are more likely to participate in union-affiliated programs. **Eighty-six percent of all female or non-binary active apprentices and 68 percent of all people of color active apprentices in 2023 are in union-affiliated programs.**

FIGURE 4: Active Apprentices by Union Affiliation, Portland MSA: 2023



Source: BOLI

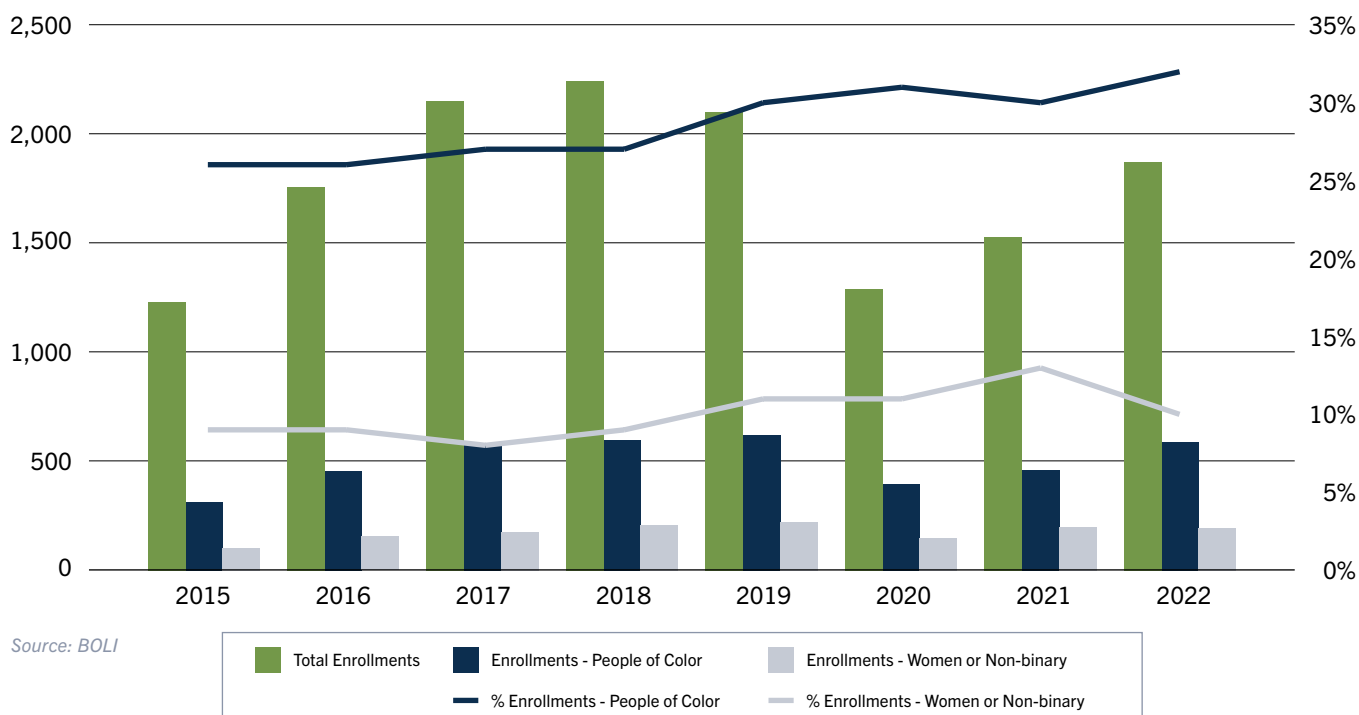
2022 New Apprenticeship Enrollments

In 2022, 1,873 new people enrolled in construction apprenticeships in the Portland MSA. New enrollment dropped dramatically in 2020. Despite a steady increase over the past two years, enrollments have not returned to pre-pandemic levels.

Nearly three quarters of new enrollments (71%) were in apprenticeship programs for the industry's largest occupations: carpenters, construction laborers, electricians, and plumbers, pipefitters, and steamfitters.

Nearly 90 percent of all new enrollments in 2022 identified as male. Eleven percent identified as female or non-binary. Sixty-eight percent of participants identified as white. The second largest group by race and ethnicity was Hispanic/Latino who accounted for 19 percent.

FIGURE 5: BOLI Registered Apprenticeship New Enrollments, Portland MSA, 2015–2022



Registered Apprenticeship Completions

A total of 2,653 apprentices graduated to journey level from 2020–2022 in the Portland MSA in Construction related registered apprenticeship programs. Of those, 196 (7%) were female and 596 (22%) were apprentices of color. Nearly ten percent of all union apprenticeship completers were female while non-union female completers made up about three percent of all non-union completers. Union apprentices of color made up about 25 percent of all union completers and non-union apprentices of color made up about 19 percent of all non-union completers.

Additionally, over 80 percent of all female apprentice completers from 2020–2022 graduated from union apprenticeship programs and over 67 percent of all apprentices of color completers graduated from a union apprenticeship program.

TABLE 1: Demographic Makeup of All Union Apprenticeship Completers, 2020–2022

	2020	2021	2022	TOTAL	%
Union female	41	41	77	159	9.86%
Union people of color	114	113	175	402	24.92%
All Union completers	406	486	720	1,612	

Source: BOLI

TABLE 2: Demographic Makeup of All Non-union Apprenticeship Completers, 2020–2022

	2020	2021	2022	TOTAL	%
Non-union female	5	14	18	37	3.55%
Non-union people of color	31	83	80	194	18.64%
All Non-union completers	282	354	405	1,041	

Source: BOLI

TABLE 3: Female Apprenticeship Completers, by Program Type, 2020–2022

Female Completers	UNION	NON-UNION	TOTAL
2020	41	5	46
2021	354	282	1,041
2022	77	18	95
Total	159	37	196
%	81.12%	18.88%	

Source: BOLI

TABLE 4: Apprentice of Color Completers, by Program Type, 2020–2022

People of Color Completers	UNION	NON-UNION	TOTAL
2020	114	31	145
2021	113	83	196
2022	175	80	255
Total	402	194	596
%	67.45%	32.55%	

Source: BOLI



Photo: Worksystems 2019

Projected Demand (5+ Years, Public Projects over \$15 Million): Construction Occupations

The 107 known large public capital projects identified in this study will cost between \$13.1 and \$15.3 billion and require nearly 22,000 construction workers from 2023 through at least 2028 (some projects extend beyond the five-year study period).

Note that these 22,000 jobs are a total count spread throughout the study period. They are not net new jobs as they may be filled by the existing workforce as well as new entrants. For this study, the terms FTE (full time equivalent) and worker are interchangeable.

Carpenters, construction laborers, operating engineers, and electricians are projected to have the largest demand, accounting for half of total construction labor needs.

Ironworkers, cement masons, plumbers and pipefitters will also be in high demand, with between 1,300 and 1,700 workers needed over the study period.

Nearly half of the identified projects have stated apprentice and/or workforce diversity goals, averaging 17 percent apprentices, 21 percent workers of color, and 11 percent women. The remaining projects did not state goals or were unable to provide specifics (e.g. "TBD"). Applying the average stated goals to these projects, combined with the projects with stated goals, results in the **demand for approximately 3,800 apprentices, 4,700 workers of color, and 2,500 female workers in the trades.**

Box 5. Demand for workers in construction in the region by trade on public projects over \$15M in the Portland Metro area over the next 5+ years

Total projects: 107

Total cost of projects: **\$13.1–\$15.3 billion**

Total construction workers: **22,000**

Demand for diverse workers and apprentices for known workforce goals:

- Apprentices: **1,000**
- Workers of Color: **900**
- Women: **600**

Demand for diverse workers and apprentices, assuming all projects have goals of 17% apprentice, 21% workers of color, 11% women (the average of projects with known goals):

- Apprentices: **3,800**
- Workers of Color: **4,700**
- Women: **2,500**

TABLE 6: Construction Workforce Demand by Occupation

	DEMAND	SHARE
Carpenters	3,880	18%
Construction Laborers	3,100	14%
Operating Engineers (Excavators, Heavy Equipment Operators)	2,250	10%
Electricians and Telecommunications	1,960	9%
Ironworkers	1,670	8%
Cement Masons	1,430	6%
Plumbers and Pipefitters	1,300	6%
Other Construction Trades (Please specify)	1,000	5%
Truck Drivers	790	4%
Drywall Installers	710	3%
Painters and Tapers	700	3%
Construction Managers (incl. Project Engineers, etc.)	590	3%
Sheet Metal Workers	500	2%
Equipment Operators	380	2%
Glaziers	350	2%
HVAC	310	1%
Brick Layers	290	1%
Roofers	260	1%
Construction Supervisors	180	1%
Floor Coverers	130	1%
Pile Drivers	120	1%
Elevator Installers	80	0%
Insulators	40	0%
Tile Setters	10	0%

Methodology⁷

The construction workforce demand for the identified public capital projects is a model-based estimate derived via interviews with the public agencies responsible for these and similar projects, and with local contractors. Some agencies provided detailed information such as diversity goals and anticipated hourly demand by individual trade. However, most agencies were unable to provide anything more than the project type and cost. The mix of occupational needs may change as more information becomes available. At the time of this study, the design and construction materials for the Interstate Bridge replacement had not been finalized.

To address the gaps in the data, the team worked with local contractors to develop staffing patterns and demand based on project type and costs. The team used this, along with the known data, to estimate the future labor demand.

KEY MODELING ASSUMPTIONS

- A worker is defined as working 2,080 hours a year (full-time, year-round employment).
- For those projects with only costs provided, the team used a ratio of 2,800 to 5,000 trades hours per \$1 million in hard costs, depending on project type. This ratio was informed by data from past projects and contractor interviews and feedback.
- To estimate occupational employment for those projects without detailed workforce needs, the team used staffing patterns for 16 different project types based on known data from past projects, contractor interviews, and contractor-reviewed national industry-based staffing patterns.
- Staffing patterns derived from a sample of projects are representative of all projects.
- Diversity and/or apprenticeship goals provided by 44 projects apply to those projects with no stated goals.
- Diversity and apprenticeship goals apply to each occupation.

Comparing Supply and Demand

Comparing the projected project demand analyzed based on public agency data and interviews to the current 2022 supply of employed construction and PTE workers and 2023 active registered apprentices can provide insight into areas where additional workers may be needed to meet industry goals. It does, however, need to be placed into the broader overall regional context.

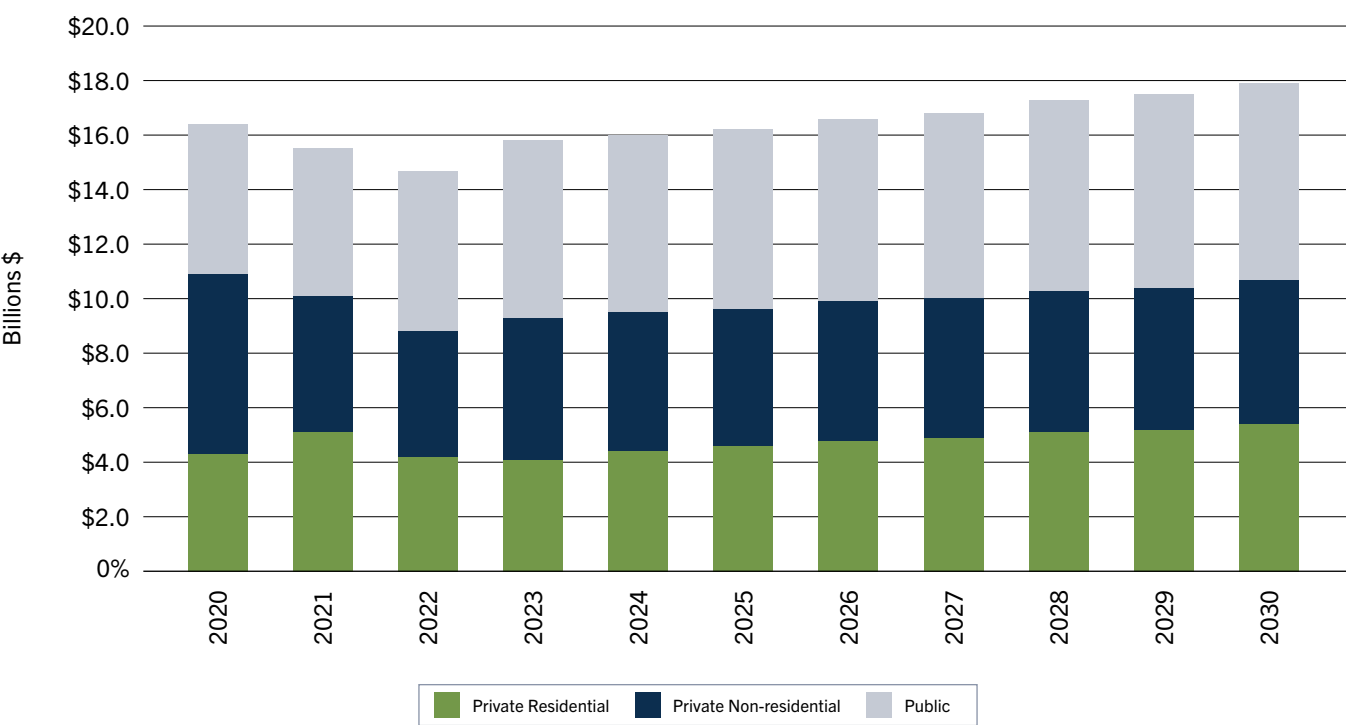
The regional labor force is not static. Workers change jobs, enter and leave the labor force, or find work inside or outside the region. It is critical to keep in mind this analysis utilizes the current 2022 workforce supply, which doesn't account for any new workers that will be trained or move to the area and enter the workforce in the next five years. It also does not account for workers leaving the labor force. **Construction occupations tend to have higher annual replacement rates than other industries. Over 40% of the 2022 Construction workforce is over the age of 45.** Between 2022 and 2032, there will be an estimated 6,700 new jobs for the five largest construction occupations (carpenters, construction laborers, electricians, plumbers, pipefitters, and steamfitters, and first line supervisors of construction workers). During the same period, there will be an **estimated 38,475 replacement jobs** for the same occupations.

The overall construction labor demand is also much larger than what is included in this scope. While this analysis was detailed and systematic, **the projected demand included in this analysis only includes green-lighted public capital projects over \$15 million** that were captured through our surveys and interviews. This analysis does not include a) Private projects b) Public projects under \$15 million and c) Any data that may not have been disclosed during the public agency interviews. Below is a chart that illustrates the broader Construction spending that is forecasted across the region in the next 5 years that includes both private and other public spending not included in this study.

For those reasons, there is significant demand in the region for construction workers outside of the scope of this study. **However, this analysis likely includes most of the projected demand for apprentices, workers of color and female workers in the region.** This is because utilization goals for these types of workers primarily exist for public capital projects and are rarely present in the private market. This doesn't mean, however, that apprentices, women, and people of color aren't employed elsewhere. Public sector projects will still need to compete with other markets for this workforce.

⁷ For more details, please refer to [APPENDIX D: Data Notes and Methodology](#)

FIGURE 6: Oregon Total Forecasted Construction Spending



Source: U.S. Census, IHS Markit, Oregon Office of Economic Analysis



Photo: Worksystems 2019

Potential Surplus/Deficit

Overall, the workforce as of 2022 of 43,000 nonresidential construction workers appears to meet the future demand of 22,000 workers for this study’s reported large capital projects, even when assuming all projects have goals. Broken out by stated apprentice and diversity goals, this is also true for workers of color and apprentices (4,700 and 3,800 respectively). There will, however, be a shortfall of nearly 400 female construction workers to fulfill the projected demand included in this study.

Although most goals appear to be met at the sum total level, there is a lack of diversity at the individual occupational level. If diversity goals were applied to each individual trade, many occupations fall short. **This can be better summarized if we add up all the deficits by trade, which better illustrates the needs of specific trade occupations for the region.** A licensed plumber, for example, is not synonymous with a skilled carpenter in their abilities and skillset. **The current supply would fall short by approximately 270 workers of color, approximately 1,050 female workers, and approximately 1,290 apprentices** to fill the needs for all trades in the region over the next 5 years.

FIGURE 8: Total Need by Worker Category

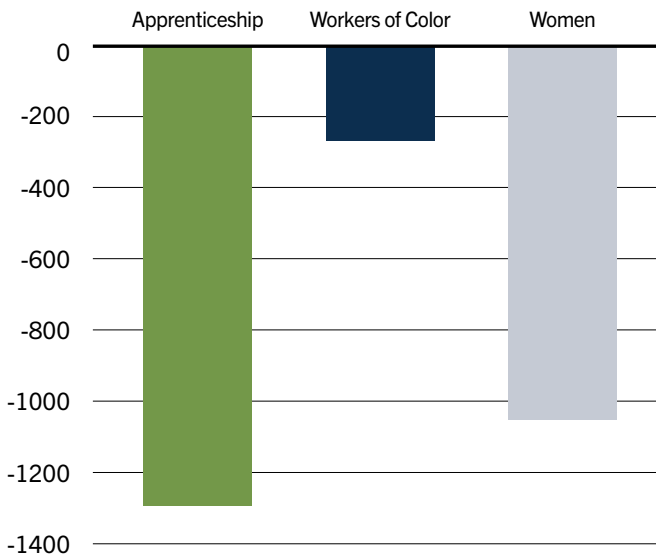
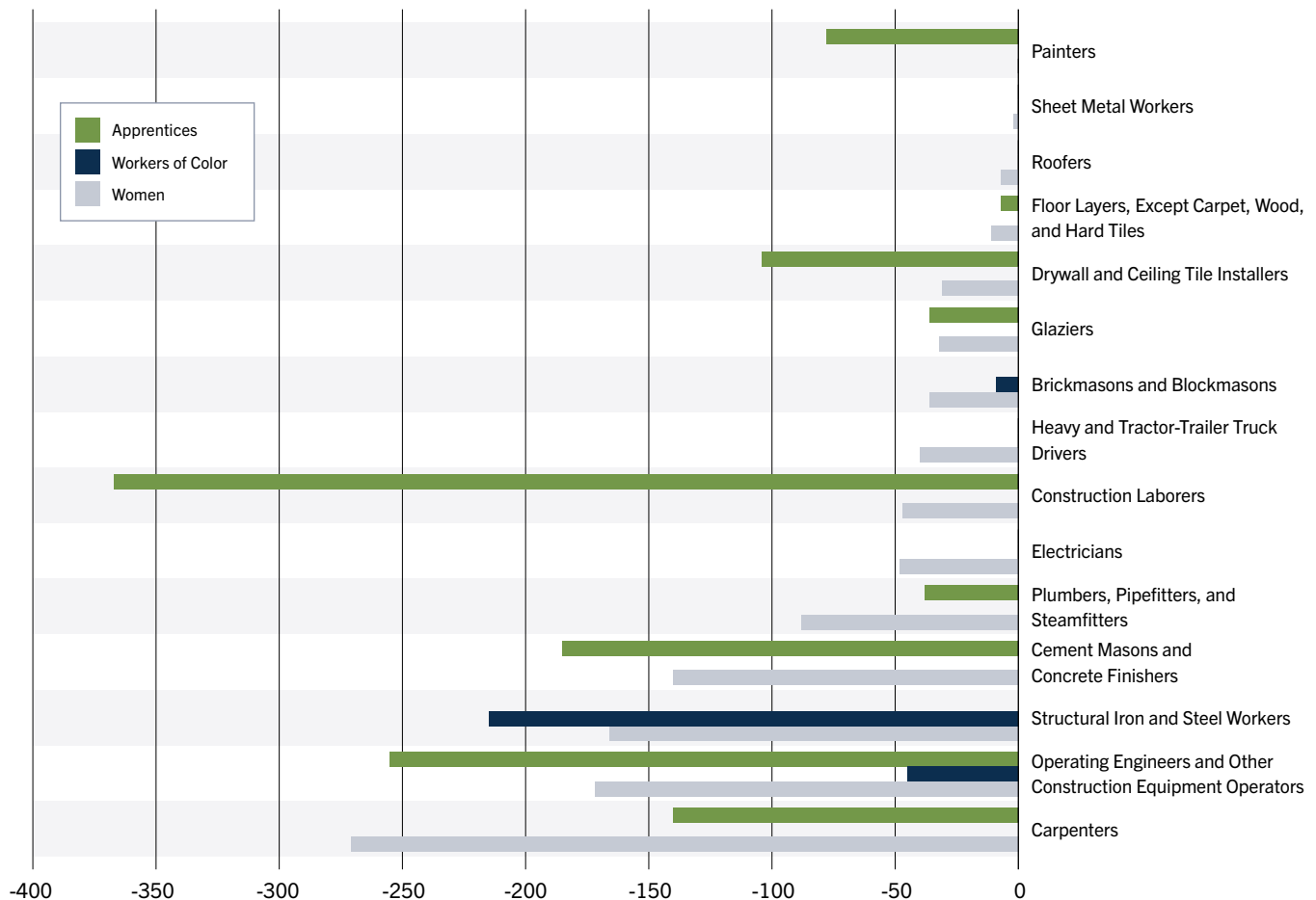


Photo: Oregon Tradeswomen, Inc. / Dawn Jones Redstone

FIGURE 9: Deficit by Occupation



Source: Lightcast; BOLI

There is a likely shortage of registered apprentices for ten occupations. The occupations with the largest discrepancy between the current active apprentices and projected demand include construction laborers, operating engineers, cement masons, carpenters, and structural iron and steel workers.

There is a likely shortage of female workers for fourteen occupations. The occupations with the largest discrepancy between the current workforce and projected demand include carpenters, operating engineers, structural iron and steel workers, and cement masons and concrete finishers.

There is a likely shortage of workers of color for three occupations: structural iron and steel workers, operating engineers, and brickmasons and blockmasons.

Structural iron and steel workers indicated likely shortages across all categories of workers.

Professional, Technical, Engineering Workforce

In addition to construction occupations, this study looks at professional, technical, and engineering (PTE) occupations. PTE occupations include engineers and technicians, office and business staff, and project managers.

Approximately 12,800 people work commercial construction and construction-related engineering in PTE occupations in the Portland MSA (2022). Demographic and wage data are available for each occupation as a whole but the data are not granular enough to look at the demographic information for an occupation within a sub industry. For example, data exists on the racial and ethnic breakdown of accountants but does not exist for accountants who work in construction specifically. Similarly, data about wage differentials between sub industries is not available.

Women are slightly overrepresented in PTE occupations. Fifty-six percent of current PTE workers are women, compared to 49 percent of the working age population.

Workers of color are underrepresented in PTE occupations. Twenty-three percent of workers in PTE occupations are people of color, compared to 32 percent of the working age population. The greatest disparity is seen in people who identify as Hispanic or Latino and people who identify as two or more races. People who identify as Hispanic or Latino are 14 percent of the working age population but hold just eight percent of PTE jobs. For workers who identify as two or more races, the gap is even wider. They comprise 12 percent of the working age population and hold just three percent of PTE jobs.

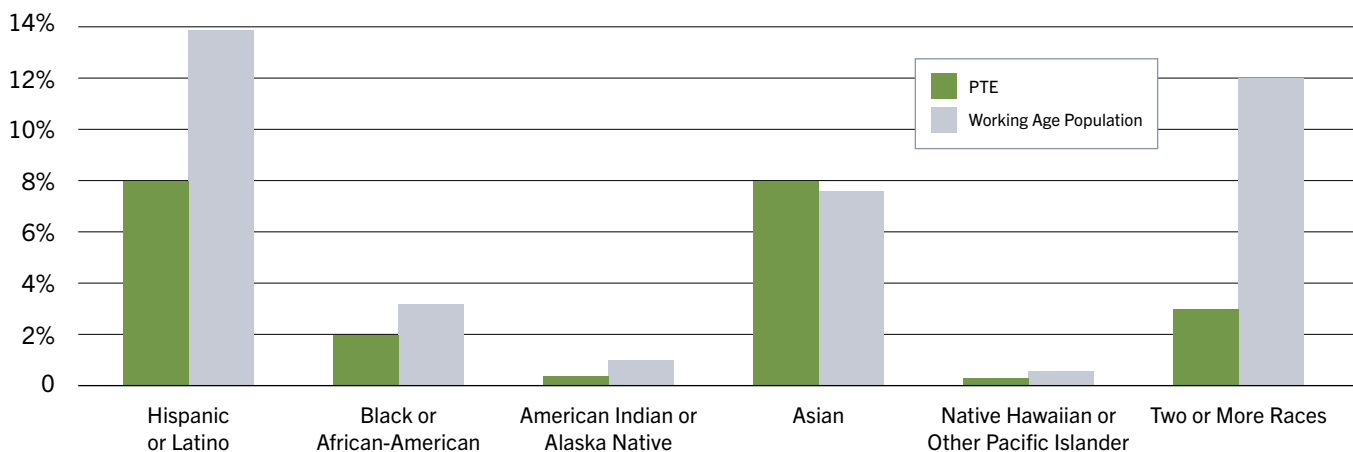
Demographics vary widely by occupation. The percentage of workers who identify as non-white ranges from ten percent of surveyors to 32 percent of electrical engineers. In the seven occupations with the largest presence in construction, workers of color represent between 11 and 27 percent of employed workers.

TABLE 7: PTE Occupations, Portland MSA, 2022

SOC	DESCRIPTION	2022 JOBS	2022 JOBS IN CONSTRUCTION	% OF OCCUPATION EMPLOYED IN CONSTRUCTION
13-1082	Project Management Specialists	12,648	2,991	24%
43-9061	Office Clerks, General	21,498	2,147	10%
43-3031	Bookkeeping, Accounting, and Auditing Clerks	16,712	1,359	8%
13-1051	Cost Estimators	2,613	1,299	50%
17-2051	Civil Engineers	2,060	565	27%

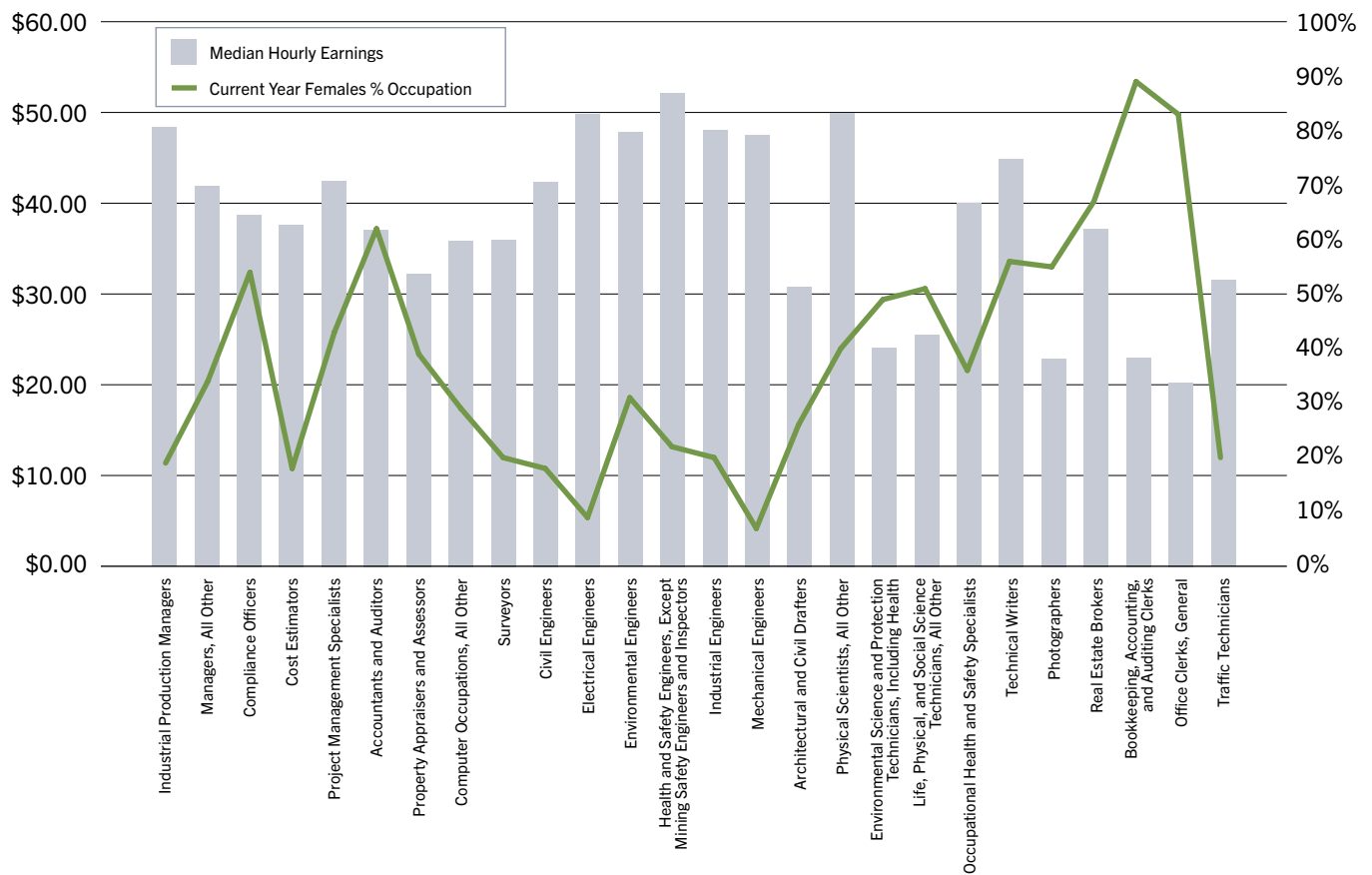
Source: Lightcast

FIGURE 10: PTE Workforce by Race and Ethnicity, Portland MSA, 2022



Source: Lightcast, US Census Bureau, American Community Survey

FIGURE 11: PTE Workforce, by Sex and Median Wage, Portland MSA, 2022



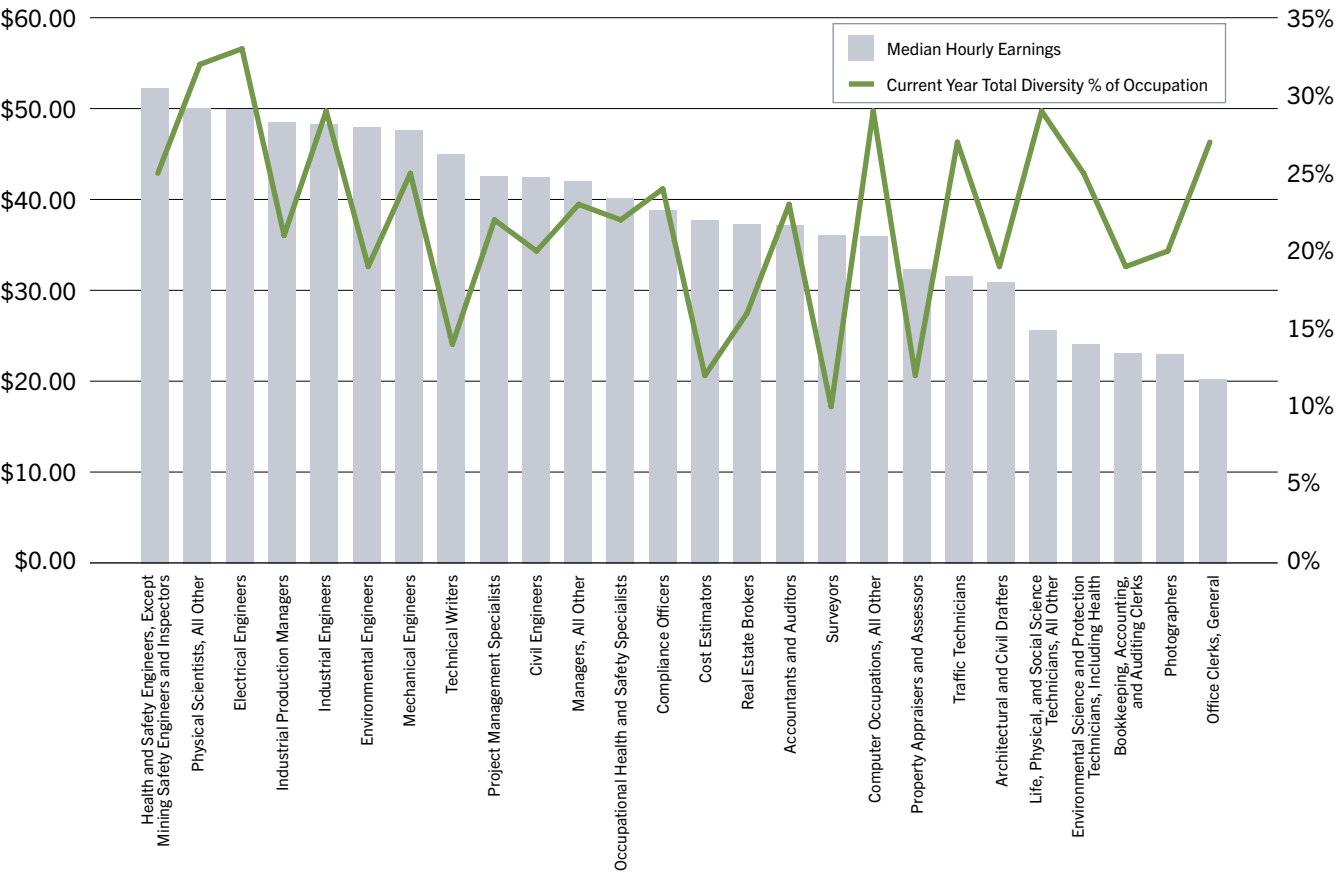
Source: Lightcast

WAGES

Median wages for PTE occupations range from \$21.53/hr. to \$59.73/hr. **While women are overrepresented in all PTE occupations, they are underrepresented in nearly all occupations at the top and middle of the wage scale.** Women are clustered in occupation near the bottom of the wage scale, most notably bookkeeping, accounting, and auditing clerks and office clerks.

While there isn't an exact correlation between median wage and workers of color, there is a noticeable increase in percentage of workers of color at the lower end on the wage spectrum.

FIGURE 12: PTE Workforce, by Race, Ethnicity, and Median Wage, Portland MSA, 2022



Source: Lightcast



Photo: Oregon Tradeswomen, Inc. / Dawn Jones Redstone

Educational Pipeline

In Oregon and SW Washington, 43 colleges and universities offer 37 programs for PTE occupations. They include Oregon's 17 public community colleges, seven public universities, and a variety of for- and not-for-profit colleges. Between 2015 and 2021, more than 45,000 students earned a degree in one of these programs. Colleges and universities in other areas of Washington state offer bachelor's degrees in PTE fields. While some students may work in this area from these schools, as well as other states, students from Oregon are more likely to seek employment in the Portland MSA. Demographic data on degree-earning students is not available.

Seventy-seven percent of graduates earned degrees in engineering, engineering technologies and engineering-related fields, or business management, marketing and related support services. **Two schools, Oregon State University and Portland State University, represent 75 percent of degrees in engineering, engineering technologies and engineering-related fields during this period.**

Seven schools granted more than 1,000 degrees in business, management, marketing, and related support services during this period: Clark College, George Fox, Oregon State University, Portland Community College, Portland State University, Southern Oregon University, and the University of Oregon. Together, they accounted for 65 percent of graduates in this field.

Projected Demand (5+ Years, Public Projects over \$15 Million): Professional, Technical, and Engineering Occupations

The upcoming public capital projects will create demand for workers in professional, technical, and engineering (PTE) occupations in addition to the trades. Unlike the trades, PTE staffing patterns are not available based on project type. However, data is available based on detailed industry. For the construction industries represented in the list of capital projects and for engineering firms that commonly support construction projects, national data show that for every 1,000 trades occupations there are roughly 300 workers in those PTE occupations identified in the study.

Assuming this relationship applies locally and extends to the estimated need for over 20,000 tradesworkers on the identified capital projects⁸, an estimated 5,900 PTE workers will be needed. As with the trades, these positions may be filled by a combination of the existing workforce and new entrants. In other words, the 5,900 figure does not represent net new jobs.

Three PTE occupations account for over half of total PTE demand: office clerks, project management specialists, and civil engineers.

TABLE 7: Top PTE Occupations in Demand for Regional Public Projects

SOC	DESCRIPTION	REGIONAL DEMAND	2022 SUPPLY	DIFFERENCE
43-9061	Office Clerks, General	1135	2,147	1,012
13-1082	Project Management Specialists	993	2,991	1,998
17-2051	Civil Engineers	966	2,060	1,094
43-3031	Bookkeeping, Accounting, and Auditing Clerks	592	1,359	767
13-1051	Cost Estimators	582	1,299	717
13-2011	Accountants and Auditors	286	484	198
17-2141	Mechanical Engineers	272	456	184
17-3011	Architectural and Civil Drafters	238	365	127
17-2071	Electrical Engineers	224	517	293
11-9199	Managers, All Others	113	245	132
17-1022	Surveyors	104	197	93
17-2112	Industrial Engineers	101	146	45
19-5011	Occupational Health and Safety Specialists	85	173	88
17-2081	Environmental Engineers	68	133	65
15-1299	Computer Occupations, All Others	50	86	36
13-1041	Compliance Officers	39	67	28

Source: Lightcast

⁸ Engineering Services (NAICS 54133). This industry is comprised of firms "engaged in applying physical laws and principles of engineering in the design, development, and utilization of machines, materials, instruments, structures, processes, and systems." They perform a variety of activities including "feasibility studies, preparation of preliminary and final plans and designs, provision of technical services during the construction or installation phase, inspection and evaluation of engineering projects, and related services."

Implications

At least 22,000 construction workers will be needed to complete the 107 large capital projects analyzed in this report. Data indicate the current available supply of workers will not meet the projected demand, specifically in key occupations and for diverse workers. The projected shortage will impact the industry's ability to meet project specific diversity and apprenticeship goals. An estimated 1,050 female workers and 270 workers of color are needed and the gap between the anticipated need for and current supply of apprentices is more than 1,200 workers.

The shortage of workers indicated in this analysis is also likely much larger when placed in a broader context that includes other regional demand such as private, residential and smaller public projects. Competition for workers from other sectors and changes in labor force availability will impact the availability of workers.

These data illustrate an opportunity for local public agencies to proactively address and plan for the future workforce need of registered apprentices, workers of color, and female workers. The next section provides detailed recommendations and descriptions of best practices that can support the region's ability to work toward collective strategies and solutions to advance workforce equity. ■



Photo: Worksystems 2019

KEY BARRIERS AND WHAT PUBLIC PROJECT OWNERS CAN DO

This study included extensive interviews, focus groups, and surveys with industry stakeholders, including diverse registered apprentices, journeyworkers, union leaders, apprenticeship staff, contractors, and public agencies. A full list of participants can be found in [Appendix B](#). The following section highlights the key barriers that emerged from this deep engagement, the major factors that prevent the successful maturation of a diverse construction workforce in our region, and what public project owners can do to help address these issues.

The Construction industry has a significant issue with retention, as demonstrated in low completion rates for apprentices, particularly for women and people of color. For example, **Portland State researchers found that 49% of apprentices who started a highway trades apprenticeship in Oregon in 2014–2015 had completed it by the end of 2022** (Kelly and Benitez 2022). Completion rates by race and gender are shown in the figure below. Note, however, that there were too few Black, Asian, and Native women as well as too few Hawaiian and Pacific Islander women and men in highway trades to calculate completion rates for these groups; completion rates are presented for Hispanic/Latino women but this represents only thirteen individuals.

Increasing Retention of a Diverse Workforce through Addressing Jobsite Issue

BARRIERS	SOLUTIONS	PUBLIC PROJECT OWNER ROLE
Challenges accessing quality training on the job	Increase monitoring of on-the-job training of apprentices by supervisors and well-trained experts	Provide more oversight to address quality of on-the-job training (e.g. third-party reporting, partnership with BOLI/ L and I, shop stewards)
Harassment on the job	Increase monitoring of job site culture by supervisors and well-trained experts; address construction job site culture through respectful workplaces trainings with proven results	Contractually require contractor to implement respectful workplace trainings with proven results
Lack of effective policies and practices to address jobsite harassment and discrimination incidents	Ensure policies and practices are effective best practices for reporting (e.g. shift from focusing only on formal reporting to include other options) and discipline (e.g. effective education, accountability, discipline for workers who harass and discriminate); continue collaborative work to address respectful job sites	Contractually require contractor to implement incident response policies and practices based on best practice models
Exclusion and isolation on the job	Creating cohorts or affinity groups of women and people of color workers; cultivate community through recognition; ensure all workers have the opportunity to engage in group discussions; providing big picture information about the project to all workers	Give contractors credit on bids who provide affinity groups and other supports to mitigate exclusion and isolation on their projects and within their company
Issues with lack of clean restrooms and spaces for lactation	Provide clean restrooms and spaces for lactation (and the ability to access these without censure)	Contractually require clean restrooms and spaces for lactation

Portland State researchers surveyed 231 registered apprentices who had either completed or terminated an apprenticeship in 2020–2021 about their experience with jobsite challenges. **The survey found that 42% of participants reported that being treated disrespectfully was a challenge during their apprenticeship.** These experiences varied by race and gender, with white men less likely to experience jobsite challenges. For example, while 4% of white men and 7% of men of color reported experiencing unwanted sexual attention or sexual comments (i.e. sexual harassment), 41% of white women and 50% of women of color reported this experience.

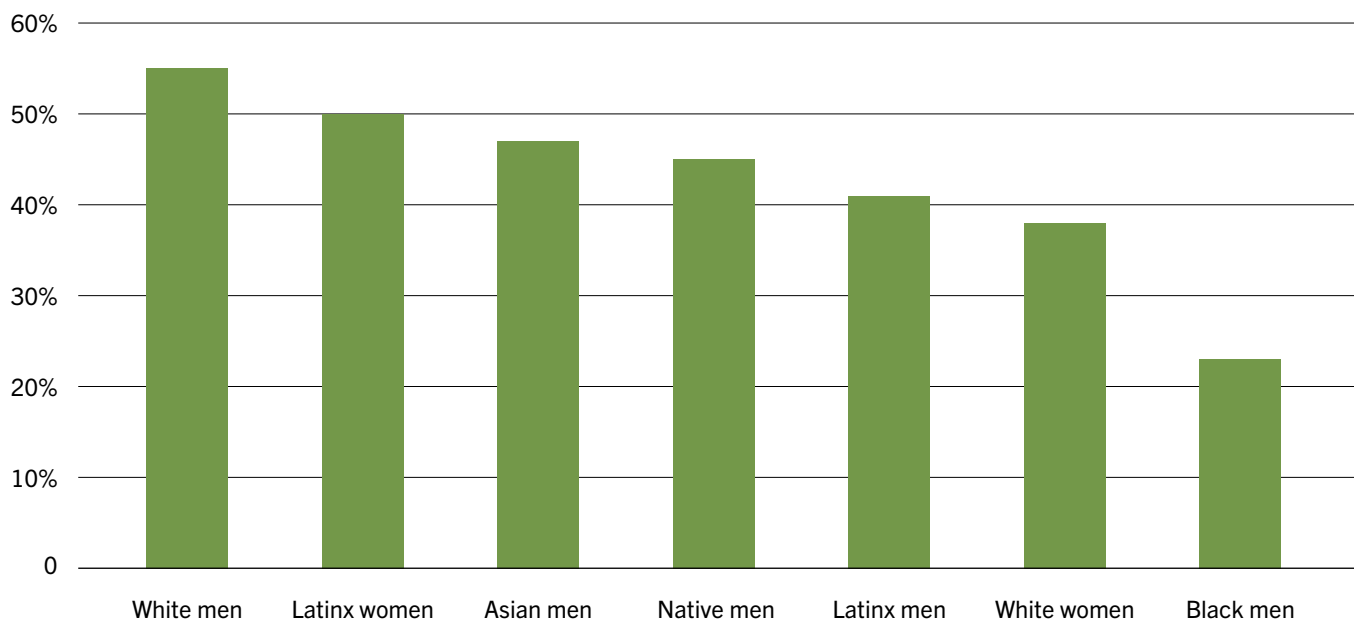
The Portland State survey also assessed apprentices' reasons for leaving an apprenticeship. Of the 59 apprentices who chose to leave an apprenticeship in 2020–2021, the survey found that the most common reasons why apprentices did not complete were: (1) leaving for another opportunity; (2) financial challenges (especially being out of work too much); (3) problematic jobsite culture; (4) illness, injury, or concerns about safety (not explicitly related to Covid-19); and (5) poor-quality training. For several participants, having another opportunity outside the trades as well as disliking the jobsite culture, contributed to their leaving. For example, one participant reported *"I decided I didn't want to do it for the rest of my life and I wasn't a big fan of the atmosphere."*

Box 6. Challenges accessing quality training on the job

"[A challenge for apprentices is] not getting appropriate training, not being given a variety of work, being sort of stuck in that apprentice role. There are still companies out there that see apprentices as being expendable, low wage workers." (Journeyworker)

"[A foreman asked if I would like a male apprentice to unload a truck instead of me, a female.] So I looked at him, I said, 'Do you know a journeyman that doesn't know how to unload a truck?' And he was just looking at me and walked away. And then he apologized later and he said, 'I'm sorry, I just feel like I need to protect you and you're still a baby.' And I was like, 'you can't baby me.' And ever since then, that was one moment where at that company, I was able to do so much more, but I had to be really vocal about it and get angry about it. Because yeah, if I hadn't done that, there were probably so many other things I wouldn't have had the confidence to be like, let me try it and prove it." (Apprentice focus group)

FIGURE 13: Percent of Apprentices in Highway Trades Completing by Race and Gender, 2014-2015



Source: Kelly and Benitez 2022

In additional analyses, the jobsite challenges most highly correlated with terminating (rather than completing) an apprenticeship were: being unfairly laid off, not having anyone as a mentor or teacher of necessary skills on the jobsite and being unfairly assigned tasks unrelated to trade skills. While jobsite harassment (e.g. hearing offensive jokes or comments) is often correctly identified as a major issue impacting retention, **a lack of access to quality training on the job site is also a significant issue** less frequently included in discussions of retention.

To address the related issues of apprentices' access to on-the-job training and job site culture, workers and staff suggested **increasing monitoring of job sites by supervisors and well-trained experts**. Workers reported that they appreciated it when leaders on the jobsite performed this role; however, that was not common. Others noted that journeyworkers could be reviewed to ensure they were effectively training their apprentices.

"It was like [my foreman] could just walk around and just put fires out constantly, just see things, be really proactive about them."
(Apprentice focus group)

"Having a third party come in and assess the actual job site and then actually report back to the owner." (Apprentice focus group)

One apprentice noted that having more diverse workers in leadership would help reduce jobsite issues:

*"I think there just needs to be more Black, more brown, more trans apprentices, and there needs to be more Black, more brown, more trans journeymen. There needs to be people in positions of power. And I say women too, but specifically race, and trans folks, need to be empowered to use the skills that we have. And it is impressive, **the cultural shift that automatically happens when we are someone's boss** and that trickles down hard."* (Apprentice focus group)

Workers and staff also reported the need to **address construction job site culture through respectful workplaces trainings with proven results**. Workers and staff noted that poor quality content or implementation of workplace trainings can have negative impact on jobsite culture.

*"I've been through all the trainings, I've been through bystander intervention, I've been through Green Dot, I've been through whatever [my union] is using right now. But I think we're reaching the wrong people. **We're putting the apprentices through all this training, but you really need to get it out to the field people [e.g. journeyworkers, foremen]. And I don't think it can be on a voluntary basis.** Because you're just going to capture people like me who are interested in the topic, but you're not going to catch the people who need, I guess, their consciousness raised. And I know that some job sites are doing this. Some of the general contractors are implementing that kind of training, but I don't think it's taken very seriously. And so a lot of times if you're sitting in a contractor's new hire orientation, they might put you through it, or they'll put you through some sort of harassment training, but **in a training that is supposed to take two hours, they might do it in 35 minutes.** So if you want to make a change, if you're talking about culture change, you can't just wait for the old farts to die. You have to start training them and giving them real examples of what's going on at the job site."* (Journeyworker)

Box 7. Harassment on the job

"I've been told I have a bitchy face and that I have a really bad attitude." (Apprentice focus group)

"But it is emotionally exhausting and I feel like it wears. It has put so much wear and tear on me depending on the job or the crew. And some have been absolutely amazing. For every one person that is a problem for me, there's 50 other ones that are having my back. Just in my experience. But it's emotionally exhausting to have to navigate that all the time. [Lots of nods]"
(Apprentice focus group)

"[Women and minorities] being outnumbered the way they are on a job, they get harassed, and some of them get discouraged and leave. It's a hard fact, but it's true."
(Apprenticeship staff)

Box 8. Lack of effective policies and practices to address jobsite harassment and discrimination incidents

*"The one time I did speak up, I learned my lesson, **I'm not going to do that again because we both got laid off.** He got a thirty day call back and then I'm like, so he learned nothing, nothing came of it and now I'm off to a new job, which ended up being good anyways, but still it shouldn't be that way."* (Apprentice focus group)

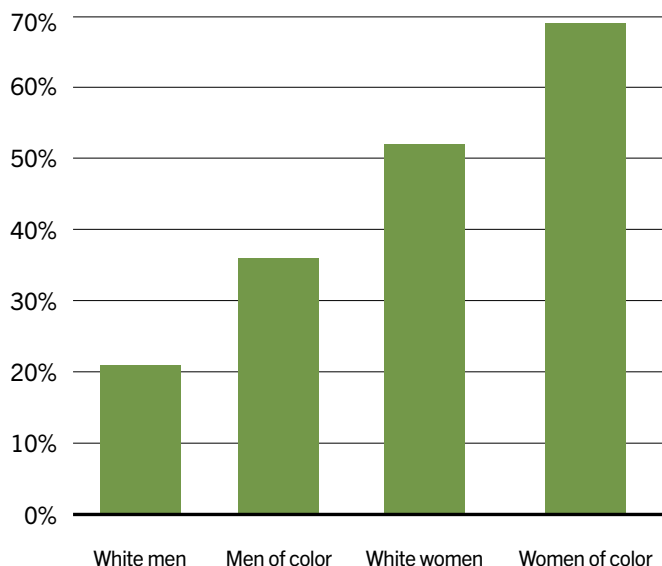
*"It's obvious, where I'm at, who the people are that are just consistently every day just assholes. And it's obvious and nobody says anything... **The foreman knows. The superintendents know.** [Others verbally agree]"* (Apprentice focus group)

"There's times [when an apprentice is being mistreated] where we have to step in and say [to the contractor], 'No, you guys, you need to do more.' We don't always get that cooperation." (Apprenticeship staff)

Workers and staff emphasized that a critical solution needed to address the issue of harassment on the job would be to **implement policies and practices related to reporting and discipline that reflect effective best practices**. Apprenticeship staff noted that this can be supported by continuing collaborative work to address respectful job sites (e.g. Culture of Care, Safe from Hate). Specific changes that were recommended were: shift from focusing only on formal reporting to more realistic options; end the practice of firing or moving the person being harassed rather than the harasser; end the practice of moving harassers from one job site to the next. Workers and staff also suggested that repeat offenders could be tracked over time by unions or contractors.

*“Somebody gets fired for sexual harassment, they just start looking for another job. It’s just expected that you lose your job, that that was the punishment. Maybe in some cases it is, but in a lot of cases, like right now with construction workers being in demand, it’s not much of a punishment. Usually people can get back out on a job site the next week, sometimes even the next day. So maybe that’s something we circle back to, the beginning of that question, is **maybe we need to find some way, some policy or practice that doesn’t allow that to happen without some sort of interference and education, something that keeps that from happening again.**” (Apprenticeship staff)*

FIGURE 14: Percent of Apprentices Reporting that Hearing Offensive Jokes or Comments Was a Problem, by Race and Gender



Source: Kelly and Benitez 2022

Another barrier to retention was experiences of exclusion and isolation on the job. While workers of all identities can experience this negative aspect of jobsite culture, it is heightened for marginalized workers, given low numbers of marginalized workers on most job sites as well as prejudice from other workers. Some recommended **creating cohorts or affinity groups for diverse workers** (e.g. cohorts of pre-apprenticeship students; affinity groups within unions; support networks on job sites).

*“If you’re looking at work for a development, particularly for the interstate [bridge] project, maybe part of that is that **some of those [support networks for women and/or workers of color] are built in**, that there’s opportunities for apprentices from all trades to come together to talk their experience. I think there’s not a lot of cross trade solidarity in that aspect.” (Journeyworker)*

Workers and staff also recommended efforts to **cultivate community on job sites**. Some strategies include building relationships as well as individual and team recognition. This could be accomplished through everyday actions such as ensuring workers are not excluded from group discussions about the work and providing big picture information about the project to all workers.

*“What I really think, down at a deep, deep, deep core, is **what would make it better is if you could really establish a sense of community.** We’re all working towards this tangible goal. We’re going to build this building, we’re going to be done, we’re going to be on the next job. But the most satisfying jobs that people go to are when they’re building relationships within their crews, within other trades. And so somehow fostering that, I think would really make a difference.” (Journeyworker)*

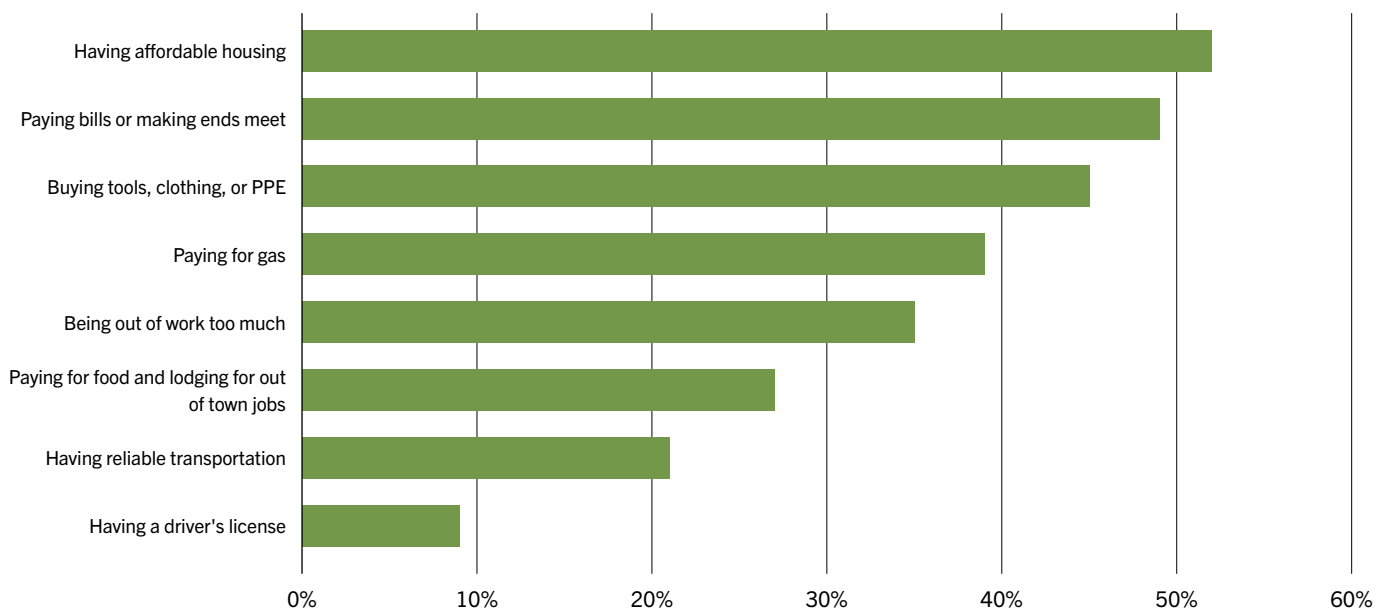
Box 9. Exclusion and isolation on the job

*“**[Women and minorities] are often shut out of job site discussions about what’s going on.** And I’ve experienced that myself, where in the morning, when jobs are being discussed, there’ll be a circle of men standing around, and **I’ll have to actually physically insert myself into that circle. The circle does not naturally open up**, and that’s the best way I can explain. And that’s fifteen years of experience in the trade.” (Journeyworker)*

Increasing Retention of a Diverse Workforce through Addressing Worker Needs

BARRIERS	SOLUTIONS	PUBLIC PROJECT OWNER ROLE
Being out of work	Improve forecasting data and communication across industry partners; require workforce agreements that have utilization goals	Require workforce agreements that have utilization goals by both apprentice and journey level by trade
Challenges accessing career mentorship and advancement opportunities	Ensure equitable access to mentorship and opportunities to advance; provide support for apprentice to journeyworker transition	Require that contractors provide all workers access to mentorship and advancement opportunities and protections from disparate treatment on the job
Financial challenges (e.g. transportation, housing, medical bills)	Provide financial supportive services and referrals to retain workers	Onsite Retention coordinators; Provide dedicated hardship funds for jobsites
Non-financial challenges (e.g. alcohol and drug use, legal issues, mental and physical health)	Provide non-financial supportive services and referrals to retain workers	Onsite Retention coordinators
Cost of childcare and access to childcare	Increase access to childcare by creating new childcare options, especially for non-standard shifts; Increase affordability of childcare by offering subsidies	Provide dedicated childcare funds for workers; engage in collaborative efforts to fund childcare for the industry; Prioritize increasing the number of childcare spots available when implementing policies related to childcare
Lack of flexibility in work hours	Provide flexibility in work hours to address workers' caregiving and health needs	Require contractor bids to include a plan where contractors will implement innovative scheduling models
Inability to travel	Allow workers to pass on out-of-town jobs without being penalized; provide financial incentive for out-of-town work	Embed equity provisions in workforce agreements to create a system to address these needs in dispatch with apprenticeship programs

FIGURE 15: Percent of Apprentices Reporting Financial Challenges



Source: Kelly and Benitez 2022

Some reported the **need for clean restrooms and spaces for lactation (and the ability to access these without censure)**. The lack of facilities represents a practical issue for workers needing a clean environment to urinate while sitting or squatting and attend to menstruation as well as a separate space for breastfeeding; additionally, a lack of facilities signals that some types of workers are not welcome on job sites.

*"If there's one female on the job site, we're supposed to have a female bathroom. **We never got it. We never got it, until I went to the female electrician and then both of our unions went together.** And then we finally got bathrooms for women and then the men."* (Apprentice focus group)

In addition to issues experienced on the jobsite, there are other challenges that impact retention. Registered apprentices who had completed or terminated an apprenticeship in 2020–2021 were surveyed about financial challenges during their apprenticeship.

The financial challenges most highly correlated with terminating (rather than completing) an apprenticeship were **being out of work too much and being unfairly laid off**. Notably, over one third of apprentices reported that being out of work had been a challenge during their apprenticeship and women were more likely than men to report being out of work too much.

Box 10. Being out of work too much

*"When I had my surgery, I didn't [have enough financial resources]. You were saying how you have to have so many hours for your medical [benefits to take effect]. I couldn't get FMLA or anything. **So I'm over here struggling, just ran out of unemployment, and it's during that season when there's no work, so I'm over here struggling.** I had to move back with my mom. Me and my wife and daughter are literally sharing a room at the moment because of this and I couldn't get it figured out."* (Apprentice focus group)

*"There is some time in between jobs or projects sometimes, and **that can be hard for an apprentice that's maybe used to a more stable place to work.** You're going to work each day building a project, that project's going to end, and that can be difficult at times."* (Union staff)

One solution to this issue is to **require both apprenticeship and journey-level diversity utilization on Projects and to improve forecasting data and communication across industry partners related to demand for apprentices**. This way, contractors have a vested interest in apprentices being retained and successfully graduating to journey level to ensure a diverse pool of available journeyworkers.

"[To better forecast,] I would know all the man-hours on every contract signed. If I knew all those contracts that were signed and the man-hours, well, I would know exactly how much the work is happening in the next two, three years." (Apprenticeship staff)

One staff member that they tried to intervene when apprentices are not getting enough work hours:

*"We look at their hours every month when we're entering them into the BOLI system. **And if they're not getting hours [with their employer], then we reach out to them [the apprentice] and have a conversation like, "Why are you not working? What's the issue?" And then we try to shift them to a different shop, or even contact the contractor and say, "Hey, what's going on? Why are all these people working and this person isn't?"*** (Apprenticeship staff)

Staff noted public project owners could **require workforce agreements that have utilization goals**:

"I feel like really policy needs to change around the opposition of workforce agreements. Regional workforce equity agreement, community benefits agreement, community workforce agreement, project labor agreements, that include the utilization of apprentices. And I think that's probably the biggest thing." (Apprenticeship staff)

Others noted the need to **provide support for apprentice to journeyworker transition**. Staff members noted that the inability to pay journeyworkers for additional training and the inability to require mentorship trainings were a barrier. This issue is particularly important as some of the trainings focus on how to be a mentor, which would support not only the journeyworker but also the future apprentices they train.

*"I think maybe [it would help the transition from apprentices to journeyworker] **if there was maybe some targeted training for BIPOC and women, new journeyworkers, on what it means to advance in your career, what kind of opportunities there are, what you can do to make yourself a good candidate for those advancements.** How to tactfully approach leadership to say that they're interested in those types of roles, I think that would be very helpful. Because a lot of times it's a mystery on how somebody becomes a foreman. It's like, 'Really? That person? Okay.'"* (Apprenticeship staff)

Workers and staff reported that, in addition to the challenges that arise from not having consistent work, there are financial issues that impact workers through all stages of the apprenticeship, although financial challenges are often most significant early in apprenticeship when wages are lower and there has been less time to save money or accumulate unemployment. A recommendation was to **provide financial supportive services and referrals to retain workers** (e.g. tools/clothing/PPE, gas, parking, lodging and per diem for out-of-town work).

Box 11. Financial challenges

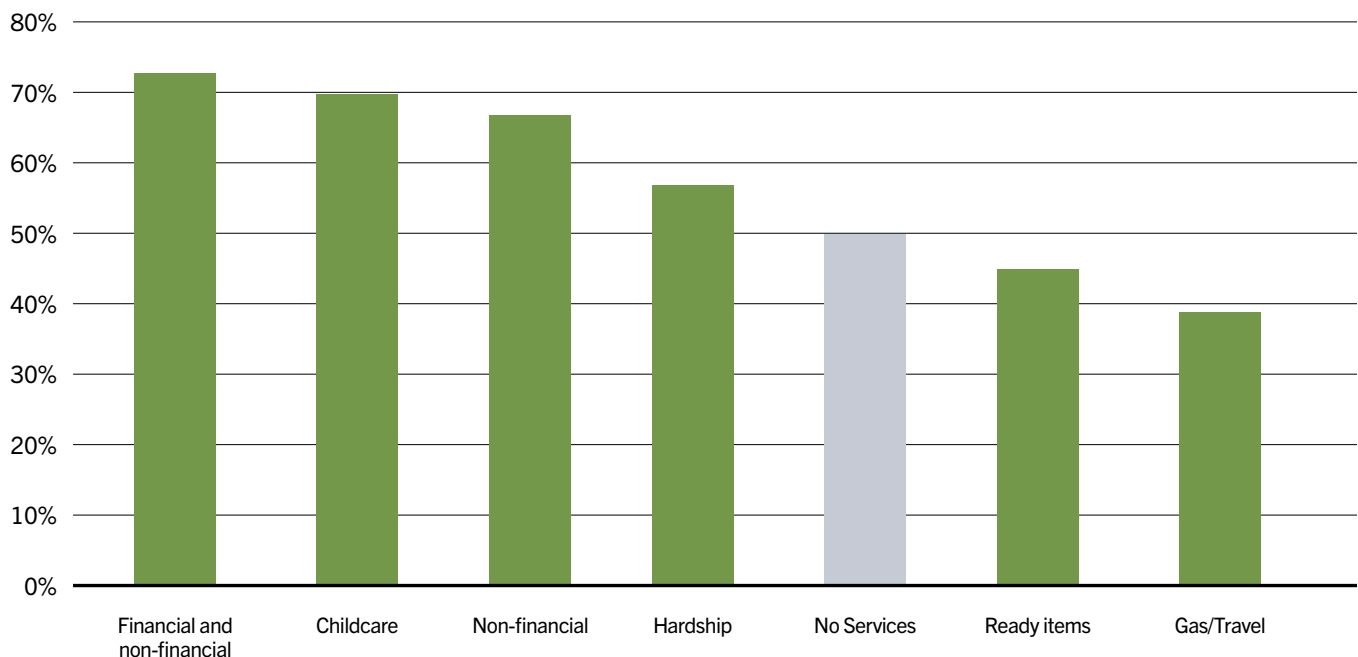
*“You think of **housing**, most of the work happens in the bigger cities, and people can’t afford to live even close to the bigger cities. So then there’s the fuel cost. You got to have **transportation**. Public transportation just isn’t quite enough for what is demanded out of a construction workday. You have to be there really early. A lot of trains or buses don’t run that early.”*
(Apprenticeship staff)

*“I know one guy who actually had to drop out of the apprenticeship because his child was diabetic and he had to wait the 90 days to get insurance and all that kind of stuff. And so his kid was dependent on that insulin and could not live 90 days without it. Because he **could have potentially been an awesome worker, but we’ll never know because he had to keep his kid alive.**”* (Apprentice focus group)

Additionally, workers experience a variety of other non-financial issues; the most commonly mentioned was mental health issues, although others discuss addiction, legal issues, and concerns about treatment on the job. As one apprenticeship staff person mentioned: “I feel like we’ve lost members to mental health issues over the last five years or so. And so I feel like those things are coming more to the forefront and it’s important to support everyone.” One recommendation was to **provide non-financial supportive services and referrals to retain workers** (e.g. support for harassment on the job, domestic violence, alcohol/drug issues, financial advice, legal advice, physical and mental health issues). A best practice is to provide wraparound services that provide workers with a single point of contact who can connect them to needed resources.

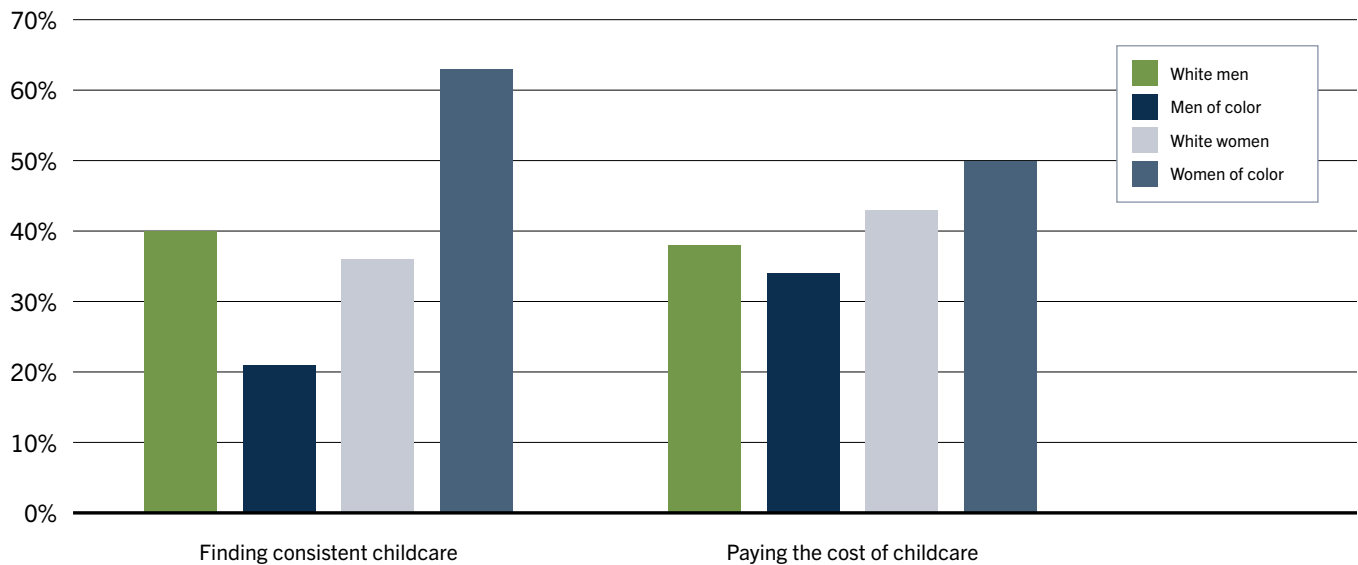
The ODOT/BOLI Highway Construction Workforce Development Program continues to improve completion rates for apprentices who receive services. Receiving both financial and non-financial services had the largest impact on completion, followed by childcare subsidies, non-financial services, and hardship funds. **Readiness items and gas/travel did not have a positive impact on completion.**

FIGURE 16: Percent of Highway Trades Apprentices in the 2014–2015 Cohort Completing, by Service Type



Source: Kelly 2022

FIGURE 17: Percent of Apprentices with Children Who Reported Challenges Related to Childcare, by Race and Gender



Source: Kelly and Benítez 2022

Workers and staff emphasized the need to **increase affordability of childcare by offering subsidies** as well as **increase access to childcare by creating new childcare options, especially for non-standard shifts** (e.g. new childcare center; offer childcare subsidies allowing friends and family not previously employed as childcare providers to provide care). Workers and staff noted that addressing childcare in the construction industry will need to be a collaborative effort:

“[In relation to assisting with access to affordable childcare] the onus is for sure on all of the JATCs, all of the locals, all crafts union. But the onus is also on contractors and other folks that have a huge stake in these jobs and our training. I feel like that is a holistic picture with a lot more folks involved. Lot more that needs to happen.” (Apprentice focus group)

Box 12. Challenges with childcare

*“I’ve worked seven twelves [seven shifts, twelve hours a day] graveyard, that does not help being a parent. Starting at 4:00 AM, starting at 6:00 AM, and having to travel a distance. You’re at work before your kids are even up for school sometimes. And there’s no daycare that can accommodate that. **If I didn’t have family [to help with childcare], I would not be in this [apprenticeship].**” (Apprentice focus group)*

The construction industry offers low levels of flexibility in work hours to accommodate workers’ responsibilities to care for others (e.g. childcare responsibilities) as well as attend to their own health needs (e.g. sick days, doctor’s appointments). Solutions include **providing flexibility in work hours to address workers’ caregiving needs and health needs**. Apprentices focus group participants noted that these decisions were primarily made at the supervisor level and supervisors were more likely to accommodate white men’s requests for flexibility. Some examples:

*“If this industry could go to some semblance of job flexibility, that would go a huge, long way. **Why can’t someone who has to be at their school [to pick up their kids] at 3:00 PM, why can’t they work 6:00 to 2:30 and not be penalized because they can’t work the 10-hour days?** So having that kind of flexibility, I think, would be the key for women, people of color, I mean everybody. But if that burden falls on women, the women to be home, to take care of their sick kid, the women to be home to meet the other tradesperson at their house sort of thing. So I’d say that was my number one thing.” (Journeyworker)*

An issue related to work/life conflict is the expectation that all workers always be available to travel long distances and/or work out-of-town; this is particularly challenging for those with caretaking responsibilities. Apprentices' inability to travel can lead to longer stretches of unemployment, which often leads to termination. Possible solutions include changing policies to **allow workers to pass on out-of-town jobs without being penalized** as well as **providing a financial incentive for out-of-town work** to encourage those who can travel to do so.

Increasing Recruitment of a Diverse Workforce

BARRIERS	SOLUTIONS	PUBLIC PROJECT OWNER ROLE
Recruitment of all apprentices is primarily through referrals, which largely reproduces a white male workforce	Build on current levels of support for pre-apprenticeship programs and other organizational partnerships	Embed apprenticeship and diversity goals into all projects to create sustained demand for diverse apprentices on all jobsites
Pre-apprenticeship has not been fully funded or integrated into the workforce pipeline	Secure a multi-year funding stream to increase capacity and ensure programs are sufficiently and consistently funded; increase direct entry from pre-apprenticeship into apprenticeship programs	Contribute to regional efforts that support pre-apprenticeship training with multi-year funding for programs and include stipends to participants enrolled in pre-apprenticeship trainings
Outreach and marketing efforts are not well coordinated across the region, frequently do not reach a diverse audience, and the impact of this outreach is unknown	Build on current successful partnerships for recruitment; coordinate additional outreach efforts across the region	Participate in regional partnerships to increase marketing and outreach efforts in the region
Challenges navigating the apprenticeship program application process, particularly for marginalized workers	Evaluate application process and scoring; provide resources to help potential applicants navigate the application process	Implement Workforce Agreements that include apprenticeship diversity requirements in partnership with Joint Apprenticeship Training Committees (JATCs)

Box 13. Lack of flexibility in work hours

"As a single mom, it's a lot. So especially when you're working six tens [six ten hour days] and then you've got a child that may have some sort of special needs, or some behavioral issues, or whatever it is that depends on you and you're the phone call. *I've lost three jobs because of some incidents with my kid. I had to leave. There was nothing I could do.* So I've dealt with consequences and thankfully she's grown out of some of that. But at the same time, it doesn't help the day to day." (Apprentice focus group)

Box 14. Ability to travel

"Willingness to travel is important. We cover a large area and that tends to be something that is a hindrance to some. Oregon and Southwest Washington is fine, but *when you have a family and you need to be home at night, that makes it a little more challenging.*" (Apprenticeship staff)

The construction industry in Oregon and Washington has engaged in significant efforts to diversify the construction workforce. One commonly mentioned approach was to rely on pre-apprenticeship programs, which have demonstrated success in recruiting marginalized workers, particularly women (Kelly 2022). Specifically, the industry could **secure a multi-year funding stream to increase program capacity and ensure programs are sufficiently and consistently funded as well as increase direct entry from pre-apprenticeship into apprenticeship programs**. Pre-apprenticeships mentioned by apprenticeship staff included: trades-specific pre-apprenticeship, Oregon Tradeswomen, Constructing Hope, ANEW, Job Corps, Portland YouthBuilders, and POIC.

“[If they’ve gone through a pre-apprenticeship program, that definitely helps because they’ve kind of already established that baseline. Most of them have drug screening. Most of them have pretty strict attendance requirements for them to get through the program and then they introduce them to those expectations early on. So if they make it through there [the pre-apprenticeship program], they’re going to be more competitive coming to [our program].” (Apprenticeship staff)

Other outreach and marketing efforts have not yet been studied and the impact is largely unknown. Interviews with apprenticeship staff found that **these efforts are not well coordinated across the region and frequently miss marginalized communities**. Apprenticeship staff suggested the industry **build on current successful partnerships for recruitment**. These efforts would benefit from improved **coordination and additional outreach across the region, including a shared tracking mechanism for impact such as attendance and placements**. Partnerships mentioned by interviewees included:

- Incarcerated or formerly incarcerated people (e.g. Coffee Creek; Oregon State Penitentiary; Northwest Regional Re-entry Center)
- Community organizations (e.g. Latino Build, APANO, VA, Central City Concern; Partners in Employment; Northwest Regional Re-entry Center; Urban League)
- Higher education institutions (e.g. Clackamas Community College, Clatsop Community College, Columbia Gorge Community College, Klamath Community College, Lane Community College, Linn-Benton, Mount Hood, Portland State)
- High schools (e.g. Hood River Valley High School, David Douglas High School, Benson Technical)

In addition to a lack of knowledge about trades careers in the community, apprenticeship coordinators noted a stigma about the construction industry that may deter potential applicants. Staff noted that this could be addressed through education and outreach. Additionally, changes to the industry described above to support retention will also positively impact recruitment. For example, **workers are more likely to enter an industry that has a reputation for positive jobsite culture and offers work/life balance**. Higher retention will result in more successful diverse tradesworkers out in the community serving as role models for others (as opposed to current patterns of completion that results in many diverse former tradesworkers who left the industry and are much less likely to endorse careers in the trades).

In addition to the suggestion to **increase direct entry from pre-apprenticeship into apprenticeship programs**, participants noted that apprenticeship program staff could **evaluate the application process and scoring** (e.g. required documentation) as well as **provide resources to help potential applicants navigate the application process** (e.g. support for interview skills).

“Part of my job, so if folks are applying to the program, is to try to figure out exactly why we’ve had somebody of whatever characteristic apply and not get into the program and see if we can remove that barrier. And I wish I had the answer for that, but I don’t have a good answer. Everybody individually, I’ll call them, our coordinators call them, we’ll try to work through whatever the issues are.” (Apprenticeship staff)

“I know a lot of the pre-apprenticeship programs, we’ll go over there and do mock interviews and I’ll tell the kids or the adults that when you go to these interviews, you look them in the eye, act like you’re supposed to be there, that you belong there, because I mean, that’s also part of it too.” (Apprenticeship staff)

Box 15. Challenges with the apprenticeship program applications

*“With tribal applicants, they’re not required to have a **state-issued driver’s license** [on the reservation]. So a lot of them don’t get a driver’s license where they could go to any job and drive a company truck or something like that. So they’re allowed to drive as long as the job is on a reservation, but they can’t drive anywhere outside of that. So that becomes a bit of a challenge too.” (Apprenticeship staff)*

*“I think that a lot of women and people of color probably just aren’t mentored or encouraged into the construction trades. I think that also tends to lead to **a little bit of a lack of confidence perhaps in the interview** when they get to that interview stage of the application process.” (Apprenticeship staff)*

*“Oregon and Washington, it’s legal. **So marijuana is legal, but they still test for it.**” (Apprenticeship staff)*

Professional, Technical and Engineering (PTE) Workforce

There has been decreasing enrollment in higher education institutions generally (due to demographic shifts) and construction-related programs specifically. Portland State University (PSU), University of Portland, and Oregon State University (OSU), but not Portland Community College (PCC), have been experiencing declines in construction-related programs. OSU has recently launched a four year fully online degree in Construction Engineering Management and has hired new instructors to support this program; an increase in enrollment is expected, consisting of students currently working in the industry as well as students outside of Corvallis. PCC faculty note that they have facilities to train Portland area workers and are willing to work with the industry to help produce more construction management graduates: “There are a lot of creative ways that we could solve the challenge of getting this thing [training enough workers for the IBR project] done. I'm confident that the workers that we have locally are up to the task.”

Faculty report that there continue to be challenges in recruiting diverse workers into PTE majors and careers. **Some of the challenges faced by workers in PTE occupations that impact retention are similar to construction apprentices:** jobsite culture, lack of mentorship, work/life conflict, and financial challenges. While efforts to diversify the construction workforce have been focused on the skilled trades, similar solutions are relevant to PTE to recruit and retain a diverse workforce.

*“If we lose our best, thoughtful people because they just don't want to deal with the bullshit of harassment that takes place on the job, then they can never move into a decision-making role in the industry. That continues to be a challenge for women. It continues to be a challenge for people of color. It's a challenge for everybody because there are white males on the job who don't want to be listening to this bullshit, because there's one guy who's doing it old school. **Old school needs to go away in that context.**” (PCC)*

*“The fact that people were taking a lower paying job [a public agency] because they could more effectively manage their work-life balance says something about it. **If you want smart people and you want to keep them, you need to help them be able to manage the other things in their life.** And if the hours is the number one bugaboo, it's the most obvious one, then our consulting friends need to do something about that.” (PSU)*

*“When I think of my students, the challenge that they face the most, is getting through college [financially]. **If the industry and the state could have part of this program [IBR] be scholarships to help them actually get the training that they need, that would be huge.**” (PCC)*

Developing More Robust Equity Policies and Practices to Support the Recruitment and Retention of a Diverse Workforce

BARRIERS	SOLUTIONS	PUBLIC PROJECT OWNER ROLE
The majority of public projects have no workforce goals	Enforce contract goals, with consequences for non-compliance	Adopt policies to deliver workforce equity on projects such as the Construction Careers Pathways Framework (CCPF)
Where goals exist, lack of transparent and accessible data reports, investments in monitoring, and enforcement of goals	Improve oversight to achieve workforce goals on public projects	Invest in both workforce tracking software and compliance staff to monitor progress weekly. Utilize workforce agreements to establish labor and community committee to help contractors monitor progress and address gaps
Lack of regionally coordinated approach to implementing workforce goals and policies	Public agencies, labor, contractors, and community workforce advocates have a shared roadmap to achieve goals in the region	Coordinate demand-side strategies to advance workforce equity. Adopting shared frameworks like the Construction Career Pathways Framework (CCPF) and working together through a regional collaborative will ensure a cohesive approach to achieving goals
Lack of private market uptake of diversity/equity policies and practices	Provide a roadmap with clear goals and expectations across the region for contractors to align with and deliver. Build connections across construction stakeholders to build partnerships and strategies together	Work together to align workforce equity goals and expectations for contractors through procurement processes and ongoing education of contractors. Be equipped to assist contractors in understanding why workforce equity is important and what are the best practices to achieve goals
Challenges meeting goals perceived as due to a lack of supply of diverse workers	Sustain a regional investment in the construction workforce pipeline	Regionally invest the resources to help grow a diverse and skilled regional workforce, to ensure infrastructure projects can be delivered on time and within budget and to create access to family-sustaining careers for local communities

Interview themes related to improving contracting policies and processes designed to increase opportunities for women and people of color:

"What else would you like the interstate bridge replacement program [to know]? I think a workforce agreement. And I know there's people pushing to not have a workforce agreement on it, which I think would be very bad." (Apprenticeship staff)

"I just know that what I'm hearing is that not all agencies are holding contractors accountable. It seems like what tends to happen is that you have these government agencies that have hundreds of contracts out the door, and they only have one or two compliance officers. How do you manage so much workload and only have two compliance officers, or at times one? Do you think that any of this is going to be in compliance? Of course not." (Contractor staff)

"There's another pet peeve of mine that I ran into in the last years is that [a public agency] specifically has put in sort of requirements for people to secure these contracts and it has to do with having minorities and apprenticeship members on the job. A certain amount of hours need to be done by a registered apprenticeship. And what I ran into is [the public agency had] awarded the contract to a contractor that had no way of satisfying those requirements. And then calling me with the contractor sitting there, they're helping the contractors and they're saying, 'We have a contractor that only has so many hours left on this project, they have to be done by an apprentice, preferably women or minorities. Can you help us? Can you send us one?'" (Apprenticeship staff) ■

RECOMMENDATIONS

In the dynamic landscape of the Portland Metro region's infrastructure industry, the impending demand for thousands of workers over the next five years presents a critical challenge. Over forty percent of the current labor pool is aged 45 or older, prompting a need for innovation and new practices. The region's demographics, characterized by a 45% growth in communities of color, create a pivotal moment for businesses, governments, and unions to actively integrate these communities into the workforce. Recognizing the advantages of a diverse talent pool, industry stakeholders are aligning efforts for equitable job access on publicly funded projects, fostering a workforce that mirrors regional demographics, and addressing issues of poverty and economic mobility within communities of color. This strategic diversification not only meets the industry's demand for a robust workforce but also directly confronts socioeconomic challenges, elevating the region's economic prosperity.

However, the current state of the construction sector does not align with the rapidly diversifying workforce. While women and workers of color constitute a smaller percentage of the construction workforce than their overall representation in the metro area, barriers to their recruitment and retention persist. Addressing multifaceted barriers is not only an ethical imperative but an economic necessity, highlighting the urgent need for comprehensive initiatives promoting diversity, equity, and inclusion within the industry. By embracing innovation and dismantling systemic barriers, the industry can engage with a wealth of untapped talent, fostering a vibrant, inclusive, and sustainable future.

Governments, particularly as public project owners, possess the resources and authority to promote workforce equity through their investments and policies. By implementing impactful procurement policies and making strategic regional investments, government agencies can collaborate with prime contractors and other industry leaders dedicated to advancing workforce equity while ensuring timely and budget-compliant project delivery.

As mentioned in this report, recent successes in Multnomah County and City of Portland have shown that public agencies can build a diverse workforce on their projects when they 1) set consistent workforce diversity goals, 2) invest in recruitment, training, and retention strategies, 3) change the culture on worksites, 4) utilize workforce agreements to establish job quality, job access and project delivery expectations with labor partners and 5) track and measure workforce diversity outcomes on projects and region-wide.

1. Grow a diverse regional construction workforce through multi-jurisdictional collaboration, coordination, and targeted investments.

Make the intentional choice to build up the regional workforce by joining forces with existing successful regional efforts to eliminate barriers for women, people of color, and justice-involved individuals accessing and staying in quality construction careers.

Recommendation 1: *Construction Career Pathways Framework (CCPF) Adoption.*

Local and regional jurisdictions should adopt and implement the Construction Career Pathways Framework (CCPF) to exponentially grow over the next five years the size and scale of the current construction workforce.

- ✓ The CCPF Framework comprises clear goals for the participation of women, workers of color, and apprentices on public projects; establishes clear project thresholds for workforce equity standards to be enacted; embeds equity goals in workforce agreements on large projects; allocates funding to support the needs of diverse workers, including mandatory respectful workplace training; and tracks progress on meeting goals by project and the region. Nine agencies in the Portland Metro region, including Metro, TriMet, City of Portland, and others, have successfully adopted and implemented the CCPF framework.

Recommendation 2: *Join multi-jurisdictional coordination tables and Funder Collaborative to scale up regional workforce planning and investments. CCPF's Regional Collaborative Committee and the CCPF Funder Collaborative align efforts of public agencies to proactively forecast and plan for regional workforce needs.*

- ✓ **The Regional Collaborative Committee (RCC),** comprising around 30 organizations, including jurisdictions adopting the CCPF, labor representatives, contractor associations, and workforce stakeholders, is instrumental in tracking the progress of women and workers of color on projects and in the region. It involves establishing regional governance, ensuring accountability, and utilizing comprehensive tracking systems for workforce and contractor utilization data. There are also opportunities for cross-sector problem-solving to support the recruitment and retention of workers of color and women apprentices and journeyworkers.
- ✓ **The CCPF Funder Collaborative has invested over \$3 million, enabling regional investments in culturally relevant recruitment, training, and retention programs, fostering a diverse supply of skilled labor.** Public agencies benefit from pooled resources to scale up workforce efforts for large-scale construction projects over the next five years and growing the funding needed for worker supportive services including childcare. The collaborative also establishes a regional planning and assessment loop to ensure investments are timely and strategically targeted to address workforce gaps by trade, demographics, etc.

Recommendation 3: *Embed equity goals into all workforce agreements. The Regional Workforce Equity Agreement (RWEA) can be a model.*

- ✓ **The Regional Workforce Equity Agreement (RWEA) in the Portland Metro region** is a multi-jurisdictional Workforce Agreement, which provides mechanisms for setting goals, clear project thresholds for workforce equity, mandatory respectful workplace training, and monitoring on job sites. This agreement integrates equity goals into enforceable contracts governing employment terms on construction projects, covering an estimated \$728 million in projects. The RWEA ensures accountability for diversity goals and promotes equitable practices for both unionized and non-unionized/minority contractors. Multnomah County's Library Operations Center project, using the RWEA, surpassed diversity goals, with 43.3% of construction hours performed by people of color and 20.44% by women, and 36.7% (Certified and Qualified Business Enterprise Inclusion and Diversity—COBID) utilization, with over 19% earned specifically by minority-owned firms (MBEs.) The City of Seattle and partner public owners utilize a Community Workforce Agreement (CWA) and currently have it applied to 20 projects, with an additional 15 upcoming.⁹

TABLE 9: Local Public Project Equity Outcomes with a Workforce Agreement

	MULTNOMAH COUNTY LIBRARY	CITY OF PORTLAND KELLY BUTTE	CITY OF PORTLAND INTERSTATE	MULTNOMAH COUNTY COURTHOUSE	CITY OF PORTLAND COLUMBIA BLVD
WORKFORCE					
BIPOC Apprentices	51%	50%	28%	29%	53%
BIPOC Journey	40%	29%	21%	28%	36%
Women Apprentices	48%	28%	34%	20%	21%
Women Journey	10%	6%	3%	7%	12%
CONTRACTING					
Minority owned businesses (MBE)	19%	22%	33%	11%	27%
Women owned businesses (WBE)	18%			19%	0.5%

Source: Multnomah County and City of Portland

⁹ <https://www.seattle.gov/purchasing-and-contracting/priority-hire/cwa-projects#upcoming>

2. Improve retention through addressing jobsite culture and other challenges.

Recommendation 1: *Mandate contractors commit to actively improve jobsite culture by establishment of zero-tolerance policies, robust reporting mechanisms, and consistent implementation of proven positive work environment training.* Procurement processes can be designed to establish contractual obligations for jobsite training and monitoring.

- ✓ **Work with contractors to build an inclusive work environment for apprentices to learn and grow their skills and be mentored by skilled tradespeople.** Contractors must address harassment as well as disparate or unequal treatment of diverse workers on the job as soon as possible and work with mentors and supervisors to ensure quality training and support.
- ✓ **Increase monitoring of job sites to prevent harassment and ensure equitable access to on-the-job training of apprentices.** Workers in supervisory positions should be expected to address issues with harassment and access to training as they see it. Additional monitoring by well-trained experts (e.g. public agency staff, shop stewards) may also be needed.
- ✓ **Ensure policies and practices are effective best practices for reporting and discipline.** This includes shifting from focusing only on formal reporting to include other options (e.g. increased monitoring by those in supervisory positions, anonymous reporting) as well as providing effective education, accountability, and discipline for workers who harass and discriminate.
- ✓ **Require respectful workplaces trainings with proven results.** Addressing construction jobsite culture can be achieved through the implementation of respectful workplaces training with demonstrated positive results.

Recommendation 2: *Invest in project-level retention support to keep skilled workers.* Recognizing the diverse needs of apprentices and vulnerable workers in construction, the worksite serves as a crucial setting for delivering tailored resources. Acknowledging that there is no one-size-fits-all solution, helping in accessing support programs and addressing unforeseen financial or family challenges can significantly impact the success of diverse workers in navigating their new careers in construction.

- ✓ **Create agency staff "retention coordinators" on all jobsites.** Through spending time on the jobsite and interviewing workers, retention coordinators would play a vital role in identifying and helping to resolve issues with harassment and access to on-the-job training for apprentices as well as providing essential hardship and non-financial support and referrals. Their presence can significantly contribute to maintaining a supportive and inclusive work environment, enhancing retention among workers. Specific budget allocation can be provided to this effort and can help establish onsite support system that augments community and apprenticeship program efforts.
- ✓ **Establish flexible and responsive worker hardship funds on a project** to address unplanned needs, especially for apprentices. This fund can serve as a crucial resource in overcoming unforeseen challenges and barriers to retention on the project.

Recommendation 3: *Provide flexibility in work hours to address workers' caregiving and health needs.* In the context of a labor landscape that increasingly features remote work and flexible work times, the construction industry will need to shift expectations about worker availability in order to attract and retain workers.

- ✓ **Require contractor bids to include a plan where contractors will implement innovative scheduling models.** This might include allowing for workers to take certain amounts of planned and unplanned time off, offering workers the option to cap their weekly hours, as well as offering new scheduling approaches such as alternate start/end times and shortened workdays or workweeks.

3. Knock down the barriers that women and workers of color face to grow a skilled workforce.

Recommendation 1: *Fund and grow comprehensive support services programs that can help a new generation of workers advance in their careers. Allocate resources to fund comprehensive programs that remove barriers to retention for diverse workers by providing wrap-around supportive services and mentorship opportunities. These services help new workers gain a foothold in their career and navigate the challenges of their demanding but rewarding work in construction.*

✓ **Join and invest in the CCPF Funder Collaborative to deliver various financial and support services to new workers.**

- Fund training programs addressing the unique needs of justice-involved individuals, including mental health and well-being support.
- Provide holistic support, including financial literacy coaching, debt repayment assistance, childcare and transportation connections, reentry clinics, expungement clinics, and mental health support.
- Establish flexible and responsive worker "hardship funds" to address unplanned needs and barriers to retention on projects, particularly for apprentices.

Recommendation 2: *Make affordable, accessible, reliable, and high-quality childcare a signature workforce and community benefit. Invest resources to increase access to childcare by creating new childcare options, especially for non-standard shifts. Increase affordability of childcare by offering subsidies and helping grow the supply of childcare in the region. Quality and stable childcare support can serve as both a recruitment and retention strategy, impacting new entrants and journey level workers as well. This should be within reach for low- and medium-income households.*

- ✓ Ensure childcare solutions are inclusive by co-designing with workers and childcare advocates:
- Implement affordable and flexible childcare options tailored to the diverse needs of construction workers.
 - Employers can explore mixed delivery models, including on-site care, off-site care with cash assistance, and direct sponsorships, providing varied options for workers.

- ✓ Partner with state and local governments and childcare experts to increase childcare supply. Establish strong collaborations between government, community, and workforce partners to secure funding for comprehensive childcare systems.

- Oregon's Employee Related Day Care Fund (ERDC) is a subsidy program that can be utilized to administer direct childcare subsidies to specific workers who are eligible for this support. Apprentices currently on ODOT highway-related projects and in targeted trades are offered childcare subsidies through ERDC program using project funds.

- ✓ Provide flexibility in work hours to address workers' caregiving and health needs.

Recommendation 3: *Allocate resources to fund and grow programs that remove barriers to entry for diverse workers. Scale up current successful partnerships for recruitment and coordinate additional outreach efforts across the region.*

- ✓ **Join and invest in the CCPF Funder Collaborative to expand multi-year funding streams to community-based and pre-apprenticeship programs to increase capacity.** Include stable and multi-year funding to increase the number of classes provided each year, increase number of available instructors who reflect the demographics of participants, and provide one-on-one coaching to pre-apprentices seeking entry into apprenticeship programs.

- ✓ **Provide stipends to individuals participating in pre-apprenticeship programs.** While these programs currently utilize state and federal funding to assist with needs such as childcare and housing, a notable obstacle is the requirement of committing to 280 hours of training without any stipends or pay. Introducing stipends can enhance participants' sense of commitment to their training program, enabling them to better navigate the challenges of an intensive program, especially for working parents and those with little to no financial stability. Additionally, consider providing graduation bonuses for pre-apprentices to support their transition into formal apprenticeship programs.

- ✓ **In partnership with Apprenticeship programs, increase direct entry from pre-apprenticeship into apprenticeship programs.** There is still a big gap between pre-apprenticeship graduates and those who enter Registered Apprenticeship. Partner with local Joint Apprenticeship Training Committees (JATCs) to ensure explicit partnership with pre-apprenticeship programs to increase entry into Apprenticeship. Additionally, work with the JATCs to review and update their ranking and scoring methods.
- ✓ **Assess partnerships with Middle and High schools in the region to understand the opportunity to expand construction-related curricula or vocational training programs.** This can expose students to the industry early on and help them see pathways into skilled trades. Ensure any expansions support the engagement of diverse students.
 - Beaverton School District built a Construction Magnet program¹⁰ in partnership with Apprenticeship programs and industry leaders to create a viable pipeline of young people into the industry.
 - Promote apprenticeship programs that allow students to gain practical experience while still in high school. This hands-on approach can make the construction industry more appealing to students.
 - Provide comprehensive career counseling services that include information about construction careers. This ensures that students are aware of the various opportunities and the skills required for success in the field.

¹⁰ <https://www.beaverton.k12.or.us/departments/teaching-learning/student-programs/career-technical-education-cte/merlo-programs>

4. Implement effective project administration and procurement strategies.

Recommendation 1: *Effectively plan for and resource successful implementation of workforce equity policies within a public jurisdiction.* Public agencies have the resources and authority to promote workforce equity through their procurement strategies and compliance efforts.

- ✓ **Allocate resources to increase the number of compliance staff responsible for monitoring workforce goals at a granular level.** Employ compliance staff dedicated to ensuring the effective implementation of equity policies, conducting regular assessments, and providing timely feedback to project managers and contractors. Ensure staff have necessary software and tracking systems to be effective.
- ✓ **Establish "retention coordinators" focused primarily on troubleshooting recruitment and retention efforts with contractors and labor/community oversight teams.** Specific budget allocation can be provided to this effort and can help establish onsite support system that augments community and apprenticeship program efforts.

Recommendation 2: *Establish oversight committees and sustained labor management committees to address challenges and share best practices.* Invest in effective project administration through labor and community oversight to monitor and hold contractors accountable for equity goals.

- ✓ **Establish Project Oversight Committees to monitor and address workforce utilization challenges effectively.**
 - Allocate financial resources for a sustained Labor Management Community Committee (LMCOC) process, involving community partners, labor, workforce advocates, and contractors. This fosters ongoing dialogue, collaboration, and addresses challenges, supporting community participation.
 - Leverage LMCOC, as modeled in the Regional Workforce Equity Agreement (RWEA), to provide a structured platform for public agency monitoring and remediation. This ensures transparency and stakeholder engagement.

- ✓ **Ensure that community partners have the necessary funding to sustain their participation in labor-community-management tables.** Since projects often span several years, community organizations, particularly those serving low-income, women, and communities of color, require additional resources to support their involvement in these committees. Adequate compensation for their time and expertise is essential.

Recommendation 3: *Use procurement processes to ensure contractor compliance on respectful workplaces, inclusion, and anti-harassment initiatives.* Procurement processes can be designed to establish contractual obligations for jobsite training and monitoring.

- ✓ **As described in the Safe from Hate Pledge, public agencies can establish specific and time-bound mandates on onsite respectful workplaces training on a project.** Some provisions could include:
 - All onsite employees, specifically supervisory and management, journey level craft persons, and apprentices shall receive the positive jobsite culture education as part of their orientation processes, but no later than one week of their hire date.
 - Apprentices will receive training within one month of their enrollment date.
 - Unions will provide journeyworker "upgrade" trainings.
 - Pre-Apprenticeship Training Programs will provide training to program participants in their training models.
 - Employees will receive ongoing training or "refreshers" annually at a minimum.
 - Adopt a regional model like Seattle, which includes Acceptable Work Site training and mandates anti-harassment initiatives during pre-bid meetings for contracts exceeding a certain project cost threshold.

5. Increase communication and education for project managers and contractors.

Recommendation 1: *Enhance Project Communication and Expectations between public administrators and contractors.* Effective and frequent project communication between and among contractors, agency staff, compliance teams and oversight committees has been noted as a significant contributor to meeting equity goals.

- ✓ **Set clear expectations and improve project communication regarding the importance of equity standards. Host contractor orientation sessions to familiarize prospective firms with the expectations regarding workforce equity policies.**
 - Conduct regular briefings or workshops at the project outset to communicate the significance of equity goals, fostering a shared understanding among all stakeholders.
- ✓ **Assist contractors in connecting with community partners and training agents to assist with meeting inclusive workplace goals.**

Recommendation 2: *Allocate resources for training opportunities and internal support tailored to project managers, focusing on advancing equity in construction projects.*

- ✓ **Develop workshops and training sessions for public agency staff/project managers to enhance their understanding of equity goals and make them better advocates for equity outcomes.** They seek more tools to effectively implement and communicate these standards to contractors and stakeholders.
- ✓ **Provide opportunities for project managers across projects within an agency to align their equity efforts, share best practices and troubleshoot issues together.** Project managers noted in interviews that this cohesive approach within an agency leads to better outcomes and a deepening of commitment to delivering on equity goals.

6. Continue to explore and address Professional, Technical and Engineering (PTE) equity opportunities.

While the current demand for PTE (Professional, Technical, and Engineering) occupations may not be immediately apparent, future training needs can be addressed through collaboration with existing higher education partners, as indicated by this study's interviews. **Despite the existing capacity, there is a notable lack of diversity in the current PTE workforce.** It is crucial to recognize that the diversity and inclusion efforts concentrated on the trades can be equally applied to PTE roles, serving as a strategic approach to foster inclusivity and diversify the PTE workforce. By extending these recommendations to PTE occupations, pathways can be created to encourage and support a more diverse pool of workers, aligning with broader diversity, equity, and inclusion goals across the industry.

Recommendation 1: *Work with local and state educational institutions, students, and employers to identify the key barriers and solutions to more diversity in PTE jobs.*

- ✓ Similar challenges have been noted in our study including job site culture, lack of mentorship, struggle finding quality and affordable childcare, and financial challenges.
- ✓ Establish pathways to internships and employment with firms working on large-scale public projects.

Recommendation 2: *Fund and grow comprehensive support services programs that can help a new generation of diverse workers grow in the PTE sectors.*

- ✓ Work with workforce partners and educational institutions to plan and build up recruitment and retention efforts into quality careers. Include funding for internships within engineering, technical, and construction firms on large-scale public projects to build up valuable on the job experience.
- ✓ Support mentorship opportunities among key professions in the sector. ■

CONCLUSION

Meeting the increasing demand for a skilled construction and PTE workforce necessitates coordinated efforts on a regional scale, addressing entry and retention barriers faced by workers often marginalized in the sector. Successful strategies involve participating in regional collaborations to establish diverse worker and apprentice goals, collectively investing in recruitment and retention initiatives, identifying, and implementing culturally specific strategies tailored to the unique needs of workers, especially women and people of color, and addressing the challenge of affordable childcare. With leadership from the federal government and locally, the IBR project has an historic opportunity to incorporate these promising practices into its equity strategy and community benefit outcomes. ■



Photo: Worksystems 2019

APPENDIX A: BEST PRACTICES

Making the Case for Innovation and New Practices

The Portland-Vancouver metropolitan region foresees a need for thousands of construction workers over the next five years. A significant challenge to meeting this demand is that more than forty percent of the current labor pool in the region is aged 45 years or older. Notably, Oregon's demographics are swiftly changing, driven by the Portland-Vancouver metro region, where communities of color have grown by 45% in the last decade. As the region's labor pool becomes more diverse and the demand for construction workers remains high, a new era is emerging in the construction sector. This shift brings the opportunity for women and workers of color to play a prominent role in the workforce.

It is crucial for businesses, governments, and unions to fully integrate these communities as vital contributors to the expanding construction workforce. A strategic effort that actively connects underrepresented communities, especially women and people of color, with the growing industry holds numerous advantages for the region's infrastructure developments and economic prosperity. Recognizing the need for a more diverse talent pool, contractors and industry stakeholders are aligning efforts to cultivate a workforce that reflects the community's growing diversity, striving for success through an expanded pool of skilled workers, equitable job access on publicly funded projects, and a construction workforce that mirrors our regional demographics. This diversification not only addresses the industry's need for a robust workforce but also directly confronts issues of poverty and elevates economic mobility within communities of color and working families in the region.

The construction sector has not kept up with the rapidly diversifying workforce, especially in the numbers of women and workers of color working in the broader workforce. In Section 1 of our findings, we noted that ninety-five percent of construction workers are male, with sixty-six percent being white. And women constitute just 5% of the construction workforce, despite making up 47% of the total workers in the metro area. Additionally, workers of color hold 26% of construction sector jobs while representing 36% of the overall workforce in the region. While women and workers of color are crucial for meeting the construction demand in the next decade, the industry needs to invest more in recruiting and retaining them. For instance, only 34% of Black apprentices complete their training compared to 58% of white males.

Although the construction sector can attract a more diverse workforce, addressing deeply embedded barriers for women and people of color is essential. A recent study found a hopeful trend, showing that between 2016 and 2019, the number of Latina apprentices in the trades almost doubled, and the number of Black women apprentices grew by almost 50 percent. However, the same study revealed that many women, especially women of color, face discrimination and harassment on the job, making them less likely to complete their apprenticeships and more likely to leave the industry.

Barriers to building a diverse and inclusive construction workforce are multifaceted and include issues related to a culture of exclusion on job sites, insufficient financial and programmatic support for apprentices, (especially access to childcare,) and lack of pathways highlighting the quality and desirability of jobs in the skilled trades. As noted in our Section 3 report from focus groups with current construction workers and apprentices, many workers face numerous barriers based on their gender and racial and ethnic backgrounds. Some barriers for women include inadequate restroom and lactation facilities, limited access to mentorship and training opportunities, and difficulties in achieving work-life balance. The lack of support for parents, especially mothers, is evident in the absence of childcare accommodations and resources, and the stress associated with managing work that conflicts with parenting responsibilities. Financial hardships further exacerbate the challenges, with some workers facing struggles such as the inability to take medical leave and precarious financial situations impacting their overall well-being.

Many workers, both in our focus groups and across national studies, describe construction sites with pervasive jobsite harassment. There, they face discriminatory comments, gender-based challenges, and experience unequal treatment overall, collectively contributing to a hostile work environment. Experiences of more subtle exclusion and discrimination can also include being the sole representative of a particular demographic on a jobsite to encountering obstacles in accessing mentorship, training, and job opportunities. Addressing these problems with management can prove challenging, as individuals may fear negative repercussions or reprisal for reporting incidents, which fosters a culture of silence around jobsite harassment and discrimination. The cumulative effect of these barriers underscores the urgent need for comprehensive initiatives to promote diversity, equity, and inclusion within the construction industry.

This section highlights the promising practices both across the country and in our own region that address the culture of exclusion on job sites, insufficient financial and programmatic support for apprentices (especially access to childcare), and lack of pathways highlighting the quality and desirability of jobs in the skilled trades.

New Federal Guidance Advances Equity in Infrastructure Investments

The Bipartisan Infrastructure Law (BIL) / Infrastructure Investment and Jobs Act (IIJA) authorizes \$1.2 trillion in transportation infrastructure funding to states. This act focuses on grants as a primary funding mechanism for critical infrastructure projects. While the legislation incorporates labor and workforce standards, the realization of quality jobs and equitable access depends on policy decisions on specific projects. Federal agencies are providing greater guidance and oversight, emphasizing factors such as fair wages, union representation, employment access, workplace safety, training opportunities, and discrimination-free environments. The federal government, through the U.S. Department of Labor (DOL), also plays a vital role in supporting agencies to achieve equity and job quality goals by evaluating applicants' plans and enforcing standards and data collection.

From the USDOL Women's Bureau, [Tools for Building an Equitable Infrastructure Workforce GENDER EQUITY STRATEGIES AS A MODEL](#), September 2023:

There are a range of federal funds that can be used for supportive services as part of workforce development. Many federal grant opportunities allow for spending on supportive services, but do not require a certain amount to be drawn down for these purposes. This means that it is at the discretion of the grant recipient to set the amount and create a line item for supportive services expenses in their budgets. As a result, there is a discrepancy between those who need supportive services and those who receive them, and stakeholders will likely need to braid and blend funds to meet the supportive service needs. Federal funds are available through various funding opportunities that can be used to provide supportive services for participants going through pre-apprenticeship, apprenticeship, and on-the-job-training programs.

EXAMPLES OF GRANTS AND FEDERAL FUNDING OPPORTUNITIES THAT ALLOW FOR SUPPORT INCLUDE:

- The Department of Transportation (DOT) released guidance noting that, under the Bipartisan Infrastructure Law (BIL), workforce development-related activities are funded at 100% federal share and expands the types of activities eligible to be paid for using formula funding to include counseling, transportation, and childcare services (among others). DOT funding opportunities and other BIL resources can be found on DOT's Bipartisan Infrastructure Law webpage.
- The Department of Labor also offers a number of other grants administered by the Employment and Training Administration that support workforce development activities. The allowable use of funds for supportive services differs by grant program but typically ranges from 10%–20% of grant funds.
- The Department of Labor's Office of Labor-Management Standards Labor-Management Partnership. The program highlights examples of and demonstrates the importance of having employers and workers joining together and working collaboratively.
- The Department of Labor's Office of Federal Contract Compliance Programs' (OFCCP) Mega Construction Project (Megaproject) Program includes an intensive "front-end" approach from the earliest stages of a designated project that regularly engages a wide range of stakeholders to regularly participate in Equal Employment Opportunity (EEO) Committees. The EEO Committees promote a diverse pool of qualified workers and remove barriers to equal employment opportunities for applicants and workers from underrepresented communities.
- The WB's WANTO grantees can, and do, use up to 25% of grant funds on wraparound supportive services to assist individuals to participate in grant-funded activities. WANTO grantees also provide counseling and resource referral about other funding sources that could provide supportive services needed for women to be successful in apprenticeship and non-traditional occupations. These include programs such as the Temporary Assistance for Needy Families, Supplemental Nutrition Assistance Program, Childcare and Development Fund, Head Start and Early Head Start.
- Supportive services are an allowable expense for Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, and Youth program participants. However, Title I of WIOA (Adult and Dislocated Worker Programs) makes supportive services, including needs-related payments, optional and supportive services may be limited in some local workforce development areas due to local funding or policy choices.

1. Grow a diverse regional construction workforce through multi-jurisdictional collaboration, coordination, and targeted investments.

THE CONSTRUCTION CAREERS PATHWAYS FRAMEWORK (CCPF), PORTLAND METRO REGION

- The Construction Career Pathways Framework (CCPF) outlines key strategies for cultivating a diverse construction workforce, providing high-level guidance to public owners committed to meeting growing construction demands. It emphasizes cross-sector collaboration involving public agencies, labor, community-based organizations, contractors, and educational institutions for regional impact. As of 2023, nine agencies, including Metro, Prosper Portland, Clackamas County, Multnomah County, Washington County, City of Portland, Portland Public Schools, Portland Community College, and TriMet, have adopted the CCPF to varying extents. Each agency, considering its unique size and capacities, sets specific thresholds for their goals. The Framework centers on seven essential points for Public Owners to integrate into their practices including setting clear diversity goals, establishing project thresholds, tracking progress, developing workforce agreements, implementing worksite anti-harassment and culture change strategies, collectively investing in workforce supply, and establishing regional collaboration to build toward workforce goals together in the region.

“The cornerstone of the Construction Career Pathways Framework is creating demand for a diverse workforce by setting consistent goals across a region. Goals are based on the current availability of workers as well as local demographic data in order to be realistically ambitious. Inter-agency coordination strengthens the effectiveness of these goals by establishing consistent standards among public projects.” Construction Careers: Case Study in Job Creation for Just Society, 2022

REGIONAL COLLABORATIVE COMMITTEE

The Regional Collaborative Committee (RCC) plays a pivotal role in advancing workforce equity through collaboration among approximately 30 organizations, including labor representatives, contractor associations, and other workforce stakeholders.

The RCC has consistently involved at least nine public agencies over the past three years, fostering collaboration and shared objectives in workforce development. Three key areas of work among the thirty participating governments and organization include:

- Coordination on developing and delivering a respectful workplace and anti-harassment training curriculum; training providers who are deployed to local construction jobs sites to foster safe and inclusive job sites, particularly for women and people of color.
- Coordination of public tracking and data sharing on achieving workforce goals on projects, which includes creating a clearinghouse for workforce data that all entities can use for planning and program development purposes, and assists participating agencies in acquiring and utilizing software to monitor labor demographics and other data components on projects.
- The development of workforce equity agreements between public agencies and the construction trades. Notably, the RCC efforts in fostering trust and collaboration among diverse stakeholders helped deliver the groundbreaking multijurisdictional workforce equity agreement, Regional Workforce Equity Agreement, in 2022.

PUBLIC AGENCY FUNDER COLLABORATIVE

The Regional Collaborative has launched a multi-jurisdictional Funder Collaborative to strategically invest in training, outreach, wrap around services and other retention strategies for diverse workers in the region. The collaborative has already invested over \$3 million dollars to advance workforce equity in the Portland Metro region. This collaboration has made it possible to regionally scale up investments into culturally relevant recruitment, training, and retention programs that help build a diverse supply of skilled labor. Research, including findings from Section 3 of this study, affirm the need for and the impact of robust investments in supportive services such as childcare and rental assistance in helping women and people of color complete their apprenticeship programs.

REGIONAL WORKFORCE EQUITY AGREEMENT

A significant achievement of regional collaboration is the creation and adoption of the Regional Workforce Equity Agreement (RWEA), one of the nation's first multi-jurisdictional workforce agreements. The RWEA delivers a crucial component of the CCPF's regional strategy of utilizing Workforce Agreements to embed equity goals into enforceable contracts governing employment terms on construction projects. This agreement covers specified projects undertaken by Metro, Multnomah County, and the City of Portland over the next five years. Developed by Metro, City of Portland, and Multnomah County in collaboration with the Columbia Pacific Building Trades Council and Southwest Mountain States Regional Council of Carpenters, this enforceable contract safeguards diversity goals and embeds key components of the construction careers framework into union agreements, further ensuring contractors will be held accountable for delivering on equity goals and standards. The RWEA uniquely protects both union and non-union/minority contractors, promoting equitable practices to foster a diverse workforce. As of 2023, the RWEA will cover an estimated \$728 million in projects in the region, embedding specified workforce goals and opening avenues for new workers to advance construction careers for women and people of color while ensuring quality jobs on public projects.

RWEA SUCCESS STORY: MULTNOMAH COUNTY'S LIBRARY OPERATIONS CENTER

Multnomah County has been a regional leader in integrating diverse and inclusive strategies in its public construction projects. Their commitment to addressing disparities in the construction workforce is evident through a willingness to advance innovative workforce equity policies paired with strategic investments.

Multnomah County was an early adopter of the Construction Career Pathways Framework as well as an original signatory to the Regional Workforce Equity Agreement. The County's first project under the newly signed RWEA was the Library Operations Center, a bond-funded construction project.

The Library Operations Center project showcases Multnomah County's exemplary utilization of the RWEA levers and partnership with construction unions, resulting in stellar results in and surpassing diversity goals. **Led by Fortis Construction as the prime contractor, workforce utilization goals outpaced projections, with 43.3% of construction hours performed by people of color and 20.44% by women. More than half of all apprentices were people of color and 48% women. Simultaneously, they achieved 36.7% (Certified and Qualified Business Enterprise Inclusion and Diversity—COBID) utilization, with over 19% earned specifically by minority-owned firms (MBEs), far surpassing their target goal of 25%.**

The Regional Workforce Equity Agreement (RWEA) and its process for active dialogue and communication among contractors, unions, workforce partners and the County improved dialogue and problem solving in a proactive way. Conversations were happening regularly with all parties understanding the goals and metrics the project sought to achieve. These conversations included those between union and non-union contractors as well. The RWEA set the expectations for collaboration rather than competition and blaming.

The County took a firm approach to their workforce equity goals and considered them a requirement, instead of aspirational. Incorporating these workforce equity goals into labor agreements like the RWEA helped the county solidify their position with contractors and drive accountability.

Tracking systems were indispensable tools to foster accountability and responsibility for contractors. The County employs robust tracking systems, such as LCP Tracker and B2G, for comprehensive analysis of workforce and contractor utilization data. LCP Tracker captures worker demographics and prevailing wages, allowing detailed tracking by trade. B2G is utilized for prime contractors to manage payments and track business certifications.

A diligent Labor Compliance Program ensured verification of workforce components. Volunteers conducted site visits to interview workers, confirmed pay details and analyzed documentation for alignment.

The utilization of Labor Management Community Oversight Committees (LMCOC), which are written into the RWEA, provided a structured platform for public agency monitoring and remediation of workforce utilization challenges. Monthly public-facing meetings with prime contractors encouraged transparency and stakeholder engagement, offering external voices an opportunity to contribute to project discussions.

TABLE 10: Library Operations Center—Workforce Participation Outcomes

	PERSONS OF COLOR (21% GOAL)	WOMEN (8% GOAL)
Overall Total	43.4%	20.44%
Apprentice Level	51.16%	48.22%
Journey Level	40.30%	9.71%

Source: Multnomah County

2. Improve retention through addressing jobsite culture and other challenges.

THE SAFE FROM HATE ALLIANCE, PORTLAND METRO REGION

The Safe from Hate Alliance is a collective effort comprising employers, trade associations, unions, public agencies, community organizations, and tradesworkers, united to confront the detrimental culture prevalent on construction jobsites that contributes to the attrition of skilled craft workers, particularly impacting women and people of color. Originating from a disturbing incident in May 2020 when a noose was discovered on a downtown Portland construction site, the alliance, led by the Metropolitan Alliance for Workforce Equity (MAWE), has garnered support from numerous stakeholders who have committed to the Safe from Hate Positive Jobsite Culture Pledge. This pledge mandates a zero-tolerance policy for job site discrimination, the enforcement of reporting mechanisms, the implementation of positive work environment training, and the promotion of workforce diversity and minority leadership.

The program prioritizes psychological safety alongside physical safety, fostering a workplace that actively recruits, retains, and mentors diverse workers, advancing women and people of color into leadership roles. Recognizing the financial impact of worker attrition on construction firms, the alliance emphasizes the importance of respectful workplaces for minimizing lost time, reducing project costs, enhancing productivity, supporting safety, engaging employees, retaining a skilled workforce, and promoting the health and wellness of workers. The coalition strives to transform the historically toxic jobsite culture in the construction industry, working towards creating safe and respectful environments for every worker.

3. Targeted strategies to recruit and retain diverse workers:

INVESTING IN CHILDCARE AS A WORKFORCE AND COMMUNITY BENEFIT

Affordable and reliable childcare is essential to building a sustainable workforce for the construction industry. Childcare is the work that makes all other work possible and is an important (albeit usually invisible) part of our nation's essential infrastructure. In discussions with workers, contractors, unions, and training partners, the absence of affordable, high-quality, and flexible childcare emerges as a key factor influencing retention rates, workforce participation, and absenteeism.

In Washinton, 62% of children under six are cared for by working parents. In Oregon, one-third of the workforce has a child under 18, and their ability to work is significantly influenced by the availability of childcare, school, summer camps, and traditional operating hours of childcare programs. An impactful statistic reveals that 89% of mothers with access to childcare were employed, highlighting the correlation between childcare availability and workforce participation.

The escalating cost of childcare poses a financial burden on families.

In Washington state, childcare providers of all types reported increases in the rates they charge families for their services in every geographic area and child age category. Despite notable increases in subsidized childcare rates in recent years, they are not matching the upward trend reported by providers in the private market. **In Oregon and Washington, parents face costs ranging from \$7,000 to \$14,000 per child.** This financial strain often forces mothers to leave the workforce or reduce their working hours. Since 2000, childcare costs have risen by 115%, exceeding inflation rates. Additionally, childcare needs are not confined to traditional 9-to-5 work hours, impacting nearly 5 million children under six whose parents work non-traditional hours. Unfortunately, only 8% of childcare centers offer care during these non-traditional hours.

The shortage of childcare slots further exacerbates the problem. Low wages for childcare providers, with a median of \$13.22 per hour, contribute to high turnover rates, particularly in for-profit centers. These challenges are intertwined with racial and gender justice issues, as the majority-female childcare workforce, especially women of color, faces significant wage inequities. Businesses also suffer, losing an estimated \$13 billion annually due to employees' childcare challenges, demonstrating the need for a comprehensive public childcare system to ensure a stable and diverse workforce for the semiconductor industry and beyond.

Access to stable and affordable childcare impacts working parents and businesses. It significantly affects the economic stability and workforce participation of parents, particularly mothers. Childcare challenges in Oregon and Washington closely parallel those faced nationwide. Currently, 58% of Oregon children under the age of three are placed in non-parental childcare arrangements. This includes 42% in informal care with family, friends, or neighbors (FFN care) and 16% in organized childcare settings like centers, family childcare homes, or other organized care.

Stable access to childcare emerges as a key factor in reducing employee absences by 30% and decreasing job turnover by 60%. The implications for businesses are substantial, with a lack of childcare leading to a 20% cost in turnover for hourly employees and potentially up to 150% for managerial positions. This issue is especially pertinent for mothers, as 42% express the desire to enhance their earnings and explore new job opportunities if they had better access to childcare. The impact is more pronounced for women of color, with over half of African American mothers and 48% of Hispanic mothers indicating that improved childcare access could lead them to seek higher-paying employment.

To learn more about childcare costs in every state:

The National Database of Childcare Prices (NDCP) is the most comprehensive federal source of childcare prices at the county level. The database offers childcare price data by childcare provider type, age of children, and county characteristics.

<https://www.dol.gov/agencies/wb/topics/childcare/price-by-age-care-setting>

UNDERSTANDING CHILDCARE NEEDS OF A DIVERSE CONSTRUCTION WORKFORCE

The construction workforce will need a range of childcare options that are high quality, flexible, and meet changing needs. Families often choose childcare arrangements based on factors such as their child's age, developmental needs, working schedules, budget, and personal preferences. A plan to provide reliable, accessible, affordable high quality childcare must provide families with a range of options that meet their diverse needs, including multiple care options for an individual family and care for nontraditional hours in early mornings, nights, and weekends, as well as flexible timing that reflects the nature of their work. Employers can invest in childcare provisions that offer a variety of choices to workers by using a “mixed delivery” model to provide benefits that are tailored to their workers’ diverse needs. The four most likely models named are: (1) on-site care, operated by the employer; (2) on-site care, contractor operated; (3) off-site care, cash assistance; and (4) off-site care, provider sponsorship. A multi-pronged approach—combining these and other strategies—is ideal for ensuring families can match with the childcare arrangements that work best for them.

MEETING THE NEEDS OF NONTRADITIONAL HOURS AND CULTURALLY SPECIFIC STRATEGIES

Some families face additional barriers to finding affordable childcare: construction workers, including low-income families; families of infants and toddlers; families who work nontraditional hours; families with a child or family member with a disability; immigrant families and families with limited English proficiency. Oftentimes, home-based childcare providers can best meet the needs of parents who work nontraditional hours and/or seek culturally responsive providers.

Meeting the diverse needs of families in search of childcare involves considering various factors, particularly for those facing additional barriers. Key points include:

■ FLEXIBLE AND CULTURALLY RESPONSIVE OPTIONS

- Family childcare homes and family, friends, and neighbor (FFN) childcare offer flexible options, meeting the needs of parents working nontraditional hours.
- Involvement of trusted individuals within a parent's personal network fosters a sense of trust and familiarity, providing peace of mind.
- These arrangements often provide more individualized and personalized care compared to formal childcare settings.

■ SCHEDULING FLEXIBILITY

- Family childcare and FFN childcare arrangements are typically more flexible in terms of scheduling.
- Providers may accommodate irregular or non-traditional work hours, supporting the varying schedules of working parents.
- Proximity and convenience in the neighborhood or community reduce commuting time and offer a seamless transition between home and childcare.

■ ADDITIONAL EMPLOYER MECHANISMS

- Subsidized or Discounted Childcare Spaces:
 - Employers can provide subsidized or discounted childcare spaces with local providers, addressing financial barriers for families.
 - Consideration is needed to balance employee access with the limited childcare supply impacting the broader community.
- Direct Sponsorships or Financial Contributions:
 - Employers can contribute financially to expand or improve existing childcare facilities, ensuring more availability of high-quality services.
 - This may not directly provide access to care for employees.
- Direct Cash Assistance:
 - Employers can offer direct cash assistance to employees for childcare, but tax implications and limited supply may still pose challenges.
 - Without addressing broader childcare supply issues, securing care remains a challenge even with financial support.

PROFILE OF OREGON: STRONG CHILDCARE AND LABOR PARTNERSHIPS ON THE GROUND.

The state of Oregon and our construction industry have examples of success of current and previous labor-community partnerships in Oregon that have delivered policies and investments into workforce training and childcare infrastructure. Childcare collaborations like the Childcare for Oregon Coalition and The Construction Careers Pathways project have a deep understanding of the unique challenges of skilling up the local workforce while also ensuring adequate local supply of quality childcare to ensure a diverse range of people can access and hold these skilled jobs. They have proven strategies to deliver local and state funding to build a more comprehensive childcare system. These collaborations have successfully brought together local partners in government, community, and workforce arenas to advance funding mechanisms, career pathway plans, and small business investments to address some gaps in childcare and workforce systems.

Oregon's construction workforce and childcare advocates have joined forces to enhance outcomes for BIPOC and women workers. Efforts involve the intentional development of a flexible process and infrastructure capable of accepting funds from various sources, including the state, local governments, and private or public entities. Oregon's Bureau of Labor and Industries puts federal highway transportation dollars to work with Oregon's Employment Related Day Care (ERDC) subsidy program. The ERDC subsidy program utilizes its infrastructure to administer direct childcare subsidies to specific workers who are eligible for this support. In essence, apprentices in targeted trades (painters, operating engineers, ironworkers, carpenters, cement masons, and laborers) are offered childcare subsidies that are paid through the infrastructure of the state's ERDC program using non-ERDC funds. This is preferable not only because it simplifies the process of supporting employees by utilizing existing state infrastructure, but also because Oregon's ERDC program supports families in procuring a wide range of care options that meet their families work schedules, cultural and language preferences, and the range of care needed for children of different ages. This adaptable structure supports the entire ecosystem of childcare providers across the state, facilitating efficient administration of future investments targeted at diverse childcare entities or specific geographic areas.

As part of the regional initiative to diversify the construction trades through CCPF, employers in the Portland-Vancouver region have established a workforce funding collaborative, investing \$3 million to support diverse construction workers. Additionally, Oregon is making strides in fortifying the Employment Related Day Care (ERDC) program and enhancing the financial stability for providers and parents. These initiatives include:

- **Establishment of the Department of Early Learning and Care (DELIC) as an independent agency,** bringing together childcare programs across state government for more seamless alignment for families and providers.
- **State recognition of diverse care settings including in funding of childcare workers** in center-based care, family-home settings as well as by friend, family, and neighbor (FFN) providers.
- **State investments of \$100M in stabilizing and growing the childcare sector:**
 - i. **Increases the quantity of money providers who receive Employment Related Day Care (ERDC) subsidies per child.** On average, providers saw their ERDC rates increase between 18–20%. By allowing for more equitable rates there are more providers participating in Oregon’s subsidy program and more purchasing power for parents.
- **Training funds to grow childcare worker supply.** Invests \$39.3 million to recruit and train new childcare providers and provide capacity-building direct grants to expand existing facilities of all types. These grants are expected to create between 6,000–7,000 new childcare slots across the state through support for over 275 new or existing childcare providers.
- **Investing \$40 million in growing small, minority and women-owned business and nonprofits providing childcare in underserved communities.** This fund is building a community-driven grant process to expand childcare access across the state.

4. Knock down the barriers for women and workers of color face to ensure we have the skilled workforce we need.

WOMEN WORKERS

Guidance from USDOL Women’s Bureau: [Tools for Building an Equitable Infrastructure Workforce GENDER EQUITY STRATEGIES AS A MODEL](#)

The unprecedented levels of federal investment in infrastructure create a unique opportunity to design and implement policies and programs that will ensure equity and inclusion in good jobs that pay family-sustaining wages and meet the demand for workers on a wide range of infrastructure projects. This module provides guidance on strategies and best practices for recruiting and retaining women in construction, manufacturing, and clean energy jobs. These strategies should be viewed as a menu of options and entry points that can and should be used to either initiate new projects and programs and fill the gaps for existing work, depending on their community and workforce needs.

MAKE THE INTENTIONAL CHOICE TO BUILD A DIVERSE WORKFORCE

- Build inclusive local/regional partnerships.
- Intentionally center diversity, equity, inclusion, and accessibility (DEIA).
- Make data-driven decisions.
- Create an intentional regional equity and diversity plan.
- Creating the demand for a diverse workforce.

TARGETED RECRUITMENT AND ADDRESSING BARRIERS TO ENTRY

- Use inclusive language and images.
- Target locations frequented by women.
- Engage and empower women to help recruit other women.
- Build strong partnerships with women-focused pre-apprenticeship programs and tradeswomen organizations.
- Provide comprehensive wraparound supportive services.
- Maintain flexibility in the recruiting process.

RETAINING A DIVERSE WORKFORCE

- Commit to regular and consistent monitoring and reporting on progress.
- Provide equitable training and work opportunities.
- Implement policies and programs to change workplace culture, prevent and address gender-based violence and harassment, and address health and safety concerns.
- Continue investment in wraparound supportive services and benefits.

EXAMPLES

- Building Pathways in Massachusetts has focused their recruitment efforts on conducting outreach where women are, including grocery stores, courthouses, and high school career fairs. Building Pathways partners with the Boston Housing Authority (BHA), whose staff engage residents by calling them to inform them about the pre-apprenticeship program, in addition to hanging flyers in buildings and community centers.
- The New York State Department of Labor has conducted a media campaign to increase diversity in the workforce, including specifically increasing gender diversity in non-traditional occupations: Who Runs the World? Girls: This is Why: Nancy and Heraclio, Highway Maintenance Workers at NYS DOT; This is Why: Wendy, Apprentice; This is Why: Asa, Lineworker; This is Why: Advanced Manufacturing Assembly Lead; This is Why: Truck Driver.
- Union-supported women's committees are another important recruitment tool. They spend a substantial amount of time on recruitment efforts, including attending career fairs, participating in training events, and spending time in communities showing other women that an apprenticeship in the trades is a route to a rewarding, well-paid career.

INVEST IN WRAPAROUND SUPPORTIVE SERVICES AND BENEFITS

Many women who begin such programs will face a benefits cliff: they will earn enough that they no longer qualify for subsidies or public assistance programs, but not enough to afford childcare, transportation, or housing without assistance. Individuals who do not complete their apprenticeships are more likely to report experiencing financial difficulties and report difficulties affording items such as tools and clothing, housing, childcare, and transportation than those who stay in and complete their apprenticeships. Additionally, workers in the construction industry are less likely to have access to paid family leave or paid sick leave than workers in other industries, which can limit women's ability to successfully complete apprenticeships. Caregiving continues to be a significant burden for women entering and staying in the workforce, including and especially in the construction, manufacturing, and clean energy workforces, where workers often face the additional challenge of needing nonstandard hourly care. This makes the continued provision of wraparound supportive services and benefits that support caregivers essential for apprentices and those in on-the-job training programs.

- Provide childcare benefits to workers, especially apprentices.
- Provide access to sick leave and other flexible mechanisms to support caregiving responsibilities.

EXAMPLES

- ODOT/BOLI's Highway Construction Workforce Development Program is one of the few that provides supportive services for apprentices, including a number of supports to assist those in the construction trades with access to childcare. There is the Apprentice-Related Childcare funding, the Pre-Apprenticeship Childcare Initiative, and Labor Littles, a new, privately funded non-profit supported by Oregon's Building Trades, which is helping union tradespeople find union in-home childcare providers willing to provide care to cover the construction workday.
- Ironworkers and the North Central States Regional Council of Carpenters have both introduced paid pregnancy and maternity leave benefits to support pregnant women and new mothers in these unions.

COMMUNITIES OF COLOR

CITY OF SEATTLE REGIONAL COMMUNITY WORKFORCE AGREEMENTS. GREATER SEATTLE AREA, WASHINGTON

The City of Seattle, in collaboration with other regional jurisdictions, has pioneered a regional model for Community Workforce Agreements (CWA) to promote equitable workforce practices in construction projects. These regional partners, known as the Regional Public Owner group (RPO), include the City of Seattle, King County, Port of Seattle, Sound Transit, and the Washington State Department of Transportation. These entities share near-identical policies and labor agreements, with the City and County mandating CWA sign-ons for projects exceeding \$5 million. The program, which has been implemented in 50 projects to date, exemplifies a collaborative regional effort extending to Sound Transit, Washington State Department of Transportation (WSDOT), Seattle Public Schools, Highline School District, and Marysville School District.

EQUITY GOALS AND HIRING REQUIREMENTS

The regional partners prioritize hiring from specific zip codes and aspire to achieve diversity goals for workers of color and women. While the City of Seattle and King County set hiring requirements, Sound Transit, WSDOT, and Seattle Public Schools maintain aspirational goals. WSDOT is developing a statewide priority zip code-targeted hiring program. Seattle Public Schools embeds goals for hiring former students and household members of current students.

In 2022, there was a notable increase in the representation of historically underrepresented workers in construction, marking progress since the initiation of Priority Hire. African-American and Black workers saw an estimated \$1.1 million increase in direct wages. Additionally, Hispanic, or Latino workers surpassed previous performance, constituting 19% of hours compared to the earlier 16%. These shifts indicate a more representative distribution of hours in construction projects, aligning with the broader community's racial and ethnic composition.

Women, however, remain underrepresented in the industry, and wage gaps persist, particularly with white men dominating higher-paying trades. Notably, despite the overall provision of living wages in construction, efforts are needed to address disparities in certain trades, such as power equipment operators, where workers of color and women have lower engagement, impacting overall project performance. Priority Hire's investments in recruitment, training, and support aim to counteract these trends by emphasizing higher-wage construction careers. In 2022, they made intentional investments to better support women entering and staying in construction. These investments included:

- Pre-apprenticeship training programs to train women. Those women participants made up 36% of the pre-apprenticeship graduates who entered a registered apprenticeship.
- Development of a new mentorship program focused on women of color. The new program led with the understanding that when women of color thrive, their families and communities thrive as well.
- Wraparound support in the form of childcare assistance, gas, tools, and work clothes.
- Jobsite training for leaders and workers to identify and respond to bullying, hazing and harassment.

COLLABORATIVE GOVERNANCE

Government agencies, trades associations, and unions convene monthly under this regional model, sharing insights, addressing challenges, and developing joint plans. The partnership, comprising seven primary unions, emphasizes accountability through regular progress tracking meetings, with an annual review involving both contractors and unions. The commitment to measurable outcomes and workforce goals based on hours worked ensures accountability.

ADVANCING EQUITY

Seattle's Priority Hire Guide serves as a resource for public agencies, outlining the impact of the priority hire program and offering a design guide for adoption. The city aims to deepen relationships with the community, workforce, contractors, and training partners to challenge industry norms. The Equity Goals table highlights the highest achieving projects and outlines diversity goals for 2021.

PROCUREMENT AND ANTI-HARASSMENT INITIATIVES

Seattle emphasizes procurement processes and mandates anti-harassment training to retain a diverse workforce. The city provides Acceptable Work Site training during pre-bid meetings for contracts above \$5 million, reinforcing a commitment to fostering an inclusive and respectful work environment.

Seattle's regional model underscores the significance of collaborative governance, measurable outcomes, and proactive initiatives in advancing equity goals within the construction industry.

JUSTICE-INVOLVED AND PEOPLE IN ADDICTION RECOVERY

NORTH COAST HIRE / WCIA, HUMBOLDT COUNTY, CALIFORNIA

The North Coast HIRE (NCH) program based in Humboldt County, CA, and led by the Cal Poly Humboldt Sponsored Programs Foundation (SPF) and Westside Community Improvement Association (WCIA), is dedicated to enhancing economic stability for justice-involved participants. For over seven years, WCIA's on-site Family Resource Center (FRC) has specialized in supporting justice-involved residents in recovery, providing services such as financial analysis, court-ordered debt repayment assistance, childcare and transportation connections, and support for parole, probation, drug court, and treatment completion. Additionally, WCIA offers reentry and expungement clinics, consultations for legal matters, and citizenship classes.

The NCH program, designed to address racial, ethnic, and socioeconomic disparities in the regional labor market, provides paid hands-on construction training. WCIA's work brings together justice involvement, drug rehabilitation services, and the local unions who now recognize the training program, for direct entry to the construction workforce for individuals with a criminal record. WCIA has worked with the Local 324 Laborers Union and Local 3 Operators & Engineers Union for the past several years, placing several graduates into a union career pathway as apprentices.

The target population includes individuals with a history of incarceration, with 86% formerly incarcerated due to drug-related convictions and 48% belonging to Indigenous, Immigrant, Black, Hispanic/Latino, and/or other disproportionately impacted communities.

An innovative feature of the NCH program involves participants in the rehabilitation of blighted, derelict, historic buildings, combining urban blight reversal with skill development. Despite a modest budget of \$235,000–\$250,000 for a 13-week training program, the flexibility in the budget allows the Center to cover initiation fees, food, gas, lodging, and other resources for trainees. The program, often completed by eight students per cohort, includes participant screening, classroom-based instruction, hands-on training, financial literacy coaching, networking with local employers, job placement support, mental health and well-being support, including recovery and post-employment follow-up.

The NCH program, with a focus on justice-involved individuals in recovery, has demonstrated positive outcomes. NCH has successfully conducted nine training cohorts with justice-involved individuals over the past seven years with a high percentage of success connecting people to quality jobs. Data on over 150 WCIA program participants reveals that 37% are employed full-time in their chosen career paths, while 24% are employed full-time in quality jobs providing a living wage. Additional participants are employed part-time, disabled, or face unemployment for various reasons. In addition to being employed, participant successes include those who now own businesses, and those who have joined a trade union as an apprentice and/or journey person. Some have gone on to earn degrees or vocational certificates in the field of their choice, including nursing, carpentry, mill work, mechanics, and truck driving.

Through a combination of proven training methods, industry certifications, and a novel visual affirmation approach, NCH strives to create lasting impacts on participants' lives by offering genuine pathways to employment and career advancement.

**VINCENTIAN OHIO ACTION NETWORK ARCH PROGRAM,
COLUMBUS, OHIO**

Starting in 2024, the ARCH will train, support, and place returning women into new jobs in the rapidly growing green energy industry located in Central Ohio. The program works with women in in pre-release programs at the Ohio Reformatory for Women and Richland Correctional, providing them with comprehensive solar training. Simultaneously, they have established connections with solar and renewable energy employers in Ohio seeking workers. This approach emphasizes training and employment opportunities before release, enabling justice-involved workers to quickly reintegrate into the community and rebuild their lives through skilled trades work.



Photo: Worksystems 2019

APPENDIX B: INTERVIEW LIST

Projected Demand for Project Specific Workforce: Interviewees

We interviewed representatives from 27 entities, including 17 public agencies, three trade organizations, two academic institutions, two contractor associations, and two individual contractors in Washington and Oregon.

ENTITY NAME	STATE	ENTITY TYPE
Associated General Contractors (AGC)*	OR	Contractor Association
Beaverton School District	OR	Public agency
City of Portland*	OR	Public agency
City of Vancouver*	WA	Public agency
Clackamas Community College	OR	College
Clackamas County	OR	Public agency
Columbia Pacific Building Trades	OR	Labor
Evergreen School District	WA	Public agency
Gresham- Barlow School District	OR	Public agency
Hoffman Structures	OR	Contractor
IBR Project Team*	OR	Public agency
Kiewit	WA	Contractor
Multnomah County	OR	Public agency
Oregon Department of Transportation (ODOT)*	OR	Public agency
Oregon Metro Regional Government	OR	Public agency
Oregon State Building and Construction Trades Council	OR	Labor
Port of Portland	OR	Public agency
Portland Bureau of Environmental Services (BES)*†	OR	Public agency
Portland Bureau of Transportation (PBOT)*†	OR	Public agency
Portland Community College	OR	College
Portland Parks and Recreation*†	OR	Public agency
Portland Water Bureau*†	OR	Public agency
Prosper Portland*	OR	Public agency
Southwest Mountain States Regional Council of Carpenters*	OR	Labor
Southwest Washington Contractors Association	WA	Contractor Association
Tri-Met*	OR	Public agency
Washington State Building and Construction Trades Council	WA	Labor
Washington Department of Transportation (WSDOT)*	WA	Public Agency
C-Tran	WA	Public Agency

* Agencies designated with (*) responded to some or all of the interview questions via email.

† Representatives of the bureaus of the City of Portland convened in a drop-in session to provide responses.

Apprentices and Journeyworker Participants in Focus Groups and Interviews

ENTITY NAME	NUMBER OF PARTICIPANTS
Data Collection	
Vancouver apprentice focus group	9
Portland apprentice focus group	6
Journeyworkers interviews	3
Trade	
Mason	1
Electrician	7
Roofer	3
Ironworker	4
Plumber	1
Laborer	2
Union or non-union	
Union	18
Parent	
Parent	9
Not a parent	9
Race/ethnicity	
White	8
Black/African American	2
Latino/Hispanic	4
Native American	1
Asian	1
Multiracial	1
No response	1
Gender	
Man	5
Woman	11
Non-binary	2
Sexual identity	
Straight	6
Queer	5
No response	7
Age	
Average age	35.5
Age range	20–61
Total number of participants	18

Apprenticeship Programs, Unions, Contractors, Trade Associations, and Educational Institutions: Interviewees

APPRENTICESHIP PROGRAMS
Apprenticeship Programs
Construction Industry Training Council (CITC)
Carpentry
Commercial inside wireman
Residential wireman
Low energy/sound and communications technician
Heavy equipment operators
HVAC
Laborers
Painting
Plumbing
Scaffold erector
Sheet metal
Northwest College of Construction (NWCC)
Carpenters
Laborers
Roofers
Heavy Equipment Operators
Masons
Pacific Northwest Carpenter Institute (PNCI)
Carpenters
Exterior-interior carpenters
Scaffold erectors
Millwrights
Pile driver
Divers
Ironworkers Local 29
National Electrical Contractors Association (NECA) & International Brotherhood of Electrical Workers (IBEW) Local 28
International Union of Operating Engineers Local 701
Heat & Frost Insulators & Allied Workers Local 36
Oregon and Southwest Washington Roofers and Waterproofers Local 49
The Laborers' International Union of North America (LIUNA) Local 335
Bricklayers and Allied Craftworkers (BAC) Local 1

APPRENTICESHIP PROGRAMS
Unions
The Laborers' International Union of North America (LIUNA) Local 737
Pacific Northwest Regional Council of Carpenters (merged with Southwest Mountain States Carpenters)
Contractors
Kiewit
Professional Minority Group (PMG) Abatement Contractor
Trade Associations
LatinoBuilt
Educational institutions
Portland Community College, Construction Management
Portland State University, Civil Engineering
University of Portland, Civil Engineering
Oregon State University, Civil and Construction Engineering

APPENDIX C: CAPITAL PROJECT LIST

PUBLIC AGENCY	ST	PROJECT
Beaverton School District	OR	Beaverton HS Replacement
Beaverton School District	OR	Raleigh Hills ES Replacement
C TRAN	WA	Highway 99 Bus Rapid Transit (BRT) Project
C TRAN	WA	4th Plain Extension Bus Rapid Transit (BRT) Project
City of Gresham	OR	Central Water Treatment Facility
City of Lake Oswego	OR	North Anchor Project
City of Lake Oswego (in partnership with the City of Portland)	OR	Wastewater Treatment Facility Project
City of Portland - Environmental Services	OR	E11531 Inverness Pump Station Forcmain System Replacement
City of Portland - Environmental Services	OR	E11485 - CBWTP WWCL and Hypochlorite Modification
City of Portland - Environmental Services	OR	Carolina FM
City of Portland - Environmental Services	OR	Lower NW
City of Portland - Environmental Services	OR	CBWTP Willamette Building
City of Portland - Environmental Services	OR	Pump Station bundle
City of Portland - Environmental Services	OR	E11038 - CBWTP Blower System\Building Imps
City of Portland - Environmental Services	OR	E10900 Oak Basin A—Sandy Blvd Trunk
City of Portland Water Bureau	OR	Bull Run Filtration Facility
City of Portland Water Bureau	OR	Bull Run Filtration Pipelines
City of Vancouver	WA	New Public Works Operations Campus
City of Vancouver	WA	Fire Station 3 Replacement
City of Vancouver	WA	New VPD Headquarters Facility
City of Vancouver	WA	Office Space Expansion City of Vancouver
City of Vancouver	WA	Community Arts Hub
City of Vancouver	WA	Main Street Promise
City of Vancouver	WA	Water Station 14 PFAS Treatment
City of Vancouver	WA	Water Station 4 PFAS Treatment
City of Vancouver	WA	Water Station 8 PFAS Mitigation
City of Vancouver	WA	Water Station 15 PFAS Mitigation
City of Vancouver	WA	Water Station 9 PFAS Treatment
City of Vancouver	WA	Water Station 3 PFAS Treatment, Reservoirs and Pump Stations
City of Vancouver	WA	Water Station 1 PFAS Treatment
City of Vancouver	WA	Water Station 7 PFAS Treatment
City of Vancouver	WA	Marine Park Solids Forcmain
City of Washougal	WA	Biosolids Handling and Odor Control Facilities
Clackamas Community College	OR	Wacheno Phase II
Clackamas Community College	OR	East Campus Renovations
Clackamas County	OR	County Courthouse
Clark College, State Board for Community and Technical Colleges	WA	Clark College Advanced Manufacturing Center

PUBLIC AGENCY	ST	PROJECT
Evergreen Public Schools	WA	Cascadia Tech Academy 100 Building Replacement Project
Evergreen Public Schools	WA	Cascadia Tech Academy 300 Building
Gresham-Barlow School District	OR	GBSD District Office
Home Forward	OR	Fairfield Apartments Development
I-5 Bridge Replacement Program	WA-OR	I-5 Bridge Replacement Program
Lake Oswego School District	OR	Lake Oswego Middle School Replacement
Lake Oswego School District	OR	Forest Hills Elementary School Replacement
Multnomah County	OR	CMGC Services for Albina Library
Multnomah County	OR	CMGC Services for Midland Library
Multnomah County	OR	CMGC Services for Holgate Library
Multnomah County	OR	CMGC Services for East County Flagship Library
Multnomah County	OR	CMGC Services for Belmont Library
Multnomah County	OR	CM/GC Services for Earthquake Ready Burnside Bridge (EQRB)
ODOT	OR	I-5: Capitol Highway—OR217
ODOT	OR	Portland Metro area 2024–2027 ADA curb ramp construction
ODOT	OR	MULTNOMAH I-5: Northbound Interstate Bridge
ODOT	OR	CLACKAMAS I-205 Abernethy Bridge, Ground Improvements
ODOT	OR	Portland Metro area 2024–2027 ADA curb ramp right of way
OHSU	OR	Inpatient Hospital Addition
Port of Portland	OR	PDX Circulation and Capacity Improvements
Port of Portland	OR	Runway 10L-28R Reconstruction
Port of Portland	OR	Airfield Regulator Buildings (ARB)/Runway LED Upgrades Final Design & Construction
Port of Portland	OR	PDX MX Campus Redevelopment Phase I
Port of Portland	OR	PDX Resilient South Runway - Construction
Port of Portland	OR	Future West RON (Remain Overnight) Ramp
Port of Portland	OR	PDX 2030 Airfield Improvements
Port of Portland	OR	PDXNext PBB Replace Phase 3
Port of Portland	OR	HQP2 & P1 Lighting & Controls Replacement
Port of Portland	OR	BHS Makeup 2 and 3 Replace
Port of Portland	OR	NorthsideSrvceCntrRdvlopment
Port of Portland	OR	DD SE Apron Reconstruction
Port of Portland	OR	HIO Taxiway A Rehab Phase 3 & Taxiway G Reconstruction
Port of Portland	OR	Taxiway A East Rehabilitation
Port of Portland	OR	HIO Taxiway E Construction
Port of Portland	OR	Runway 3–21 Reconstruction & Taxiway C West Rehab

PUBLIC AGENCY	ST	PROJECT
Port of Portland	OR	Taxiway B East and B/C Exits Rehab
Port of Portland	OR	TTD Runway 7–25 Reconstruction and Stormwater Infrastructure Improvements
Port of Portland	OR	Basin 1 Subarea Stormwater System Improvements
Port of Portland	OR	T2 Soil Improvement
Port of Portland	OR	T4 Berth 405–408 Wharfs Demolition
Port of Vancouver	WA	Terminal 1 Marketplace
Port of Vancouver	WA	Port of Vancouver Rail Corridor Improvements
Port of Vancouver	WA	Terminal 1 Dock Replacement
Port of Vancouver	WA	Berth 8/9 Improvement Project
Port of Vancouver	WA	Terminal 5 Overpass Loop Span
Portland Bureau of Transportation	OR	NW Johnson/Kearney: 9th-Broadway
Portland Bureau of Transportation	OR	82nd Ave Major Maintenance Project
Portland Bureau of Transportation	OR	122nd Avenue Safe Streets for All
Portland Community College	OR	Sylvania HT West Renovation
Portland Community College	OR	Sylvania CT Renovation
Portland Community College	OR	Rock Creek B2 Replacement
Portland Community College	OR	Sylvania AM Building Renovation
Portland Housing Bureau	OR	HollywoodHUB BRIDGE Housing
Portland Housing Bureau	OR	The Clifford
Portland Housing Bureau	OR	PCC Killingsworth
Portland Housing Bureau	OR	Barbur Apartments
Portland Housing Bureau	OR	Strong Family Site
Portland Housing Bureau	OR	Portland Value Inn
Portland Housing Bureau	OR	Carey Blvd
Portland Housing Bureau	OR	M. Carter Commons
Portland Parks & Recreation	OR	Mt. Scott Community Center: Build Portland Renovation and Expansion
Portland Parks & Recreation	OR	North Portland Aquatic Center: Development
Portland Public Schools	OR	Jefferson High School Modernization
TriMet	OR	Columbia Bus Base
TriMet	OR	Park Avenue Garage Expansion
TriMet	OR	Hollywood Transit Center & Substation Repl.
TriMet	OR	82nd Avenue Transit Improvements
WSDOT	WA	I-5/179th Street Interchange—Interchange Improvements
WSDOT	WA	I-5/SB NE 179th St to Ridgefield I/C—Concrete Pavement Rehabilitation
WSDOT	WA	I-5/E Fork Lewis River Bridge NB - Replace Bridge

APPENDIX D: DATA NOTES AND METHODOLOGY

Workforce Supply Methodology: Construction and Professional, Technical, and Engineering (PTE) Occupations

GOAL

Quantify and assess the existing workforce that is potentially available for the provided list of 107 major capital projects. The analysis should include breakdowns by sector, occupation, trade, apprenticeship, race, ethnicity, and sex.

PROCESS

The client provided two lists of focus occupations: construction and professional, technical, and engineering (PTE). Due to the differences in occupational training pipelines, we separated the two occupational categories. The data notes and process for occupational, employment, and unemployment data are the same for the two categories. The apprenticeship data and prevailing wage data are specific to construction occupations.

OCCUPATION DATA

We pulled occupation level data from Lightcast (formerly EMSI) for the twenty-six construction occupations identified by the client. Additional data sources are noted below. All data is for 2022 unless otherwise noted. Occupation-specific data includes:

- Total employment
- Residential construction employment
- Resident workers
- Projected employment (2023), including replacement openings
- Typical and competitive education
- Wage percentiles
- Oregon Prevailing Wages

SOURCES

Occupational Employment: *Lightcast, based on industry and occupational data from the Bureau of Labor Statistics.*

Wages: *Lightcast, Based on data from the Bureau of Labor Statistics' Occupational Employment and Wage Statistics; and the U.S. Census Bureau's American Community Survey.*

Occupation Residence: *Lightcast, based on Data from the U.S. Census Bureau's Origin-Destination Employment Statistics (LODES).*

Competitive Education: *The Oregon Employment Department.*

Prevailing Wages: *The Oregon Bureau of Labor and Industries' prevailing wage rates for Oregon non-residential public works projects, effective July 5, 2023. Data are for Region 2: Clackamas, Multnomah, and Washington counties.*

Employed Workforce Demographics: *Lightcast and the U.S. Census Bureau's American Community Survey. All data are for 2022 unless otherwise noted. Demographic data by occupation include age cohort, sex, race, and Hispanic/Latino ethnicity.*

Apprenticeships: *The Oregon Bureau of Labor and Industries.*

Educational Pipeline (degree completers), PTE Occupations: *Lightcast, based on data from the National Center for Education Statistics.*

NOTES

UNEMPLOYED WORKFORCE

To fully capture the available workforce, we gathered unemployment insurance claims data from the Oregon Employment Department and the Washington Office of Employment Security for Multnomah, Washington, and Clackamas counties in Oregon and Clark County in Washington. Data is for week 22, 2023.

Unemployment insurance claims data include occupation, sex, race and Hispanic/Latino heritage.

WORKFORCE DATA – APPRENTICESHIP

We gathered four sets of apprenticeship data for Oregon: new enrollment by occupation (2020-2022), completions by occupation (2020-2022), active apprentices by occupation annually (2020-2022), and active apprentices by occupation as of December 19, 2023.

We were unable to use apprenticeship data from Washington state. Our team connected with Washington Labor and Industries (L&I) multiple times but were told that the data request that included demographic details was not feasible. Additionally, they were not able to fulfill the overall data request in the time period given.

Due to the nature of the data and data sources, there is an overlap between apprenticeship data and workforce data. It is possible that a worker who earned their journey card and is unemployed is also registered with the Oregon Employment Department or may be currently employed and captured on payroll data.

These are robust data sources that can inform insights and the snapshot on the regional construction workforce supply but need to be interpreted with this potential and likely level of overlap in mind.

Workforce Demand Methodology: Construction Occupations

GOAL

Estimate labor demand by occupation for the provided list of 107 major capital projects.

PROCESS

OCCUPATIONAL DEMAND

Because only 6 (of 107) projects listed detailed staffing needs (number of hours by trade), the team had to estimate worker demand (by trade) for the remaining 101 projects based on data provided by the responsible agencies: project description, projected total or hard costs, and in some cases projected total trades hours and/or projected hard costs.

First, the team estimated total trades hours for the (98) projects that didn't provide total hours:

- For the (49) projects providing hard costs:
 - Labor hours are between 2,800 and 5,000 per \$1 million in hard costs, depending on project type.
- For the (49) projects providing only total project costs:
 - Hard costs are between 70% and 90% of total project costs, depending on project type.

ASSUMPTIONS:

- **Hard costs are 70%-90% of total project costs**
- **Labor hours are 2,800-5,000 per \$1 million in hard costs**

Assumptions were derived from past project data and contractor interviews (from the 2018 Portland Metro Region Construction Workforce Market Study and updated for this report based on additional contractor feedback).

Second, the team estimated the total number of trades hours per project for those (101) projects lacking this level of detail. We applied staffing patterns to each project based on project type. Staffing pattern data came primarily from past projects (project-based) and contractor interviews. For those four project types with no available staffing pattern data, we used national survey data (industry-based) which was then vetted and modified by local contractors.

ASSUMPTIONS:

- **Project-based staffing patterns derived from a sample of projects are representative of all projects**
- **Firm-based national staffing patterns apply to local projects**

Third, the total labor demand was converted from hours to FTEs based on 2,080 hours/year.

ASSUMPTION:

- **Full-time/year-round employment**

HIRING GOALS

Some projects stated explicit hiring goals for women, workers of color, and/or apprentices, or stated they had goals but provided no detail; the majority didn't state goals (blank, 'don't know', 'TBD').

For those projects with stated goals (e.g. 15% women), we applied these to each occupation.

For those projects with no stated goals, we applied the average of the projects with stated goals to each occupation:

Apprentice: 17%
Women: 11%
Workers of Color: 21%

ASSUMPTIONS:

- **All projects have hiring goals**
- **Known project goals apply to projects without stated goals**
- **Hiring goals apply to each trade individually (as opposed to total workforce)**

NOTES

The methodology developed and applied to projects that didn't provide labor data is based on multiple sources and processes, both with public agencies and with contractor estimators. These sources used different terminologies and definitions, including labels for trade categories (e.g. HVAC versus sheet metal, flaggers versus laborers). Some public agencies omitted categories such as truck drivers, HVAC and flaggers, all of which we could assume are critical trades involved in most large construction projects. Given that, this analysis has inherent limitations based on the data that was or was not provided.

Workforce Demand Methodology: Professional, Technical, and Engineering (PTE) Occupations

GOAL

Estimate professional, technical, and engineering (PTE) demand by select occupation for the provided list of 107 major capital projects.

PROCESS

We were unable to estimate PTE demand as no agencies overseeing the identified capital projects were able to supply projected labor needs for the provided list of PTE occupations. Nor was this information available from past projects or contractor interviews (unlike the construction occupations analyzed in this study).

Although we can't estimate demand, we can depict the relationship between PTE and construction (trades) employment. We gathered national, industry-level staffing patterns data for the relevant construction industries (NAICS 2362, 2371, 2373, 238) and for firms that provide design, development, technical support, inspection, and other services to the types of projects identified in the report (NAICS 54133, Engineering Services). We then calculated the ratios of PTE-to-trades jobs, and applied them to the future 20,300 trades jobs needs (out of 22,000 construction jobs) identified in the construction demand analysis. (Construction Managers, Heating, Air Conditioning, and Refrigeration Mechanics and Installers, and Heavy and Tractor-Trailer Truck Drivers were removed for the purposes of this analysis because they are not classified as construction occupations (SOC 47-000) in the staffing pattern data).

ASSUMPTIONS:

- National, industry-based staffing patterns apply to local firms and to the identified capital projects
- The current ratio of construction-to-PTE occupations remains the same over the forecast period

ACKNOWLEDGMENTS

Study Team

This study was collectively conducted by a group of nonprofits and one private consultant, all of which have extensive background in workforce equity policy and research:

Clackamas Workforce Partnership: Clackamas Workforce Partnership is the nonprofit workforce development board serving Clackamas County since 2001 and is an affiliate of the state public workforce system, WorkSource Oregon, and the federal American Jobs Center Network. CWP’s mission is to create a more diverse, equitable, and inclusive workforce through collaboration and investments in people and businesses of Clackamas County. CWP is focused on building an inclusive workforce system that promotes innovation, responsiveness, and transparency, and meets the needs of the people and communities of Clackamas County. CWP works across the nonprofit, public, and private sectors to identify and address critical issues impacting the local workforce system, including barriers to employment faced by historically marginalized communities. CWP facilitates collaborative relationships among stakeholders from a variety of backgrounds, industries, and roles, which help inform the development of programs and services that remove barriers to socio-economic stability; help meet the needs of local employers; and promote equitable economic development.

Estolano Advisors (EA): EA celebrates this unprecedented investment in high-road and inclusive strategies and is eager to capitalize on the opportunity it presents to build a more equitable economy. As urban planners and public policy consultants, our expertise is in addressing precisely those challenging, multifaceted, and knotty issues—jobs, transportation, housing, infrastructure, and the integration of all four—whose untangling leads to a more just, equitable, and climate-resilient future. Since our founding in 2011, we’ve partnered with governments, communities, unions, and employers to pioneer these sorts of inclusive approaches to economic development. With local governments around the country struggling to access new funding programs—often for lack of technical experience—EA can help train our partners and allies on the exact tools and strategies to unlock federal funds. In several cases, we literally wrote the book on these very approaches. Our principled focus on equity, proven success as cross-sector advisors, and penchant for finding pragmatic solutions for achieving shared objectives, constitute our firm’s distinguished skillsets. Estolano Advisors is led by recognized thought leaders supported by a team of diverse technical experts. Cecilia V. Estolano, Richard France, Cynthia Guzmán, Tulsi Patel, Winnie Fong, Ginny Browne, and Raahi Reddy comprise the leadership team.

Oregon Employment Department (OED): The OED Workforce and Economic Research Division is instrumental in the production of accurate, reliable, and timely labor market data through surveys and analyses. Information is disseminated through publications, presentations, media contacts, and responses to customer requests. Workforce development policy makers, businesses and business associations, and educational entities are key Research customer groups.

Portland State University (PSU): Starting in 2011, Dr. Maura Kelly has conducted several research projects on workforce diversity in the construction workforce in Oregon. These projects have included assessing recruitment and retention of a diverse workforce in the construction trades as well as conducting formal evaluations of programs aimed to increase workforce diversity in the construction trades. Findings of this research have been published in research reports for funders (see www.pdx.edu/profile/maura-kelly) as well as in a peer-reviewed journal. Dr. Kelly has experience with a variety of evidence-based research methods in the construction trades context, including interviews and focus groups, which were the primary methods for the PSU researchers’ component of this project.

Workforce Southwest Washington (WSW): WSW, a 501c3 nonprofit, leads the regional workforce development system as the Local Workforce Development Board for Clark, Cowlitz, and Wahkiakum counties. WSW invests in programs and services that equip youth and adults for employment, career advancement, and self-sufficiency. WSW aids in business growth by funding and collaborating with companies to foster recruitment, training, and retention of employees. WSW uses its partnerships with labor market analysts, economic development agencies, industry, and “real-time” labor information tools such as JobsEQ to forecast changes in the area, analyze worker supply and employer demand, and support regional workforce investments. This data-driven, employer-focused approach informs planning, service delivery, implementation and continuous improvement.

Worksystems Inc. (lead): Worksystems, since it formed as an agency in 1999, has worked intentionally to use labor market information from local, state and federal agencies alongside first-hand workforce intelligence gathered from local employers to design workforce development programming that maximally benefits job seekers and employers in the community. The approach requires intensive workforce supply and demand data analysis. Resulting Sector Strategies are industry-driven, data-based plans to improve the quality of the local workforce in high-growth industries. All sector strategies have specific goals related to ensuring underrepresented populations gain access to career exposure, training and quality jobs.

Study Funders

This study was commissioned in May 2023 by the Oregon Department of Transportation and Washington State Department of Transportation for the Interstate I-5 Bridge Replacement program (IBR). ■



workforce
SOUTHWEST WASHINGTON



These programs funded in whole or part through the U.S. Department of Labor. We are equal opportunity employers/programs.
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2023 State of Oregon Disparity Study

FINAL REPORT

Final Report

November 2023

2023 State of Oregon Disparity Study

Prepared for

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SECTION ES.

Executive Summary

BBC Research & Consulting (BBC) conducted a *disparity study* to evaluate whether person of color (POC)-, woman-, and service-disabled veteran (SDV)-owned businesses face any barriers in the State of Oregon's (the state's) construction; professional services; and non-professional services, goods, and supplies contracts and procurements. As part of the disparity study, we examined whether there are any disparities, or differences, between:

- The percentage of contract and procurement dollars executive branch agencies awarded to POC-, woman-, and SDV-owned businesses during the *study period*, which was July 1, 2017 to June 30, 2022 (i.e., *utilization*, or *participation*); and
- The percentage of contract and procurement dollars one might expect executive branch agencies to award to POC-, woman-, and SDV-owned businesses based on their availability to perform specific types and sizes of state contracts and procurements (i.e., *availability*).

Information from the disparity study will help the state better understand outcomes for POC-, woman-, and SDV-owned businesses in its contracting and procurement and help the agency address any substantial disparities between the participation and availability of POC- and woman-owned businesses in agency work. Moreover, if the state determines that it is appropriate to use race- and gender-conscious measures to address substantial disparities (e.g., awarding individual contracts and procurements with the use of POC- and woman-owned business participation goals), then the agency can rely on information from the disparity study to help ensure its use of such measures adheres to the *strict scrutiny* and *intermediate scrutiny* standards of constitutional review, respectively.

A. Disparity Study Results

BBC analyzed \$3.2 billion of worth of contracts and procurements executive branch agencies awarded during the study period to measure the participation and availability of POC- and woman-owned businesses for state work to assess whether any disparities exist between those measures. We summarize key results from those analyses below and identify sections of the report that provide more details about the methodology and results of each analysis.

1. Availability analysis (Chapter 7 and Appendix D of the report). BBC conducted a *custom census availability analysis* to estimate the availability of POC-, woman-, and SDV-owned businesses for state work while accounting for the specific characteristics of relevant businesses that exist in the Oregon marketplace and the specific characteristics of the relevant prime contracts and subcontracts executive branch agencies award. Figure ES-1 presents the availability of each relevant group of POC- and woman-owned businesses for relevant state contracts and procurements overall. The availability of those businesses is 33.9 percent for state work. The business groups that exhibit the greatest availability for state work are white woman-owned businesses (18.6%), Asian American-owned businesses (8.3%), and Hispanic American-owned businesses (5.1%). In addition, the availability of SDV-owned businesses is 3.9 percent for the contracts and procurements the state awards (not shown in Figure ES-1).

Figure ES-1.
Availability estimates for state work

Note:

Numbers rounded to nearest tenth of 1 percent
and thus may not sum exactly to totals.

Source:

BBC availability analysis.

Business group	Availability
White woman-owned	18.6 %
Asian American-owned	8.3 %
Black American-owned	0.5 %
Hispanic American-owned	5.1 %
Native American-owned	1.5 %
Total POC-owned	15.3 %
Total POC- and woman-owned	33.9 %

2. Utilization analysis (Chapter 8 of the report). BBC also calculated the participation of POC-, woman-, and SDV-owned businesses in relevant contracts and procurements executive branch agencies awarded during the study period. As shown in Figure ES-2, during the study period, the state awarded 10.9 percent of its relevant contract and procurement dollars to POC- and woman-owned businesses. The groups that exhibited the greatest levels of participation in that work were white woman-owned businesses (6.6%), Hispanic American-owned businesses (2.0%), and Native American-owned businesses (1.3%). In addition, the participation of SDV-owned businesses was 1.3 percent in work state executive branch agencies awarded during the study period (not shown in Figure ES-2).

Figure ES-2.
Utilization analysis results for state work

Note:

Numbers rounded to nearest tenth of 1 percent
and thus may not sum exactly to totals.

Source:

BBC utilization analysis.

Business group	Utilization
White woman-owned	6.6 %
Asian American-owned	1.0 %
Black American-owned	0.1 %
Hispanic American-owned	2.0 %
Native American-owned	1.3 %
Total POC-owned	4.3 %
Total POC- and woman-owned	10.9 %

3. Disparity analysis (Chapter 9 and Appendix E). The crux of the disparity study was to assess whether any disparities exist between the participation of POC-, woman-, and SDV-owned businesses in the state work and the availability of those businesses for that work. A *substantial disparity* between participation and availability—that is, a disparity where participation is 80 percent or less of availability—for a particular racial/ethnic or gender group is interpreted by courts as an inference of discrimination against that group in the marketplace and often serves as evidence that the organization of interest could consider using race- or gender-conscious measures to address barriers for that group (for details, see Chapter 2).

Figure ES-3 presents a visualization of the various sets of state contracts and procurements for which relevant POC- and woman-owned business groups exhibited substantial disparities, as indicated by black circles. Most POC- and woman-owned business groups showed substantial disparities for all the contract and procurement sets shown in Figure ES-3 with the exception of Native American-owned businesses. Native American-owned businesses showed substantial disparities for prime contracts and professional services projects but did not show substantial disparities for any other projects sets presented in Figure 11-3. Those disparities indicate inferences of discrimination against relevant POC-

and woman-owned business groups in the Oregon marketplace and as part of the state’s contracting and procurement. In addition, SDV-owned businesses also showed a substantial disparity for the relevant contracts and procurements state executive branch agencies awarded during the study period (not shown in Figure ES-3).

Figure ES-3.
Substantial disparities observed for state work

Contract set	Business group						
	All POC and white woman	All POC	White woman	Asian American	Black American	Hispanic American	Native American
All work	●	●	●	●	●	●	
Construction	●	●	●	●	●	●	
Professional services	●	●	●	●	●	●	●
Non-prof. svcs., goods, supplies	●	●	●	●	●	●	
Prime contracts	●	●	●	●	●	●	●
Subcontracts	●		●	●	●	●	

Notes: ● indicates substantial disparity

Source: BBC disparity analysis.

Further examination of utilization analysis results indicated that a relatively small number of POC- and woman-owned businesses accounted for a notably large proportion of the total dollars the state awarded to all POC- and woman-owned businesses during the study period. BBC examined whether the dollars those businesses, or any other POC- or woman-owned business to which executive branch agencies awarded dollars during the study period, met the definition of being *statistical outliers*—that is, data points that differ in extreme ways from all other data points in a data set (for details, see Chapters 8 and 11). Using a two-and-a-half standard deviation test, we found that the five POC- and woman-owned businesses to which the state awarded the most dollars, and the four POC- and woman-owned businesses to which the organization awarded the least dollars, were statistical outliers.

After accounting for all nine statistical outliers by adjusting their awarded dollars in a manner consistent with best practices in statistics and social science, larger disparities emerged for relevant POC- and woman-owned business groups across key sets of state contracts and procurements. Figure ES-4 presents the substantial disparities we observed for each relevant group on various sets of state contracts and procurements after accounting for statistical outliers. Those results even more clearly indicate that inferences of discrimination exist for all groups of POC- and woman-owned businesses operating in the marketplace.

B. Guidance

BBC observed substantial disparities between the participation and availability of POC-, woman-, and SDV-owned businesses for the contracts and procurements executive branch agencies awarded during the study period. We present guidance on how the state can use that information and other information from the disparity study to further encourage the participation of those businesses in its work and address the disparities we observed effectively and in a legally defensible manner, including potentially using race- and gender-conscious measures to do so. In considering the guidance we provide, the state should be mindful of the legal requirements surrounding the use of race- and gender-conscious measures in particular, including state and federal regulations as well as relevant case law. The

organization should consult closely with its Department of Justice in developing any new policies or programs related to POC-, woman-, and SDV-owned businesses to ensure they are consistent with the requirements of the strict scrutiny, intermediate scrutiny, and *rational basis* standards of constitutional review, respectively. We present key recommendations below and present additional recommendations and more information relevant to those recommendations in Chapter 11 of the report.

Figure ES-4.
Substantial disparities observed for state work after accounting for statistical outliers

Contract set	Business group					
	All POC and white woman	All POC	White woman	Asian American	Black American	Hispanic American Native American
All work	●	●	●	●	●	●
Construction	●	●	●	●	●	●
Professional services	●	●	●	●	●	●
Non-prof. svcs., goods, supplies	●	●	●	●	●	●
Prime contracts	●	●	●	●	●	●
Subcontracts	●		●	●	●	●

Notes: ● indicates substantial disparity (i.e., disparity index of 80 or less)

Source: BBC disparity analysis.

1. Overall POC-/woman-owned business target. BBC recommends that the state should consider establishing an overall aspirational target for the participation of POC- and woman-owned businesses in the contracting and procurement work it awards (and SDV-owned businesses if the state desires). An overall POC-/woman-owned business target could help create a shared commitment to, and understanding of, the state's equity objectives among internal and external stakeholders and help guide efforts the agency uses to try to achieve its overall target each year through various measures. If the state establishes an overall POC-/woman-owned business target, it would monitor the participation of POC- and woman-owned businesses in its work each year. If it fails to achieve its target in a particular year, it would assess reasons why it failed to do so and develop plans to achieve its target the following year, including potential refinements to existing program measures and the introduction of new program measures, as necessary.

2. POC-/woman-owned business contract goals. Currently, the state only uses *race- and gender-neutral* measures as part of its contract and procurement processes, which are designed to encourage the participation of all businesses in its work, regardless of the race/ethnicity or gender of business owners. However, despite those efforts, the disparity study shows substantial disparities for all relevant POC- and woman-owned business groups across different sets of contracts and procurements the executive branch agencies award. Based on that and other evidence in the disparity study, BBC recommends that the state should consider whether the use of race- and gender-conscious contract goals would help address the disparities POC- and woman-owned businesses face as part of the state's contract and procurement processes.

As part of a POC-/woman-owned business contract goals program, the state would set percentage goals for the participation of those businesses on individual contracts and procurements executive branch agencies award. Those goals would be based on the availability of eligible POC- and woman-owned businesses for the types of work involved in the project and other relevant factors. Based on that

information, goals would vary from project to project, and sometimes they might be 0 percent. As a condition of contract or procurement award, prime contractors would have to meet contract goals as part of their bids, quotes, or proposals by making participation commitments with eligible, certified POC- and woman-owned businesses or by demonstrating they made genuine and sufficient good faith efforts (GFEs) to do so. Prime contractors that fail to meet contract goals—either by participation commitments or by demonstrating GFEs—would be considered non-responsive and their bids, quotes, or proposals would be considered ineligible for award.

There are various considerations the state would have to make as part of using race- and gender-conscious contract goals, particularly around using race-conscious goals, including:

- Determining which business groups are eligible to participate in a race- and gender-conscious contract goals program based on evidence of substantial disparities between the participation and availability of each group for agency work; and
- Assessing whether it is maximizing its use of race-neutral measures before considering the use of race-conscious measures.

3. New businesses. Utilization analysis results indicate that the vast majority of the contract and procurement dollars the state awarded to POC- and woman-owned businesses during the study period went to a relatively small number of businesses, to each of which the organization awarded multiple projects. To expand the number of POC- and woman-owned businesses that participate in state work, the agency could consider using bid, quote, and Request for Proposal requirements to encourage prime contractors to partner with subcontractors and suppliers with which they have never worked in the past. For example, as part of the bid process, the state could ask prime contractors to submit information about the efforts they made to identify and team with businesses with which they have not worked in the past. The organization could award evaluation points or price preferences based on the degree to which prime contractors partner or attempt to partner with subcontractors with which they have not previously worked.

4. Alternative teaming arrangements. Anecdotal evidence the study team collected as part of the disparity study indicated that many business representatives are interested in working as prime contractors but are often only able to work as subcontractors due to capacity limitations and lack of opportunities. They discussed various barriers to obtaining prime contract work, including their inability to gain the experience or capital to bid on prime contract opportunities. The state could better support business growth by identifying alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or alternative teaming arrangements—such as joint ventures or co-prime relationships—to compete for and perform prime contracts. Encouraging alternative teaming arrangements could allow small businesses, including many POC-, woman-, and SDV-owned businesses, to build their capacities for larger projects and gain experience working as prime contractors while mitigating some of the difficulties and costs of doing so.

5. Subcontracting minimums. Subcontracts often represent accessible opportunities for small businesses to become involved in an organization's contracting and procurement. To increase subcontract opportunities, the state could consider implementing a program that requires prime contractors to subcontract a minimum amount of projects. For specific projects where subcontracting opportunities might exist, the state could set minimum percentages of work to be subcontracted. Prime

contractors would have to meet or exceed those minimums in order for their bids or proposals to be considered responsive. If the state were to implement such a program, it should include GFE provisions that would require prime contractors to document their efforts to identify and include potential subcontractors in their bids or proposals if they fail to make subcontract commitments.

6. Small business contract goals. The state currently does not use contract goals to encourage the participation of small businesses in its work, although it encourages the participation of businesses certified by the Certification Office for Business Inclusion and Diversity through various executive orders and policies. The state could consider establishing contract goals for certified Emerging Small Businesses on certain contracts and procurements in a manner similar to the one outlined for POC- and woman-owned businesses earlier in this section, but for which the race/ethnicity or gender of business owners would not be a factor.

7. Small business set-asides. The state might consider reserving certain, small prime contracts exclusively for small business bidding to encourage the participation of those businesses—including many POC-, woman-, and SDV-owned businesses—as prime contractors. As part of the anecdotal evidence process, business representatives identified many advantages of set-aside programs for small businesses such as fostering familiarity with an organization’s contracting and bidding processes; experience working as prime contractors; and growth through winning larger, steadier projects.

8. Prompt payment. Anecdotal evidence indicates that delayed payments are an issue for many businesses, but it disproportionately affects small businesses, including many POC-, woman-, and SDV-owned businesses. In addition, businesses that perform work as subcontractors highlighted difficulties obtaining payments from prime contractors, with some noting that delays associated with prime contractors receiving payments trickle down to subcontractors, and others indicating that prime contractors sometimes withhold payment entirely. The state could consider inserting prompt payment language in its contracts and solicitations and implementing a system to track payments to subcontractors to ensure prompt payment.

9. Disparity studies. The state should consider conducting disparity studies on a regular basis, particularly if it decides to implement race- or gender-conscious measures. Many organizations conduct studies every three to five years to understand changes in their marketplaces, refine program measures, and ensure up-to-date information on the participation and availability of small and disadvantaged businesses in their work, including identifying which groups are substantially underutilized in their contracts and procurements. Codifying the intervals at which it commissions disparity studies will help ensure the state has up-to-date information about outcomes for POC-, woman-, and SDV-owned businesses in its work, regardless of changes in the political climate or the individuals in leadership positions. In addition, the state should establish provisions that limit the use of any race- or gender-conscious measures contingent on disparity study results. For example, the state could set sunset provisions on race- or gender-conscious contract goals program to expire after five years if disparity study results do not show substantial disparities for relevant business groups after that time.

CHAPTER 1.

Introduction

The State of Oregon's (The state's) Department of Administrative Services (DAS) has statutory authority for setting and enforcing contracting and procurement policy for all state executive branch agencies. As part of those responsibilities, DAS works with the Certification Office for Business Inclusion and Diversity (COBID) to encourage the participation of small businesses, person of color (POC)-owned businesses, woman-owned businesses, service-disabled veteran (SDV)-owned businesses, and other disadvantaged businesses in state-funded contracts and procurements.¹ DAS retained BBC Research & Consulting (BBC) to conduct a disparity study to evaluate whether POC-, woman-, or SDV-owned businesses, specifically, face any barriers in the state's contracting and procurement. As part of the study, we examined whether there are any *disparities*, or differences, between:

- The percentage of contract and procurement dollars executive branch agencies awarded to POC-, woman-, and SDV-owned businesses during the *study period*, which was July 1, 2017 to June 30, 2022 (i.e., *utilization*, or *participation*); and
- The percentage of contract and procurement dollars one might expect executive branch agencies to award to POC-, woman-, and SDV-owned businesses based on their availability to perform specific types and sizes of state contracts and procurements (i.e., *availability*).

The disparity study also provides other quantitative and qualitative information related to:

- The legal framework surrounding the state's contracting and procurement practices, policies, and statutes as well as POC-, woman-, and SDV-owned business programs;
- Marketplace conditions for POCs, women, SDVs and POC-, woman-, and SDV-owned businesses; and
- Contracting practices and business assistance programs the state has in place or could consider implementing to better encourage the participation of small businesses, POC-owned businesses, woman-owned businesses, SDV-owned businesses, and other disadvantaged businesses in its work.

There are several reasons information from the disparity study is useful to the state. As part of the study, BBC:

- Provides information about how well POC-, woman-, and SDV-owned businesses fare in state contracting and procurement relative to their availability for that work.
- Provides an evaluation of how effective race- and gender-neutral efforts are in encouraging POC-, woman-, and SDV-owned businesses' participation in state contracts and procurements.
- Identifies barriers POCs, women, SDVs, and POC-, woman-, and SDV-owned businesses face in the local marketplace that might affect their ability to compete for state work.

¹ BBC Research & Consulting defines a contract or procurement as "state-funded" if it only includes state funding and does not include any funds from federal agencies or organizations, such as the United States Department of Transportation.

- Provides insights into how the state could refine its processes and program measures to address barriers POC-, woman-, and SDV-owned businesses in its work and help address any barriers.

BBC introduces the 2023 State of Oregon Disparity Study in three parts:

- A. Background;
- B. Study scope; and
- C. Study team members.

A. Background

In 2008, then Governor Theodore Kulongoski issued Executive Order No. 08-016, *Promoting Diversity and Equal Opportunity for Minority and Women Owned Businesses*, which required state agencies to monitor the participation of POC- and woman-owned businesses in state-funded work, set aspirational goals for the participation of those businesses in that work, and remove barriers in state contracting and procurement that make it more difficult for those businesses to participate in state-funded work.² Executive Order 08-16 was *race- and gender-neutral* in nature—that is, it did not require or authorize state agencies to use any preferences or other contracting measures specific to POC- or woman-owned businesses (i.e., *race- or gender-conscious* measures).

In accordance with Executive Order 08-16, DAS and COBID use various race- and gender-neutral measures to encourage the participation of small businesses, POC-owned businesses, woman-owned businesses, SDV-owned businesses, and other disadvantaged businesses in state-funded work, including advocacy and outreach efforts, finance assistance programs, and technical assistance programs. One primary objective of the disparity study is to assess the efficacy of those measures in encouraging the participation of POC- and woman-owned businesses in state-funded contracts and procurements relative to their availability for that work. Another primary objective of the study is to determine whether evidence exists that would support the state's use of race- or gender-conscious measures to address any existing barriers that make it more difficult for POC- or woman-owned businesses to compete for or perform state-funded contracts and procurements.

B. Study Scope

BBC conducted the disparity study based on information about the construction; professional services; and non-professional services, goods, and supplies contracts and procurements state executive branch agencies awarded during the study period. Figure 1-1 presents a list of the 105 executive branch agencies whose contract and procurement data we analyzed as part of the study.

1. Definitions of POC-, woman-, and SDV-owned businesses. BBC gathered information about the race, gender, and service-disabled veteran status of business owners from a variety of sources, including surveys, business listings, and Internet research. We considered businesses to be POC-, woman-, or SDV-owned based on the known races, genders, and service-disabled veteran statuses of business owners, regardless of whether they were certified as such by COBID or any other organization. To interpret core disparity study analyses, it is useful to understand how BBC defined those businesses.

² <https://www.oregon.gov/gov/eo/eo-08-16.pdf>

Figure 1-1.
Executive branch agencies whose data were included in the disparity study

Agency	
Accountancy, Board of	Liquor and Cannabis Commission, Oregon
Administrative Services, Department of	Long Term Care Ombudsman, Office of
Advocacy Commissions Office, Oregon	Lottery Commission, Oregon
Agriculture, Department of	Marine Board, Oregon State
Albacore Commission, Oregon	Massage Therapists, Board of
Alfalfa Seed Commission, Oregon	Medical Board, Oregon
Appraiser Certification and Licensure Board	Medical Imaging, Board of
Architect Examiners, State Board of	Mental Health Regulatory Agency
Aviation, Department of	Military Department, Oregon
Beef Council, Oregon	Mint Commission, Oregon
Blind, Commission for the	Mortuary and Cemetery Board
Blueberry Commission, Oregon	Nursing, Oregon State Board of
Business Oregon	Occupational Therapy Licensing Board
Chiropractic Examiners, Board of	Office of the Governor
Citizens' Initiative Review Commission	Optometry, Oregon Board of
Clover Commission, Oregon	Oregon Naturopathic Medicine, Board of
Columbia River Gorge Commission	Oregon Youth Authority
Construction Contractors Board	Parks & Recreation Department, Oregon
Consumer and Business Services, Department of	Parole and Post-Prison Supervision, State Board of
Corrections, Department of	Patient Safety Commission, Oregon
Criminal Justice Commission, Oregon	Pharmacy, Board of
Dairy Products Commission, Oregon	Physical Therapists Licensing Board
Dentistry, Oregon Board of	Police, Department of State
District Attorneys and their Deputies	Potato Commission, Oregon
Dungeness Crab Commission, Oregon	Processed Vegetable Commission, Oregon
Education, Department of	Psychiatric Security Review Board
Employment Department	Public Employees Retirement System
Employment Relations Board	Public Safety Standards and Training, Department of
Energy, Department of	Public Utility Commission
Environmental Quality, Department of	Racing Commission, Oregon
Exam. for Engin & Land Survey, State Board of	Raspberry & Blackberry Commission, Oregon
Facilities Authority, Oregon	Real Estate Agency
Fine Fescue Commission	Revenue, Department of
Fish and Wildlife, Oregon Department of	Ryegrass Growers Seed Commission, Oregon
Forest Resources Institute, Oregon	Salmon Commission, Oregon
Forestry, Oregon Department of	Sheep Commission, Oregon
Geologist Examiners, State Board of	Speech Lang. Path. And Audiology, Board of Exam. For
Geology and Mineral Industries, Department of	State Library of Oregon
Government Ethics Commission, Oregon	Strawberry Commission, Oregon
Hazelnut Commission, Oregon	Sweet Cherry Commission, Oregon
Health Authority, Oregon	Tall Fescue Commission, Oregon
Higher Education Coordinating Commission	Tax Practitioners, Board of
Hop Commission, Oregon	Teacher Standards & Practices Commission
Housing and Community Services Department	Transportation, Department of
Human Services, Oregon Department of	Travel Information Council
Justice, Department of	Trawl Commission, Oregon
Labor and Industries, Bureau of	Veterans' Affairs, Department of
Land Conservation and Development, Department of	Veterinary Med. Examiners, Board of
Land Use Board of Appeals	Water Resources Department
Lands, Department of State	Watershed Enhancement Board, Oregon
Landscape Architects Board, State	Wheat Commission, Oregon
Landscape Contractors Board, State	Wine Board, Oregon
Licensed Social Workers, Board of	

a. POC-owned businesses. BBC considered a business to be POC-owned business if it was a business with at least 51 percent ownership and control by individuals who identify with one of the following race/ethnic groups: Asian Americans, Black Americans, Hispanic Americans, or Native Americans, according to the following definitions:

- Black American: Persons whose origins are from any of the black racial groups of Africa.
- Asian American: Persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, Hong Kong, India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka;
- Hispanic or Latin American: Persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race; and
- Native American: Persons who identify as American Indians, Alaska Natives, Aleuts, or Native Hawaiians.

Disparity study researchers typically present results for businesses owned by men of color and women of color combined (e.g., grouping results for businesses owned by Black American men with results for businesses owned by Black American women to represent results for Black American-owned businesses in general). Further disaggregation of results by gender often yields relatively small data sets, reducing the statistical confidence with which researchers can make valid conclusions about outcomes for particular race/ethnic groups. Courts that have assessed disparity study methodology have accepted the practice of combining results for businesses owned by men of color and women of color.^{3, 4}

b. Woman-owned businesses. BBC defined a woman-owned business as a business with at least 51 percent ownership and control by white women. As described above, businesses owned by women of color were classified along with businesses owned by men of color according to their corresponding race/ethnic groups.

c. SDV-owned businesses. BBC defined an SDV-owned business as a business with at least 51 percent ownership and control by veterans of the United States military, the United States National Guard, or the Oregon National Guard who suffer from physical or mental disabilities resulting from their service.

d. COBID-certified businesses. COBID-certified businesses refers to POC-, woman-, or SDV-owned businesses certified as minority-owned business enterprises, woman-owned business enterprises, SDV-owned business enterprises, or disadvantaged-owned business enterprises by COBID. COBID has strict requirements for certification, including requirements related to size, ownership, control, personal net worth, and licensure. Descriptions of those requirements can be found on the COBID website.⁵ In general, businesses must be registered with the Secretary of State; must have three-year average gross

³ *H.B. Rowe Co., Inc. v. W. Lyndo Tippet, NCDOT, et al.*, 615 F.3d 233 (4th Cir. 2010).

⁴ *Associated General Contractors of America, San Diego Chapter, Inc. v. California Department of Transportation, et al.*, 713 F.3d 1187 (9th Cir. 2013).

⁵ <https://www.oregon.gov/biz/programs/COBID/Pages/program-qualifications.aspx>

annual receipts of less than \$26.29 million; must be for-profit organizations; must be owned by United States citizens or permanent residents; and the owners whose race/ethnicity, gender, or veteran status is the basis for certification applications must own and control more than 51 percent of their businesses, have day-to-day control of their operations, have made capital contributions to their businesses, and have the proper professional licensures required for the types of work their businesses perform.

2. Analyses in the disparity study. The disparity study includes various analyses related to outcomes for POCs, women, SDVs, and POC-, woman-, and SDV-owned businesses working in the Oregon marketplace. Disparity study analyses are presented in the report as follows:

a. Legal framework and analysis. The study team conducted an analysis of relevant laws, legal decisions, and other information to guide the methodology for the study and inform our recommendations. The legal framework and analysis for the study is summarized in **Chapter 2**.

b. Data collection. BBC examined contract, procurement, and vendor data from multiple sources to complete the utilization and availability analyses. The scope of the study team's contract, procurement, and vendor data collection is presented in **Chapter 3**.

c. Relevant product markets and relevant geographic market area (RGMA). BBC based core disparity study analyses—including the availability, utilization, and marketplace analyses—on the product markets and geographical areas most relevant to executive branch agency contracting and procurement. We present our process for defining relevant product markets and the RGMA in **Chapter 4**.

d. Marketplace conditions. The study team conducted extensive quantitative analyses of conditions and potential barriers in the Oregon marketplace for POCs, women, SDVs, and POC-, woman-, and SDV-owned businesses. In addition, we collected qualitative evidence about potential barriers small businesses and POC-, woman-, and SDV-owned businesses face in Oregon through in-depth interviews, focus groups, engagement sessions, and organizational meetings. Quantitative information about marketplace conditions is presented in **Chapter 5** and **Appendix B**. A description of the study team's collection of qualitative evidence is presented in **Chapter 6** along with key themes we observed. All the qualitative evidence we collected as part of the study is presented in **Appendix C**, organized by topic.

e. Availability analysis. BBC analyzed the percentage of contract and procurement dollars one might expect the state to award to POC-, woman-, and SDV-owned businesses based on their availability to perform specific types and sizes of organization work. That analysis was based on agency data and surveys we conducted with more than 1,200 Oregon businesses that work in industries related to the types of contracts and procurements the state awards. Results from the availability analysis are presented in **Chapter 7** and **Appendix D**.

f. Utilization analysis. BBC analyzed contract and procurement dollars the state awarded to POC-, woman-, and SDV-owned businesses during the study period, including information about associated subcontracts. Results from the utilization analysis are presented in **Chapter 8**.

g. Disparity analysis. The study team examined whether there were any disparities between the participation and availability of POC-, woman-, and SDV-owned businesses on contracts and procurements the state awarded during the study period. Results from the disparity analysis are presented in **Chapter 9** and **Appendix E**.

h. Program measures. The study team reviewed the legal framework surrounding the state's contracting and procurement practices, policies, and statutes, and the measures the state uses to encourage the participation of small businesses as well as POC-, woman-, and SDV-owned businesses in its contracting and procurement. That information is presented in **Chapter 10**.

i. Recommendations. The study team provided guidance related to additional program options and changes to current contracting practices the state could consider, including setting overall aspirational goals for the participation of POC-, woman-, and SDV-owned businesses in state-funded contracts and procurements. Our recommendations are presented in **Chapter 11**.

C. Study Team Members

The BBC study team was made up of six firms that, collectively, possess decades of experience related to conducting disparity studies in connection with small business and disadvantaged business programs.

1. BBC (prime consultant). BBC is a Denver-based disparity study and economic research firm that had overall responsibility for the study and performed all the quantitative and qualitative analyses.

2. AB Cultural Drivers. AB Cultural Drivers is a Hispanic American woman-owned community engagement firm based in Portland, Oregon. The firm helped lead the study team's community engagement efforts, including identifying stakeholders, coordinating public hearings, and conducting in-depth interviews across the state. In addition, the firm provided translation and interpretation services, as needed, during project meetings, interviews, focus groups, and other study activities.

3. MBCB Consultants. MBCB Consultants is a Black American-owned consulting firm based in Lake Oswego, Oregon. The firm helped review the state's procurement policies and program measures and conducted in-depth interviews with various business representatives.

4. Rosales Law Partners (RLP). RLP is a Hispanic American woman-owned legal and policy firm based in San Francisco, California. The firm served as the project team's legal consultant.

5. GCAP Services (GCAP). GCAP is a Hispanic American-owned supportive services firm based in Costa Mesa and Sacramento, California. The firm helped review the state's procurement policies and programs and develop recommendations related to encouraging the participation of small businesses and POC-, woman-, and SDV-owned businesses in state-funded work. GCAP also conducted focus groups with trade association representatives.

6. Davis Research. Davis Research is a survey firm based in Calabasas, California. The firm conducted telephone and online surveys with thousands of Oregon businesses to gather information for the utilization and availability analyses.

CHAPTER 2.

Legal Analysis

The State of Oregon (the state) commissioned a disparity study to assess whether there are statistically significant disparities between the participation and availability of person of color (POC)-, woman-, and service-disabled veteran (SDV)-owned businesses (collectively referred to as disadvantaged businesses) for the contracts and procurements state executive branch agencies award.¹ One of the primary reasons for those assessments is to determine whether sufficient evidence of discrimination exists for individual business groups and whether the state should consider using any *race- or gender-conscious* measures as part of its contracting and procurement processes, and if so, to guide the effective and constitutional use of such measures. In the context of government contracting and procurement, race- and gender-conscious measures are efforts designed to encourage the participation of certified POC- and woman-owned businesses, specifically, in a government organization's work (e.g., condition-of-award goals for the participation of certain eligible business groups in individual contracts or procurements). In contrast, *race- and gender-neutral* measures are efforts designed to encourage the participation of all businesses—or all small or emerging businesses—in an organization's work, regardless of the race or gender of the business owners.² Currently, the state does not use any race- or gender-conscious measures as part of its contracting or procurement processes.³

Chapter 2 summarizes the legal standards that govern the use of race- and gender-conscious and race- and gender-neutral measures in three parts:

- A. Legal standards for different types of measures;
- B. Seminal court decisions; and
- C. Addressing legal requirements with the disparity study.

A. Legal Standards for Different Types of Measures

There are different legal standards for determining the constitutionality of POC-, woman-, and SDV-owned business programs depending on whether they rely solely on race- and gender-neutral measures or if they also include race- and gender-conscious measures.

1. Programs that rely solely on race- and gender-neutral measures. Government organizations—like the state—that operate POC-, woman-, and SDV-owned business programs that rely solely on race- and gender-neutral measures must show a *rational basis* for their programs.

¹ BBC Research & Consulting conducted analyses separately for each relevant business group: Asian American-, Black American-, Hispanic American-, Native American-, white woman-, and SDV-owned businesses.

² By definition, program measures designed to encourage the participation of SDV-owned businesses in government work are race- and gender-neutral, because eligibility to participate in such measures is based on the veteran and disability statuses of business owners and not on their races or genders.

³ The Oregon Department of Transportation, which is an executive branch agency, uses race- and gender-conscious contract goals as part of its implementation of the Federal Disadvantaged Business Enterprise Program.

Courts typically apply the rational basis test to programs that do not potentially affect any fundamental rights or discriminate on the basis of race, gender, sexual orientation, or other suspect factors, such as programs designed to encourage the participation of SDV-owned businesses. Showing a rational basis requires organizations to demonstrate that their contracting and procurement programs are rationally related to legitimate government interests (e.g., increasing the participation of local small businesses in their work). It is the least rigorous standard for evaluating the constitutionality of business programs.

2. Programs that include race- and gender-conscious measures. Contracting programs that include race-conscious and gender-conscious measures must meet the strict scrutiny and intermediate scrutiny standards of constitutional review, respectively.

a. Strict scrutiny. The *strict scrutiny* standard represents the highest threshold for evaluating the legality of race-conscious contracting programs, short of prohibiting them altogether. Under the strict scrutiny standard, government organizations must show a compelling governmental interest in using race-conscious measures and ensure that their use is narrowly tailored. (In June 2023, the United States Supreme Court in *Students for Fair Admissions, Inc. v. President and Fellows of Harvard College* reaffirmed the strict scrutiny test for race-based classifications.⁴)

i. Compelling governmental interest. Government organizations using race-conscious measures have the initial burden of showing evidence of discrimination within their own relevant geographic market areas (RGMAs)—including statistical and anecdotal evidence—that supports the use of such measures.⁵ Although organizations can draw on national statistics relevant to marketplace conditions within their own regions, they cannot rely solely on such information to demonstrate a compelling governmental interest for their programs. They must also present evidence tailored specifically to the marketplaces in which they operate.

It is not necessary for organizations themselves to have discriminated against POC-owned businesses for them to demonstrate a compelling governmental interest and take remedial action. They could act if evidence indicates they are *passive participants* in race-based discrimination that exists in their RGMAs.⁶ Passive participation in discrimination refers to government organizations perpetuating discrimination in their contract and procurement processes simply by operating in marketplaces where it exists. One of the primary objectives of the disparity study is to determine if there is evidence of race-based discrimination in the state's RGMA, which would potentially indicate the state's passive participation in that discrimination and help establish a compelling governmental interest for it to use race-conscious measures as part of its contracting and procurement.

ii. Narrow tailoring. In addition to demonstrating a compelling governmental interest, government organizations must demonstrate that their use of race-conscious measures is narrowly tailored to

⁴ *Students for Fair Admissions v. Harvard*, 600 U.S. 181 (2023)

⁵ See e.g., *Concrete Works, Inc. v. City and County of Denver* ("Concrete Works I"), 36 F.3d 1513, 1520 (10th Cir. 1994).

⁶ See e.g., *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469, 492 (1989); *Rothe Development Corp v. U.S. Dept of Defense*, 545 F.3d 1023, 1048 (Federal Cir. 2008).

meet program objectives. There are a number of factors courts consider when determining whether the use of race-conscious measures is narrowly tailored:

- The necessity of such measures and the efficacy of alternative, race-neutral measures;
- The degree to which the use of such measures is limited to those groups that actually suffer discrimination in the local marketplace;
- The degree to which the use of such measures is flexible and limited in duration, including the availability of waivers and sunset provisions;
- The relationship of any numerical goals to the relevant business marketplace; and
- The impact of such measures on the rights of third parties.

b. Intermediate scrutiny. In 1976, the United States Supreme Court ruled that gender-conscious programs must adhere to the requirements of the intermediate scrutiny standard, which is less rigorous than the strict scrutiny standard but more rigorous than the rational basis standard.⁷ In order for a gender-conscious program to meet intermediate scrutiny, it must:

- Serve an important government objective, and
- Be substantially related to achieving the objective.

B. Seminal Court Decisions

Two Supreme Court cases established that the strict scrutiny standard is the appropriate standard for evaluating the constitutionality of contracting programs that use race-conscious measures:

- *City of Richmond v. J.A. Croson Company (Croson)*; ⁸ and
- *Adarand Constructors, Inc. v. Peña (Adarand)*.⁹

Many subsequent decisions in federal courts have refined the requirements for the use of race- and gender-conscious measures as part of disadvantaged business programs, including several cases in the Ninth Circuit, the jurisdiction in which the state operates. BBC Research & Consulting (BBC) briefly summarizes the United States Supreme Court's decisions in *Croson* and *Adarand* as well as the Ninth Circuit Court of Appeals' decisions in three other seminal cases:

⁷ *Craig v. Boren*, 429 U.S. 190 (1976).

⁸ *City of Richmond v. J.A. Croson Company*, 488 U.S. 469 (1989).

⁹ *Adarand Constructors, Inc. v. Peña*, 515 U.S. 200 (1995).

- *Associated General Contractors of California v. Coalition for Economic Equity (AGC, California)*;¹⁰
- *Coral Construction Co. v. King County (Coral Construction)*;¹¹ and
- *Western States Paving Co. v. Washington State Department of Transportation (Western States)*.¹²

1. *Croson and Adarand.* The United States Supreme Court’s landmark decisions in *Croson* and *Adarand* are the most important court decisions to date in connection with the use of race-conscious measures in government contracting and procurement and disparity study methodology. In *Croson*, the Supreme Court struck down the City of Richmond’s race-based subcontracting program as unconstitutional and, in doing so, established various requirements government organizations must meet when considering the use of such measures as part of their contracting and procurement:

- Organizations’ use of race-conscious measures must meet the strict scrutiny standard of constitutional review—that is, in remedying any race-based discrimination, they must establish a compelling governmental interest to do so and must ensure the use of such measures is narrowly tailored.
- In assessing availability, organizations must account for various characteristics of the prime contracts and subcontracts they award and the degree to which local businesses are ready, willing, and able to perform that work.
- If organizations show statistical disparities between the percentage of dollars they awarded to POC-owned businesses and the percentage of dollars those businesses might be available to perform, then inferences of discrimination could exist, justifying the use of narrowly tailored, race-conscious measures.

The Supreme Court’s decision in *Adarand* expanded its decision in *Croson* to include federal government programs—such as the Federal Disadvantaged Business Enterprise (DBE) Program—that potentially include race-conscious measures, requiring that those programs must also adhere to the requirements of strict scrutiny.

2. *AGC, California.* In *AGC, California*, the Ninth Circuit Court of Appeals assessed the constitutionality of a race- and gender-conscious bid preference program the City of San Francisco enacted in 1989. As part of the program, the city provided a 5 percent bid reduction (for evaluation purposes) to local businesses as well as a 10 percent bid preference for local POC- and woman-owned businesses. The court applied the strict scrutiny standard to its assessment of the bid preference program and ruled that the program was constitutional. As part of its analysis, the court found that:

- The city based its program on sufficient amounts of both statistical and anecdotal evidence that demonstrated the existence of race- and gender-based discrimination within its RGMA that affected outcomes for POC- and woman-owned businesses in the marketplace generally and within the city’s contracting and procurement specifically.

¹⁰ *Associated General Contractors of California v. Coalition for Economic Equity*, 950 F.2d, 1401 (9th Cir., 1991).

¹¹ *Coral Construction Co. v. King County*, 941 F.2d 910 (9th Cir. 1991).

¹² *Western States Paving Co. v. Washington State DOT*, 407 F.3d 983 (9th Cir. 2005), cert. denied, 546 U.S. 1170 (2006).

- The city presented evidence of substantial disparities between the participation and availability of local POC-owned businesses for city work, which indicated inferences of discrimination affecting POC-owned businesses in city contracting and procurement.
- The city appropriately limited participation in its bid preference program to local POC- and woman-owned businesses, which are the businesses for which the city previously collected statistical and anecdotal evidence related to discrimination.
- Three factors are particularly instructive in determining whether an organization's use of race- and gender-conscious measures is narrowly tailored: 1) whether the organization used race- and gender-conscious measures after, or in conjunction with, robust race- and gender-neutral measures; 2) whether the organization used rigid, numerical quotas; and 3) whether the organization limited the scope of race- and gender-conscious measures to program objectives.

3. Coral Construction. In *Coral Construction*, the Ninth Circuit Court of Appeals assessed the constitutionality of King County, Washington's preference program, as part of which POC- and woman-owned businesses received preferential treatment in competing for county contracts and procurements. The court ruled that whereas the preference program met the requirements of intermediate scrutiny and was thus constitutional as applied to woman-owned businesses, it did not meet the requirements of strict scrutiny and was thus unconstitutional as applied to POC-owned businesses. Specifically, the court held that:

- Statistical evidence of race-based discrimination is necessary to establish a compelling governmental interest for the use of race-conscious measures, and King County's lack of statistical evidence informing its preference program was problematic. The court further held that the combination of convincing anecdotal and statistical evidence can be very powerful.
- The use of race-conscious measures does not require government organizations to show they actively discriminated against POC-owned businesses. Evidence that they passively participated in discrimination that exists in its marketplace is sufficient.
- Three factors are particularly instructive in determining whether an organization's use of race- and gender-conscious measures is narrowly tailored: 1) whether the organization used race- and gender-conscious measures after, or in conjunction with, robust race- and gender-neutral measures; 2) whether the organization used rigid, numerical quotas; and 3) whether the organization limited the scope of race- and gender-conscious measures to program objectives.
- A government organization's use of race-conscious measures must be limited in geographical scope to the organization's RGMA for it to be considered narrowly tailored. Because eligibility for King County's preference program was not limited to POC-owned businesses that had suffered discrimination within the county's RGMA, the court held that the program was overly broad, in violation of the narrow tailoring prong of strict scrutiny.

4. Western States. *Western States* was the first time the Ninth Circuit Court of Appeals considered the constitutionality of a government organization's use of race- and gender-conscious measures as part of the Federal DBE Program, which is a federal contracting equity program state departments of transportation operate under the auspices of the United States Department of Transportation. In *Western States*, the court struck down the Washington State Department of Transportation's

(WSDOT's) use of race- and gender-conscious measures as part of its implementation of the Federal DBE program, because it did not satisfy the strict scrutiny standard. Specifically, the court held that:

- WSDOT did not present compelling evidence of race- or gender-based discrimination in the Washington transportation contracting industry, and organizations must have evidence of such discrimination for their use of race- and gender-conscious measures to be considered narrowly tailored and serving a remedial purpose.
- WSDOT only provided minimal and unconvincing statistical evidence—that is, data indicating that the participation of POC-owned businesses in WSDOT work was less when the agency did not use race-conscious measures than when it did—and no anecdotal evidence regarding race- and gender-based discrimination in its RGMA, and sufficient amounts of both types of evidence are necessary to show that the use of race- and gender-conscious measures is narrowly tailored.
- Even when evidence of discrimination exists within organizations' RGMAs, their use of race- and gender-conscious measures can only be considered narrowly tailored when they are limited to those business groups that have been shown to actually suffer from barriers or discrimination in their marketplaces.
- In assessing availability, organizations must account for various characteristics—such as capacity, firm size, and contract size—of the prime contracts and subcontracts they award as well as of the businesses located in their RGMAs.
- Organizations can rely on statistical disparities between the participation and availability of POC- and woman-owned businesses on work they award to show discrimination in the marketplace if that work was awarded using race- and gender-neutral measures.

C. Addressing Legal Requirements with the Disparity Study

Many government organizations have used information from disparity studies to:

- Determine whether their contract and procurement practices are affected by race-, gender-, or veteran-based discrimination;
- Design efforts to encourage the participation of POC-, woman-, and SDV-owned businesses in their work; and
- Ensure that their use of any race-conscious or gender-conscious measures meet the requirements of the strict scrutiny and intermediate scrutiny standards, respectively.

Various aspects of the 2023 State of Oregon Disparity Study specifically address requirements the United States Supreme Court and other courts have established around POC-, woman-, and SDV-owned business programs and the use of race- and gender-conscious measures:

- The disparity study includes extensive econometric analyses and analyses of anecdotal evidence to assess whether any discrimination exists for POCs, women, SDVs, and the businesses they own in the RGMA and whether the state is actively or passively participating in that discrimination.
- BBC accounts for various characteristics of the contract and procurements the state awards—such as work type, role, size, and location—as well as the specific characteristics of businesses working in the RGMA—such as primary lines of work, roles, bid capacities, and interest in

government work—resulting in precise estimates of the degree to which POC-, woman-, and SDV-owned businesses are ready, willing, and able to perform that work.

- The study includes assessments of whether relevant groups of POC-, woman-, and SDV-owned businesses exhibit substantial, statistical disparities between their participation in and availability for state contracts and procurements, indicating whether any inferences of discrimination exist for specific business groups.
- The study includes various recommendations to help the state consider whether using race- and gender-conscious programs is appropriate as part of its contracting and procurement and how to do so effectively and in a legally defensible manner.

CHAPTER 3.

Data Collection and Analysis

Chapter 3 provides an overview of the contracts and procurements BBC Research & Consulting (BBC) analyzed as part of the 2023 State of Oregon Disparity Study and the processes we used to collect relevant prime contract, subcontract, and vendor data from Oregon state agencies and businesses. Chapter 3 is organized in three parts:

- A. Contract and procurement data;
- B. Vendor data; and
- C. Review process.

A. Contract and Procurement Data

BBC collected data on the construction, professional services, and non-professional services and goods contract and procurements state executive branch agencies awarded between July 1, 2017 and June 30, 2022 (the *study period*). We sought data on prime contracts and subcontracts regardless of the race/ethnicity, gender, or veteran status of the business owners that performed the work or their statuses as certified minority-, woman-, or service-disabled veteran-owned business enterprises (MBEs, WBEs, or SDVs). BBC worked with the State of Oregon's (the state's) Department of Administrative Services (DAS), which is responsible for managing the award of contracts and procurements on behalf of state executive branch agencies, to collect corresponding data from five sources:

- Oregon Procurement Information Network (ORPIN), which is the electronic procurement tracking system DAS used until 2021;
- OregonBuys, which is the electronic procurement tracking system DAS began using after 2021;
- State Financial Management Application (SFMA), which DAS uses to track payments related to projects executive branch agencies award, including projects represented in ORPIN and OregonBuys, and stand-alone purchases executive branch agencies make that are unrelated to existing projects;
- Team Environment Accounting System (TEAMS), which is the contract and procurement tracking system the Oregon Department of Transportation (ODOT) uses instead of ORPIN, OregonBuys, or SFMA;¹ and
- The state's P-card of Oregon Transaction System (SPOTS), which DAS uses to track purchases executive branch agencies make using US Bank-issued credit cards.²

¹ ODOT provided contract and procurement data from TEAMS, because those data are not captured in ORPIN or SFMA despite ODOT being an executive branch agency.

² Based on direction from the state, the disparity study did not include analyses of projects the Oregon Department of Corrections (DOC) awarded during the study period. However, SFMA data for the DOC was included in the disparity study analyses.

The data represented in SFMA, TEAMS, and SPOTS are independent of one another (i.e., they represent different contracts and procurements executive branch agencies awarded during the study period). Contract data represented in ORPIN and OregonBuys are also represented as payment data in SFMA but without clear indications on how those data relate to one another. BBC describes how the project team reconciled potentially duplicate data later in Chapter 3.

1. Prime contract data. DAS and ODOT provided BBC with electronic data from ORPIN, OregonBuys, SFMA, TEAMS, and SPOTS on relevant state-funded prime contracts and procurements they awarded during the study period.³ We requested the following information about each relevant prime contract or procurement:

- Contract or purchase order number;
- Executive branch agency that made the purchase;
- Prime contractor name;
- Prime contractor identification number;
- Description of work;
- Award date;
- Award amount (including change orders and amendments);
- Amount paid-to-date (as of November 30, 2022); and
- Location of work.

DAS and ODOT advised BBC on how to interpret the data they provided, including how to best identify unique bid opportunities and how to aggregate related award or payment amounts, where possible.

2. Subcontract data. State executive branch agencies do not collect comprehensive data on subcontracts. To gather that information, we conducted surveys with prime contractors to collect data on the subcontracts associated with the projects executive branch agencies awarded to them during the study period that we deemed to likely have included subcontract opportunities. We made that determination based on the work types and sizes involved in each project, which primarily included relatively large construction and professional services projects. We identified prime contracts to include in the subcontract survey process from ORPIN, OregonBuys, and TEAMS, because in consultation with DAS, we determined that the types of purchases represented in SFMA and SPOTS were unlikely to include subcontract opportunities.

We requested the following information from prime contractors about the subcontracts associated with each relevant project:

³ BBC defined state-funded contracts and procurements as those that only included state funds. That is, they did not include any federal funding such as from the United States Department of Transportation. We did not analyze federally-funded projects as part of the disparity study, because the inclusion of such funding often requires the implementation of federal contracting and procurement programs outside the state's contracting and procurement laws and policies.

- Associated prime contract number;
- Award amount for the project;
- Amount paid-to-date for the project (as of November 30, 2022);
- Commitment amount for each subcontract;
- Amount they paid on each subcontract (as of November 30, 2022);
- Description of work;
- Subcontractor name; and
- Subcontractor contact information.

BBC requested subcontract data associated with 1,617 prime contracts state executive branch agencies awarded during the study period. After the first round of surveys, we sent reminder letters and e-mails to prime contractors that did not respond to our initial requests. We then worked with DAS to continue contacting them directly to request subcontract data. Through our survey and follow up efforts, we collected subcontract data associated with more than 34 percent of the relevant projects state executive branch agencies awarded during the study period.

3. Aggregating data. BBC aggregated prime contract and subcontract data we collected from DAS, ODOT, and prime contractors to compile prime contract and subcontract tables on which we based key disparity study analyses, including the utilization, availability, and disparity analyses. We based those tables primarily on SFMA, TEAMS, and SPOTS data as well as on data we received from prime contractors as part of our subcontract survey process. We only used data from ORPIN and OregonBuys to identify projects to include as part of our subcontract survey process. Collectively, data from those sources represented the most comprehensive information on the contract and procurement-related purchases executive branch agencies made during the study period.

BBC aggregated information according to the following decision rules to ensure we represented the values of relevant contract and procurement opportunities accurately and did not double-count duplicative contract and procurement dollars across different data sources.⁴

- For ORPIN/OregonBuys projects we included in our subcontract survey process and for which prime contractors indicated they used subcontractors and provided all the information we requested, we treated the paid-to-date amount (as of November 30, 2022) the prime contractor reported for the entire project as its total value. For a relatively small number of projects, the prime contractor provided award amounts for the entire project and all subcontracts but not paid-to-date amounts. In those cases, we estimated the value of each project using the same methodology as described here, but we substituted paid-to-date amounts for award amounts. In addition, we treated the total paid-to-date amount less the sum of reported paid-to-date amounts for all subcontracts as the total prime contract amount for the project. To avoid double-counting any

⁴ In total, we removed 2,002 records from SFMA, representing \$95.5 million, to avoid double-counting duplicative information from other data sources.

associated dollars, we then removed any records in SFMA that shared the same combinations of vendor, executive branch agency, and year as those projects.

- For ORPIN/OregonBuys projects we included in our subcontract survey process and for which prime contractors indicated they used subcontractors and provided paid-to-date amounts for subcontractors but not for themselves, we summed all records in SFMA that shared the same combinations of vendor, executive branch agency, and year as those projects. We treated the sum of those amounts as the total value of each of those projects, and we treated the sum of those amounts less the total of the sum of reported paid-to-date amounts for all subcontractors as the prime contract amount.
- For ORPIN/OregonBuys projects we included in our subcontract survey process and for which prime contractors indicated they used subcontractors and provided award amounts and paid-to-date amounts for subcontractors but did not provide paid-to-date amounts for the entire project, we treated the award amount for the entire project as listed in ORPIN/OregonBuys as the value of the entire project. In addition, we treated the total award amount less the sum of reported award or paid-to-date amounts for all subcontracts as the total prime contract amount for the project. To avoid double counting any associated dollars, we then removed any records in SFMA that shared the same combinations of vendor, executive branch agency, and year as those projects.
- For ORPIN/OregonBuys projects we included in our subcontract survey process but for which prime contractors either did not respond or indicated they did not use subcontractors, we summed all records in SFMA that shared the same combinations of vendor, executive branch agency, and year and treated the sum of those amounts as individual contract elements without making any distinctions between prime contracts and subcontracts.
- For ORPIN/OregonBuys projects that we did not include in our subcontract survey process because of work type or size and SFMA purchases that were not related to any projects in ORPIN or OregonBuys, we summed all records in SFMA that shared the same combinations of vendor, executive branch agency, and year and treated the sum of those amounts as individual contract elements without making any distinctions between prime contracts and subcontracts.
- For TEAMS projects we included in our subcontract survey process and for which prime contractors indicated they used subcontractors and provided all requested information, we treated the paid-to-date amount (as of November 30, 2022) the prime contractor reported for the entire project as its total value. In addition, we treated the total paid-to-date amount less the sum of reported paid-to-date amounts for all subcontracts as the total prime contract amount for the project. For a relatively small number of projects, the prime contractor provided award amounts for the entire project and all subcontracts but not paid-to-date amounts. In those cases, we estimated the value of each project using the same methodology described here but we substituted paid-to-date amounts for award amounts.
- For TEAMS projects we included in our subcontract survey process but for which prime contractors either did not respond or indicated they did not use subcontractors, we treated the award amount for the entire project as reported in TEAMS as the total value for the project without making any distinctions between prime contracts and subcontracts.
- For TEAMS projects we included in our subcontract survey process but for which prime contractors indicated they did not use subcontractors but provided paid-to-date information for

the entire project, we treated the reported paid-to-date amount as the total value for the project without making any distinctions between prime contracts and subcontracts.

- For TEAMS projects that we did not include in our subcontract survey process because of work type or size, we treated the award amount for the entire project as reported in TEAMS as the total value for the project without making any distinctions between prime contracts and subcontracts.
- For SPOTS purchases, we treated each transaction as an individual contract element and treated the transaction amount reported in US Bank statements as its total value.

4. Contracts and procurements included in study analyses. Figure 3-1 presents the number of contract elements and associated dollars BBC included in our analyses, based on the methodology described in the previous section.

Figure 3-1.
State contracts and procurements included in the disparity study

Note: Numbers rounded to nearest dollar and thus may not sum exactly to totals.

Source:

BBC from state data.

Contract type	Number of contracts	Dollars awarded (in thousands)
Professional services	8,222	\$1,432,505
Construction	5,834	\$1,040,234
Non-professional services, goods, and supplies	8,336	\$712,229
Total	22,392	\$3,184,967

B. Vendor Data

BBC also compiled information on the businesses that participated in relevant prime contracts and subcontracts during the study period, including:

- Business name;
- Physical addresses and phone numbers;
- Ownership status [i.e., whether each business was person of color (POC)-, woman-, or SDV-owned];
- Ethnicity of ownership (if POC-owned);
- MBE, WBE, and SDVBE certification status;
- Primary lines of work;
- Business size; and
- Year of establishment.

We relied on a variety of sources for that information, including:

- DAS contract and vendor data;
- ODOT contract and vendor data;
- Surveys the study team conducted with business owners and managers;
- The state's Certification Office of Business Inclusion and Diversity directory;

- Dun & Bradstreet (D&B) business listings and other business information sources; and
- Business websites and other secondary research.

C. Review Process

The state reviewed contract, procurement, and vendor data throughout the study process. BBC consulted with various state agencies to discuss the data collection process, review information the study team gathered, and present summary results. We incorporated feedback from the state in the final contract, procurement, and vendor data we used for our analyses.

CHAPTER 4.

Relevant Geographic Market Area and Product Markets

As part of the compelling government interest prong of the strict scrutiny standard of constitutional review, government organizations that use—or might use—race-conscious measures as part of their contract and procurement policies must show evidence of discrimination within their own *relevant geographic market areas* (RGMAs) that supports the use of such measures.¹ Consistent with case law and industry standards, BBC Research & Consulting (BBC) defines the RGMA as the geographic area in which the businesses to which an organization awards most of their contract and procurement dollars are located. The primary objective of the disparity study is to assess whether evidence of barriers or discrimination exists for person of color (POC)-, woman-, and service-disabled veteran (SDV)-owned businesses working in the State of Oregon’s (the state’s) marketplace, and accordingly, key disparity study analyses—including the availability analysis, the utilization analysis, the disparity analysis, and econometric analyses of marketplace conditions—are tailored to the state’s RGMA and the product markets most relevant to the contract and procurement dollars the state spends.

A. RGMA

BBC identified the locations of the businesses that participated in state work during the *study period* (i.e., July 1, 2017 to June 30, 2022). Figure 4-1 presents the percentage of relevant contract and procurement dollars executive branch agencies awarded to businesses with locations in Oregon counties as well as outside of Oregon both overall and separately for each industry relevant to the disparity study: construction; professional services; and non-professional services, goods, and supplies. During the study period, executive branch agencies awarded 83.9 percent of all relevant contract and procurement dollars to businesses located in Oregon, which was relatively consistent across relevant industries, ranging from 79.9 percent for non-professional services and goods work up to 90.1 percent for construction work. The Oregon counties that accounted for the largest percentage of executive branch agencies’ total relevant contract and procurement dollars were Multnomah, Marion, and Washington Counties. Because executive branch agencies awarded the vast majority of their relevant contract dollars during the study period to businesses located in Oregon counties, we determined that the entire state of Oregon should be considered the RGMA for the disparity study.

¹ See e.g., *Concrete Works, Inc. v. City and County of Denver* (“Concrete Works I”), 36 F.3d 1513, 1520 (10th Cir. 1994); *City of Richmond v. J.A. Croson Co.*, 488 U.S. 469, 492 (1989); and *Rothe Development Corp v. U.S. Dept of Defense*, 545 F.3d 1023, 1048 (Federal Cir. 2008).

Figure 4-1.
Percentage of dollars executive
branch agencies awarded to
businesses located in Oregon
counties and outside of Oregon

Note:

Numbers rounded to nearest dollar and thus may not sum exactly to totals.

Source:

BBC from state data.

County	Percent of in scope dollars
Multnomah	36.5%
Marion	8.8%
Washington	7.7%
Clackamas	7.7%
Deschutes	3.2%
Jackson	3.0%
Lane	2.8%
Douglas	2.5%
Umatilla	1.5%
Klamath	1.5%
Crook	1.1%
Josephine	0.9%
Benton	0.8%
Linn	0.7%
Coos	0.6%
Polk	0.5%
Unknown County	0.5%
Union	0.5%
Yamhill	0.4%
Grant	0.4%
Lincoln	0.3%
Malheur	0.3%
Morrow	0.2%
Clatsop	0.2%
Wasco	0.2%
Lake	0.2%
Tillamook	0.2%
Baker	0.1%
Wallowa	0.1%
Hood River	0.1%
Harney	0.1%
Curry	0.1%
Jefferson	0.1%
Columbia	0.1%
King	0.0%
Total	84.0%
Outside Oregon	16.0%
Total	100.0%

B. Relevant Product Markets

In addition to tailoring disparity study analyses to the RGMA, BBC tailored those analyses to the product markets most relevant to the contracts and procurements executive branch agencies awarded during the study period. For each prime contract and subcontract we considered as part of our analyses, we determined the *subindustry*, or product market, that best characterized the vendor's primary line of work (e.g., building construction) based on state agency contract and vendor data, surveys the study team conducted with prime contractors and subcontractors, business certification lists, Dun & Bradstreet business listings, and other sources. Figure 4-2 presents subindustry classifications for the construction; professional services; and non-professional services, goods, and supplies contracts and procurements we included in our analyses as well as the dollars executive branch agencies awarded within each subindustry during the study period.

Figure 4-2.
Total state contract and procurement dollars by subindustry

Note:

Numbers rounded to nearest dollar and thus may not sum exactly to totals.

Source:

BBC from state data.

Industry	Total (in thousands)
Construction	
Building construction	\$241,836
Heavy construction	\$127,022
Forestry	\$103,243
Excavation, drilling, wrecking, and demolition	\$79,601
Concrete, asphalt, sand, and gravel products	\$72,933
Heavy construction equipment rental	\$57,469
Plumbing and HVAC	\$54,181
Electrical work	\$43,240
Other construction materials	\$40,683
Roofing, siding, and flooring contractors	\$35,343
Trucking, hauling and storage	\$29,117
Landscape services	\$27,975
Water, sewer, and utility lines	\$22,608
Electrical equipment and supplies	\$21,129
Remediation and cleaning	\$19,193
Fencing, guardrails, barriers, and signs	\$16,700
Concrete work	\$13,862
Landscaping supplies and equipment	\$12,143
Painting, striping, marking, and weatherproofing	\$9,693
Other construction services	\$6,724
Insulation, drywall, masonry, and weatherproofing	\$5,538
Total construction	\$1,040,234
Professional services	
IT and data services	\$530,253
Finance and accounting	\$358,391
Advertising, marketing and public relations	\$104,364
Engineering	\$90,577
Environmental services	\$87,791
Business consulting	\$71,128
Other professional services	\$49,186
Human resources and job training services	\$36,066
Medical testing, laboratories and pharmaceutical services	\$34,380
Business services	\$32,023
Architectural and design services	\$26,963
Transportation planning services	\$10,828
Construction management	\$555
Total professional services	\$1,432,505

BBC combined related subindustries that accounted for relatively small percentages of total contract and procurement dollars into five “other” subindustries: other construction services, other construction materials, other professional services, other goods, and other services. For example, the dollars the state awarded or paid to contractors for woodworking and carpentry services represented less than 1 percent of total dollars we examined as part of the study. So, we combined woodworking and carpentry services with construction services that also accounted for relatively small percentages of total dollars into the “other construction services” subindustry. There were also various contracts and procurements we classified into subindustries that we did not ultimately include in our analyses:

Figure 4-2.
Total state contract and
procurement dollars by
subindustry (continued)

Note:

Numbers rounded to nearest dollar and thus may not sum exactly to totals.

Source:

BBC from state data.

Industry	Total (in thousands)
Non-professional services, goods, and supplies	
Automobiles	\$139,245
Food products, wholesale and retail	\$129,645
Printing, copying, and mailing	\$79,210
Office equipment, supplies, and furniture	\$61,011
Other goods	\$45,677
Other services	\$45,652
Petroleum and petroleum products	\$43,225
Cleaning and janitorial	\$22,448
Waste and recycling services	\$21,033
Food services	\$20,512
Security guard services	\$18,597
Industrial equipment and machinery	\$17,027
Video production goods and services	\$14,370
Uniforms and apparel	\$13,923
Vehicle parts and supplies	\$12,272
Vehicle maintenance and repair	\$9,549
Medical transportation	\$7,080
Food equipment and supplies	\$6,826
Industrial chemicals	\$4,925
Total non-professional services, goods, and supplies	\$712,229
GRAND TOTAL	\$3,184,967

- Purchases and grants the state made with, or awarded to, government agencies, tribal governments, utility providers, hospitals, or nonprofit organizations (\$9.3 billion);
- Contracts and procurements that reflected *national markets*—that is, subindustries dominated by large national or international businesses—or subindustries where the state awarded or paid most of the dollars to businesses located outside the RGMA (\$1.9 billion);²
- Purchases that often include property purchases, leases, or other pass-through dollars (\$12.4 billion);³ or
- Types of work not typically included in disparity studies and that account for relatively small proportions of the state's contract and procurement dollars (\$1.8 billion).⁴

² Examples of such work include computer manufacturing and proprietary software.

³ Examples of such work include real estate consultants and apartment building operators.

⁴ Examples of industries not typically included in disparity studies include pharmaceuticals and lodging.

CHAPTER 5.

Econometric Analyses of Marketplace Conditions

Historically, there have been myriad legal, economic, and social obstacles that have impeded persons of color (POCs) and women from starting and operating successful businesses. Barriers including slavery, racial oppression, segregation, race-based displacement, labor market discrimination, and discriminatory government policies have produced substantial disparities for POCs and women, the effects of which still impact them today. Those barriers have limited opportunities for POCs in terms of education, workplace experience, and building wealth.^{1, 2, 3, 4, 5} Similarly, many women have historically been restricted to either being homemakers or taking gender-specific jobs with low pay and little chance for advancement and have also faced barriers related to education, workplace experience, and building wealth.^{6, 7, 8}

POCs and women in Oregon have faced barriers similar to the ones those groups have faced nationwide. For example, Black Americans were legally barred from living in Oregon early in its history because of a clause in the state constitution prohibiting their residence, and this language remained in the state's constitution until the beginning of the 21st century.^{9, 10} In addition, bans on interracial marriage and segregated schooling for Black Americans, Asian Americans, Native Americans, and other POCs affected people of those groups for much of the state's history.^{11, 12} Racially segregated schools and "Indian Schools" accounted for substantial educational disparities among POCs in the state.^{13, 14} Racially restrictive policies within the real estate and banking industries prevented POCs from owning commercial or residential property.^{15, 16} Disparate treatment also extended into the labor market, as POC groups were regularly barred from pursuing certain employment opportunities that were specified as "white only."¹⁷

In the middle of the 20th century, many reforms opened up new opportunities for POCs and women nationwide. For example, *Brown v. Board of Education*, *The Equal Pay Act*, *The Civil Rights Act*, and *The Women's Educational Equity Act* outlawed many forms of discrimination. Workplaces adopted personnel policies and implemented programs to diversify their staffs.¹⁸ Those reforms increased diversity in workplaces and reduced educational and employment disparities for POCs and women.^{19, 20, 21, 22} However, despite those improvements, POCs and women continue to face barriers—such as incarceration, residential segregation, and disproportionate family responsibilities—that have made it more difficult for them start and operate businesses successfully.^{23, 24, 25, 26}

Federal Courts and the United States Congress have considered barriers POCs, women, and POC- and woman-owned businesses face in a particular marketplace as evidence for race- and gender-based discrimination in that marketplace.^{27, 28, 29} The United States Supreme Court and other federal courts have held that analyses of conditions in a marketplace for POCs, women, and POC- and woman-owned businesses are instructive in determining whether agencies' implementations of POC- and woman-owned business programs are appropriate and justified. Those analyses help agencies determine whether they are *passively participating* in any race- or gender-based discrimination that makes it more difficult for POC- or woman-owned businesses to successfully compete for government contracts and procurements. Passive participation in discrimination refers to agencies unintentionally perpetuating race- or gender-based discrimination simply by operating within marketplaces where such

discrimination exists. Many courts have held that passive participation in any race- or gender-based discrimination establishes a compelling governmental interest for agencies to take remedial action to address such discrimination.^{30, 31, 32}

BBC Research & Consulting (BBC) conducted quantitative and qualitative analyses to assess whether POCs, women, and POC- and woman-owned businesses—and as data were available, veterans and veteran-owned businesses—face any barriers in Oregon for construction; professional services; and non-professional services, goods, and supplies industries. The study team also examined the potential effects any such barriers have on the formation and success of businesses as well as their participation in and availability for contracts and procurements the State of Oregon awards. We examined local marketplace conditions in four primary areas:

- **Human capital**, to assess whether POCs and women face barriers related to education, employment, and gaining experience;
- **Financial capital**, to assess whether POCs and women face barriers related to wages, homeownership, personal wealth, and financing;
- **Business ownership**, to assess whether POCs and women own businesses at rates comparable to that of white men; and
- **Business success**, to assess whether POC- and woman-owned businesses have outcomes similar to those of businesses owned by white men.

The information in Chapter 5 comes from existing research related to marketplace conditions for POCs, women, and POC- and woman-owned businesses as well as primary research BBC conducted on current marketplace conditions. We present additional quantitative information about marketplace conditions in Appendix B.

A. Human Capital

Human capital is the collection of personal knowledge, behavior, experience, and characteristics that make up an individual's ability to perform and succeed in particular labor markets. Factors such as education, business experience, and managerial experience have been shown to be related to business success.^{33, 34, 35, 36} Any barriers in those areas may make it more difficult for POCs and women to work in relevant industries and prevent some of them from starting and operating businesses successfully.

1. Education. Barriers associated with educational attainment may preclude entry or advancement in certain industries, because many occupations require at least a high school diploma, and some occupations—such as in professional services—require at least a four-year college degree. In addition, educational attainment is a strong predictor of both income and personal wealth, which are both shown to be related to business formation and success.^{37, 38, 39} Nationally, POCs lag behind white Americans in terms of both educational attainment and the quality of education they receive.^{40, 41, 42} POCs are far more likely than white Americans to attend schools that do not provide access to core classes in science and math.⁴³ In addition, Black American students are more likely than white Americans to be expelled or suspended from high school.⁴⁴ For those and other reasons, POCs are far less likely than white Americans to attend college, enroll at highly or moderately selective four-year college institutions, and earn college degrees.⁴⁵

Educational outcomes for POCs in Oregon are similar to those for POCs nationwide. The study team's analyses of the Oregon labor force indicate that certain POC groups are far less likely than white Americans to earn college degrees. Figure 5-1 presents the percentage of Oregon workers that have earned four-year college degrees by race/ethnicity and gender. As shown in Figure 5-1, Black American (32%), Hispanic American (17%), and Native American (23%) workers are substantially less likely than white American workers (40%) to have four-year college degrees. BBC also conducted regression analyses to assess whether race- or gender-related barriers in obtaining college degrees exist even after accounting for various personal factors, such as age and family status. Those analyses indicated that, even after accounting for various personal factors, Black Americans, Hispanic Americans, and Native Americans are less likely to obtain a four-year college degree compared to white Americans.

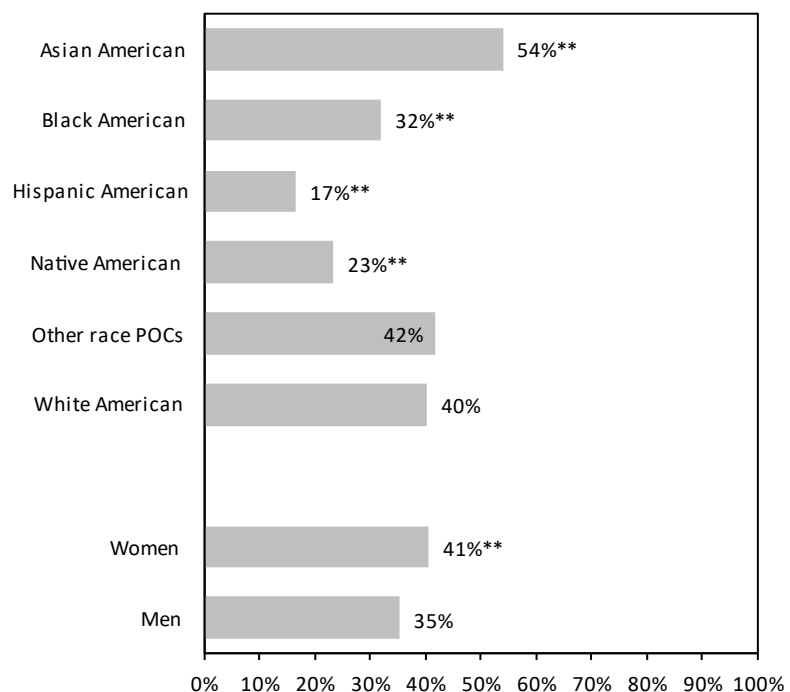
Figure 5-1.
Percentage of Oregon workers
aged 25 and older with at least
a four-year degree

Note:

** Denotes that the difference in proportions between the POC group and white Americans or between women and men is statistically significant at the 95% confidence level.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.



2. Employment and management experience. An important precursor to business ownership and success is acquiring direct experience in relevant industries. Any barriers that limit POCs and women from acquiring that experience could prevent them from starting and operating businesses in the future.

a. Employment. On a national level, prior industry experience has been shown to be an important indicator for business ownership and success. However, POCs and women are often unable to acquire that experience. They are sometimes discriminated against in hiring decisions, which impedes their entry into the labor market.^{46, 47, 48} When employed, they are often relegated to peripheral positions in the labor market and to industries that exhibit already high concentrations of POCs and women.^{49, 50, 51, 52, 53, 54} In addition, Black Americans, Hispanic Americans, and Native Americans are incarcerated at greater rates than white Americans in Oregon and nationwide, which contributes to many labor difficulties, including difficulties finding jobs and slow wage growth.^{55, 56, 57, 58, 59, 60, 61}

BBC assessed the representation of POC and woman workers in the Oregon construction; professional services; and non-professional services, goods, and supplies industries compared to their representation

in all Oregon industries considered together. We present the results of that analysis in Figure 5-2. Compared to their representation in all industries considered together:

- Smaller percentages of Asian Americans (2.2%), Black Americans (1.5%), Hispanic Americans (16.5%), and other race POCs (0.1%) work in the Oregon construction industry. In addition, a smaller percentage of women (11.2%) work in the Oregon construction industry.
- Smaller percentages of Hispanic Americans (7.2%), and Native Americans (1.6%) work in the Oregon professional services industry. In addition, a smaller percentage of women (38.7%) work in the Oregon professional services industry.
- A smaller percentage of Asian Americans (4.7%) work in the Oregon non-professional services, goods, and supplies industry. In addition, a smaller percentage of women (31.6%) work in the Oregon non-professional services, goods, and supplies industry.

Figure 5-2.
Demographic characteristics of workers in study-related industries and all industries in Oregon, 2015-2019

Oregon	All Industries (n=100,371)	Construction (n=5,905)	Professional Services (n=5,989)	Non-prof. services, goods, and supplies (n=2,801)
Race/ethnicity				
Asian American	6.1 %	2.2 % **	8.9 % **	4.7 % **
Black American	2.5 %	1.5 % **	2.2 %	2.4 %
Hispanic American	12.7 %	16.5 % **	7.2 % **	11.5 %
Native American	2.3 %	2.6 %	1.6 % **	2.1 %
Other race POCs	0.2 %	0.1 % **	0.3 %	0.2 %
Total minority	23.7 %	22.8 %	20.3 %	20.9 %
White American	76.3 %	77.2 %	79.7 % **	79.1 % **
Total	100.0 %	100.0 %	100.0 %	100.0 %
Gender				
Women	47.2 %	11.2 % **	38.7 % **	31.6 % **
Men	52.8 %	88.8 % **	61.3 % **	68.4 % **
Total	100.0 %	100.0 %	100.0 %	100.0 %

Note: ** Denotes that the difference in proportions between workers in each study-related industry and workers in all industries is statistically significant at the 95% confidence level.

Source: BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

BBC also examined the relationships between race and gender and unemployment. Figure 5-3 presents unemployment rates among POCs and women compared to those of white Americans and men, respectively. Compared to white American workers, Black American, Hispanic American, and Native American workers are substantially more likely to be unemployed in Oregon. We also conducted regression analyses to assess whether there are relationships between race and gender and unemployment even after accounting for various personal factors such as age, education, and family status. Those analyses indicated that, even after accounting for various personal factors, Black Americans and Native Americans are more likely to be unemployed compared to white Americans. In addition, women are more likely to be unemployed compared to men.

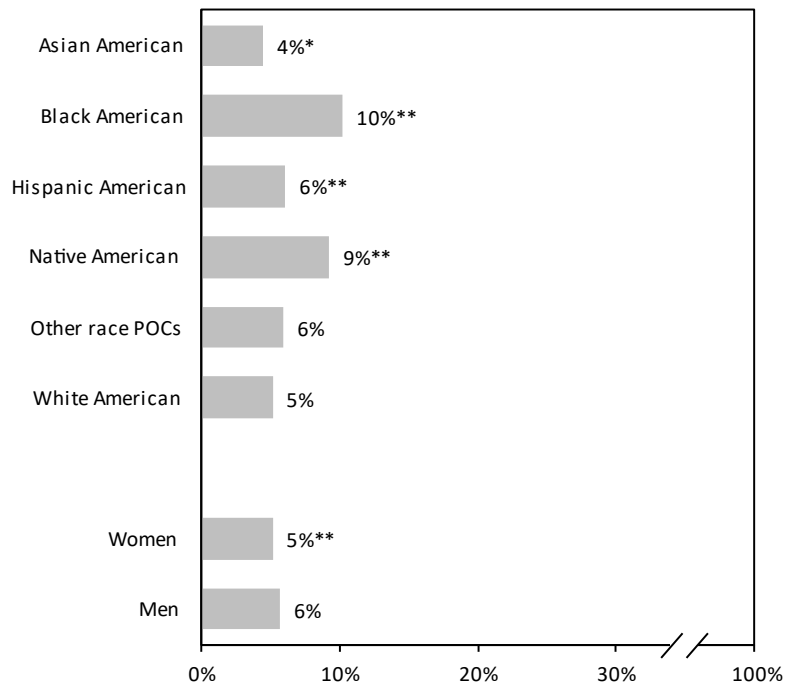
Figure 5-3.
Unemployment rates
in Oregon, 2015-2019

Note:

** Denotes that the difference in proportions between the POC group and white Americans (or between women and men) is statistically significant at the 95% confidence level.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.



b. Management experience. Managerial experience is often a predictor of business ownership and success, but discrimination remains an obstacle to greater diversity in management positions.^{62, 63, 64, 65} Nationally, POCs and women are far less likely than white men to work in management positions.^{66, 67, 68} Similar outcomes appear to exist for POCs and women in Oregon. BBC examined the representation of POCs and women in management positions in the Oregon construction; professional services; and non-professional services, goods, and supplies industries. As shown in Figure 5-4:

- Smaller percentages of Black Americans (3.6%) and Hispanic Americans (2.5%) than white Americans (8.8%) work as managers in the Oregon construction industry. In addition, a smaller percentage of women (5.0%) than men (8.0%) work as managers in the construction industry.
- Smaller percentages of Hispanic Americans (1.2%), and Native Americans (1.0%) than white Americans (3.2%) work as managers in the professional services industry. A smaller percentage of women (1.6%) than men (3.7%) work as managers in the professional services industry.
- A smaller percentage of Asian Americans (0.4%), and Hispanic Americans (1.3%) than white Americans (5.1%) work as managers in the non-professional services, goods, and supplies industry. In addition, a smaller percentage of women (2.8%) than men (5.1%) work as managers in the non-professional services, goods, and supplies industry.

B. Financial Capital

In addition to human capital, financial capital has been shown to be an important indicator of business formation and success.^{69, 70, 71} If race- or gender-based barriers exist in financial capital markets, POCs and women may have difficulty acquiring the capital necessary to start, operate, or expand businesses. Individuals can acquire financial capital through many sources, including employment wages, personal wealth, homeownership, and financing.

Figure 5-4.
Percent of non-owner
workers who work as
managers in study-related
industries in Oregon

Note:

*, ** Denotes that the difference in proportions between the POC group and white Americans (or between women and men) is statistically significant at the 90% and 95% confidence level, respectively.

† Denotes significant differences in proportions not reported due to small sample sizes.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.

Oregon	Construction	Professional Services	Non-prof. Services, Goods, and Supplies
Race/ethnicity			
Asian American	10.2 %	2.6 %	0.4 % **
Black American	3.6 % *	1.4 %	4.1 %
Hispanic American	2.5 % **	1.2 % **	1.3 % **
Native American	10.8 %	1.0 % *	3.2 %
Other race POCs	0.0 % †	0.0 % †	0.0 % †
White American	8.8 %	3.2 %	5.1 %
Gender			
Women	5.0 % **	1.6 % **	2.8 % **
Men	8.0 %	3.7 %	5.1 %
All individuals	7.6 %	2.9 %	4.4 %

1. Wages and income. Wage and income gaps between POCs and white Americans and between women and men are well-documented nationwide, even when researchers have statistically controlled for various personal factors.^{72, 73, 74, 75} For example, national income data indicate that, on average, Black Americans and Hispanic Americans have household incomes less than two-thirds and three-fourths, respectively, those of white Americans.⁷⁶ Women have also faced consistent wage and income gaps relative to men. Nationally, the median hourly wage of women is only 84 percent that of men.⁷⁷ Such disparities make it difficult for POCs and women to use wages as a source of business capital.

BBC observed wage gaps in Oregon consistent with those researchers have observed nationally. Figure 5-5 presents mean annual wages for Oregon workers by race/ethnicity and gender. Black American (\$48,090), Hispanic American (\$39,154), Native American (\$47,048), and other race POC workers (\$49,652) in Oregon earn substantially less than white Americans (\$59,563). In addition, women (\$47,569) earn substantially less than men (\$65,292). We also conducted regression analyses to assess whether wage disparities for POCs and women exist even after accounting for various personal factors such as age, education, and family status. Those analyses indicated that, even after accounting for various personal factors, Black Americans, Hispanic Americans, and Native Americans earn less than white Americans, and women earn less than men.

2. Personal wealth. Another important source of business capital is personal wealth. As with wages and income, there are substantial disparities between POCs and white Americans and between women and men in terms of personal wealth, and those disparities persist even after accounting for personal characteristics ostensibly unrelated to race and gender.^{78, 79, 80, 81} For example, in 2019, Black Americans and Hispanic Americans across the country exhibited average household net worth that was 14 percent and 17 percent that of white Americans, respectively.⁸² In addition, approximately 20 percent of Black Americans and 17 percent of Hispanic Americans in the United States are living in poverty compared to less than 10 percent of white Americans, which is also true of Oregon.⁸³ Wealth inequalities also exist for women relative to men. The median wealth of non-married women nationally is approximately one-third that of non-married men.⁸⁴

Figure 5-5.
Mean annual wages in
Oregon, 2015-2019

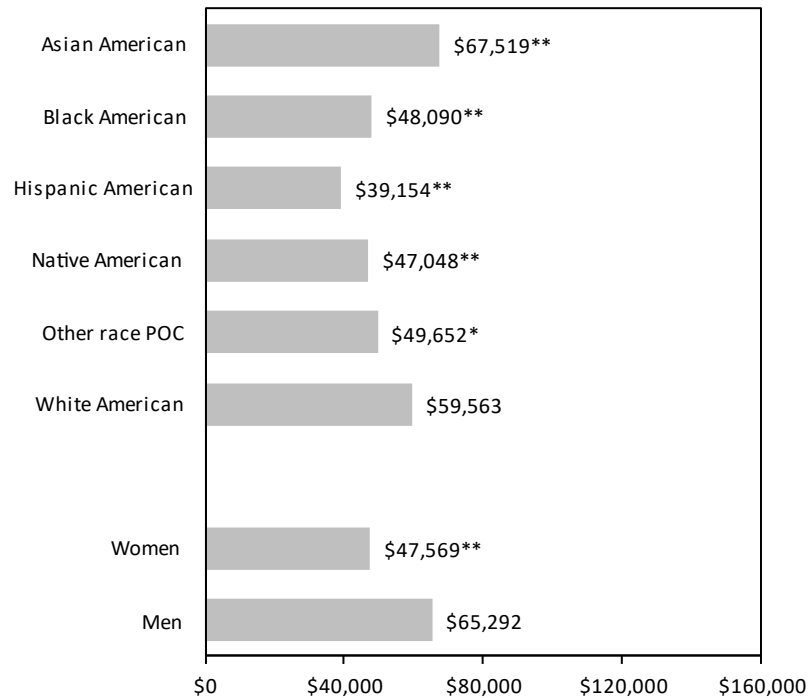
Note:

The sample universe is all non-institutionalized, employed individuals aged 25-64 that are not in school, the military, or self-employed.

*, ** Denotes statistically significant differences from white Americans (for POC groups) and from men (for women) at the 90% and 95% confidence levels, respectively.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.



3. Homeownership. Homeownership and home equity have also been shown to be key sources of business capital.^{85, 86} However, POCs appear to face substantial barriers nationwide in owning homes. POC families own homes at smaller rates than white American families, and discrimination appears to be at least partly to blame for those disparities.⁸⁷ Research indicates that POCs continue to be given less information on prospective homes and have their purchase offers rejected because of their races.^{88, 89} POCs who own homes tend to own homes worth substantially less than those of white Americans and tend to accrue substantially less equity.^{90, 91, 92} Differences in home values and equity between POCs and white Americans can be attributed—at least, in part—to the depressed property values that tend to exist in racially-segregated neighborhoods.^{93, 94, 95} POCs appear to face homeownership barriers in Oregon similar to those that researchers have observed nationally. BBC examined homeownership rates in Oregon for relevant race/ethnic groups. As shown in Figure 5-6, all relevant groups of POCs exhibit homeownership rates that are less than that of white Americans (65%).

Figure 5-6.
Home ownership rates in
Oregon, 2015-2019

Note:

The sample universe is all households.

** Denotes statistically significant differences from white Americans at the 95% confidence level.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.

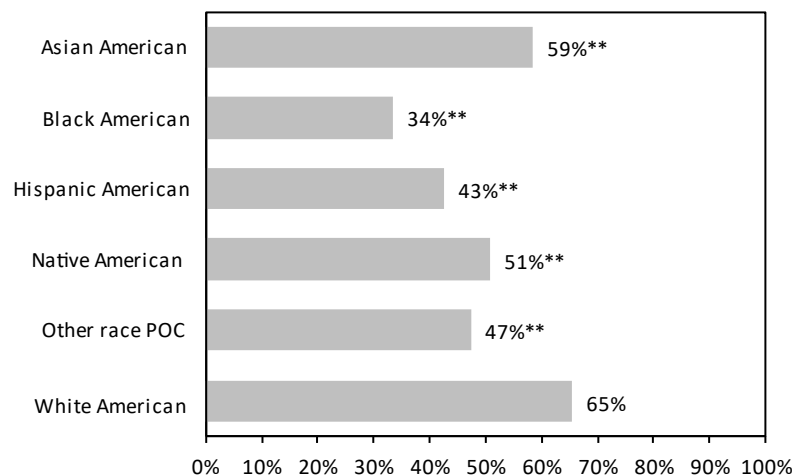


Figure 5-7 presents median home values among homeowners of different race/ethnic groups in Oregon. Those data indicate that Hispanic American and Native American homeowners in Oregon own homes that, on average, are worth less than those of white Americans (\$300,000).

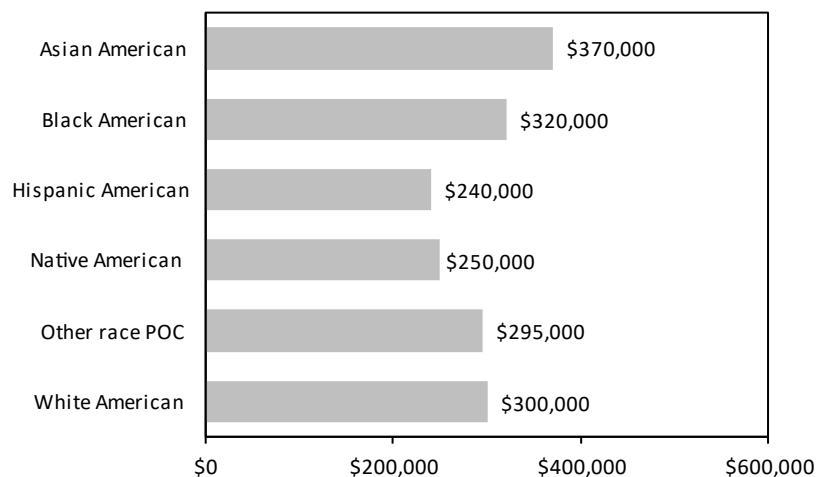
Figure 5-7.
Median home values in
Oregon, 2015-2019

Note:

The sample universe is all owner-occupied housing units.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.



4. Access to financing. POCs and women face many barriers in trying to access credit and financing, both for home and business capital, which researchers have often attributed to discrimination in credit markets.^{96, 97, 98, 99, 100, 101} BBC assessed difficulties POCs and women face in credit markets in Oregon.

a. Home credit. POCs and women continue to face barriers when trying to access credit to purchase homes. Examples of such barriers include discriminatory treatment of POCs and women during pre-application processes and less favorable loan terms when POC and woman borrowers are approved for home loans.^{102, 103} Disparities in home loan denial rates and in mortgage costs may prevent POCs and women from accessing the wealth-building potential of homeownership.^{104, 105, 106, 107, 108} To examine how POCs fare in the home credit market relative to white Americans in Oregon, we analyzed home loan denial rates for high-income households by race/ethnicity in the state. As shown in Figure 5-8, all relevant groups of POCs in Oregon are denied home loans at greater rates than white Americans (4%).

Figure 5-8.
Denial rates of conventional
purchase loans for high-income
households in Oregon, 2021

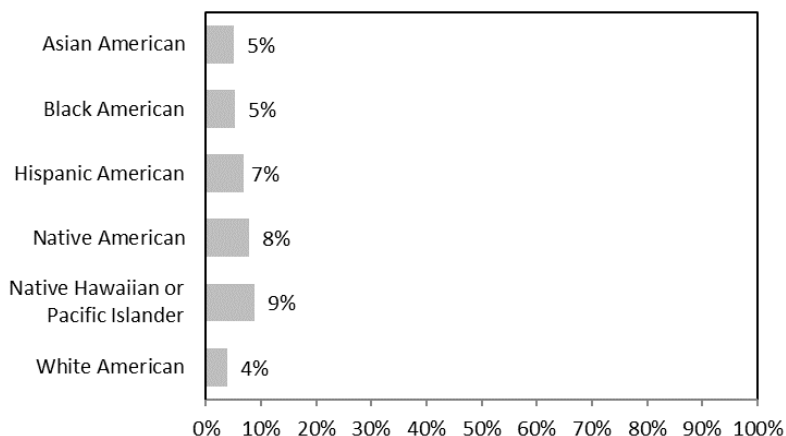
Note:

The sample universe is all households.

High-income households are those with 120 percent or more of the Housing and Urban Development area median family income.

Source:

FFIEC HMDA data 2021. The 2021 raw data extract was obtained from the Federal Financial Institutions Examination Council's HMDA data tool:
<https://ffiec.cfbp.gov/data-browser/>.



b. Business credit. POC- and woman-owned businesses face many difficulties accessing business credit. For example, during pre-application meetings, POC-owned businesses are given less information about loans, are subjected to more credit information requests, and are offered less support than businesses owned by white Americans.¹⁰⁹ In addition, POC- and woman-owned businesses are more likely to forego

submitting business loan applications because of fears of denial.^{110, 111, 112} They are also more likely to be denied business credit when they do seek loans and are less likely to receive all the financing they originally sought if their loans are approved.^{113, 114, 115, 116, 117, 118} POC and women business owners face worse loan outcomes even after statistically controlling for creditworthiness.^{119, 120, 121} Without equal access to business capital, POC- and woman-owned businesses must operate with less capital than businesses owned by white American men and must rely more on personal finances.^{122, 123, 124, 125}

C. Business Ownership

Nationally, there has been substantial growth in the number of POC- and woman-owned businesses recently. For example, from 2017 to 2020, the number of woman-owned businesses with employees increased by 9 percent, Black American-owned businesses with employees increased by 14 percent, and Hispanic American-owned businesses with employees increased by 17 percent.^{126, 127} However, important barriers in starting and operating businesses remain. Black Americans, Hispanic Americans, and women are still less likely to start businesses than white American men.^{128, 129, 130, 131, 132} In addition, POCs and women have not been able to penetrate all industries equally. They disproportionately own businesses in industries that require less human and financial capital to be successful and that already include large concentrations of POCs and women.^{133, 134, 135} BBC examined the demographic characteristics of business owners in the Oregon construction; professional services; and non-professional services, goods, and supplies industries by race/ethnicity and gender. Figure 5-9 indicates that, compared to all industries considered together:

- A smaller percentage of Oregon construction businesses are owned by POCs (10.6%).
- A smaller percentage of Oregon professional services businesses are owned by POCs (9.9%), and a smaller percentage of Oregon professional services businesses are owned by women (41.7%).
- A smaller percentage of Oregon non-professional services, goods, and supplies businesses are owned by POCs (9.2%).

Figure 5-9.
Demographic characteristics of business owners in study-related and all industries in Oregon, 2018

Oregon	All Industries (394,493)	Construction (36,827)	Professional Services (64,013)	Non-prof. services, goods, and supplies (8,701)
Race/ethnicity				
POC	12.9 %	10.6 % **	9.9 % **	9.2 % **
White American	83.8 %	87.5 % **	88.3 % **	82.0 %
Equally POC/White American	0.8 %	S %	0.5 % *	S %
Gender				
Women	38.7 %	S %	41.7 % **	S %
Men	51.7 %	82.1 % **	53.9 % **	57.6 %
Equally Men/Women	6.8 %	8.1 %	2.8 % **	9.6 %

Note: *, ** Denotes that the difference in proportions between businesses in each study-related industry and businesses in all industries is statistically significant at the 90% and 95% confidence level, respectively.

S Denotes proportion not reported because data did not meet U.S. Census publication standards.

Source: BBC from 2018 Nonemployer Statistics by Demographics series: Statistics for Employer and Nonemployer Firms.

BBC also examined self-employment (i.e., business ownership) rates in the Oregon construction; professional services; and non-professional services, goods, and supplies industries by race/ethnicity and gender. As shown in Figure 5-10:

- Black Americans (9.4%), Hispanic Americans (13.5%), and Native Americans (17.5%) own construction businesses at smaller rates than white Americans (25.7%), and women (18.4%) own construction businesses at a smaller rate than men (23.9%).
- Asian Americans (11.4%), Black Americans (10.2%), and Hispanic Americans (11.8%) own professional services businesses at smaller rates than white Americans (21.2%).
- Black Americans (1.2%), Hispanic Americans (1.5%), and Native Americans (1.1%) own non-professional services, goods, and supplies businesses at smaller rates than white Americans (6.5%). In addition, women (7.2%) own non-professional services, goods, and supplies businesses at a smaller rate than men (5.3%).

Figure 5-10.
Business ownership rates
in study-related industries
in Oregon, 2015-2019

Note:

*, ** Denotes that the difference in proportions between the POC group and white Americans, or between women and men is statistically significant at the 90% and 95% confidence level, respectively.

† Denotes significant differences in proportions not reported due to small sample size.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.

Oregon	Construction	Professional Services	Non-prof. Services, Goods, and Supplies
Race/ethnicity			
Asian American	24.3 %	11.4 % **	10.3 %
Black American	9.4 % **	10.2 % **	1.2 % **
Hispanic American	13.5 % **	11.8 % **	1.5 % **
Native American	17.5 % **	13.5 %	1.1 % **
Other race POC	35.3 % †	11.8 % †	0.0 % †
White American	25.7 %	21.2 %	6.5 %
Gender			
Women	18.4 % **	18.7 %	7.2 % *
Men	23.9 %	19.5 %	5.3 %
All individuals	23.2 %	19.2 %	5.9 %

BBC also conducted regression analyses to determine whether differences in business ownership rates in Oregon exist based on race/ethnicity and gender even after statistically controlling for various personal factors such as income, education, and familial status. Those analyses indicated that:

- Hispanic Americans and Black Americans are less likely to own construction businesses than white Americans, and women are less likely to own a construction business than men.
- Asian Americans are less likely to own professional services businesses than white Americans.
- Asian Americans and Hispanic Americans are less likely to own non-professional services, goods, and supplies businesses relative to white Americans. In addition, women are less likely to own non-professional services, goods, and supplies businesses relative to men.

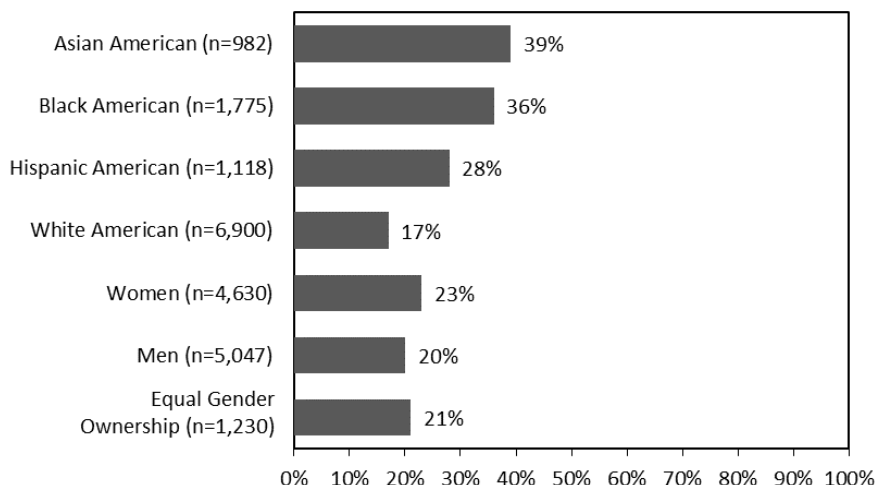
D. Business Success

A great deal of research indicates that, nationally, POC- and woman-owned businesses fare worse than businesses owned by white American men. For example, POC- and woman-owned businesses are more likely to experience financial challenges relative to business owned by white Americans and men.^{136, 137} In addition, POC- and woman-owned businesses have been shown to be less successful than businesses owned by white Americans and men, respectively, based on different indicators such as profits and business size.^{138, 139, 140, 141} BBC examined data on business financial conditions, business receipts, and business owner earnings to further explore business success in Oregon.

1. Financial condition. BBC examined the reported financial condition among United States businesses by the race/ethnicity and gender of their owners. As shown in Figure 5-11, Asian American- (39%), Black American- (36%), and Hispanic American-owned businesses (28%) are more likely than white American-owned businesses (17%) to report being in poor financial condition. In addition, woman-owned businesses (23%) are more likely to report being in poor financial condition than businesses owned by men (20%).

Figure 5-11.
Businesses in poor financial
condition in the United
States, 2021

Source:
BBC from 2021 Small
Business Credit Survey.



2. Business receipts. BBC also examined data on business receipts to assess whether POC- and woman-owned businesses in Oregon earn as much as businesses owned by white Americans and men, respectively. Figure 5-12 presents mean annual receipts for businesses with employees by the race/ethnicity and gender of their owners. Those results indicate that Asian American- (\$1.2 million), Black American- (\$1.4 million), Hispanic American- (\$858,000), American Indian and Alaska Native American- (\$953,000), and Native Hawaiian and other Pacific Islander-owned businesses (\$1.6 million) in Oregon have smaller mean annual business receipts than businesses owned by white Americans (\$1.9 million). In addition, woman-owned businesses (\$1.1 million) have smaller mean annual business receipts than businesses owned by men (\$2.3 million).

Figure 5-12.
Mean annual business receipts
(in thousands) in Oregon

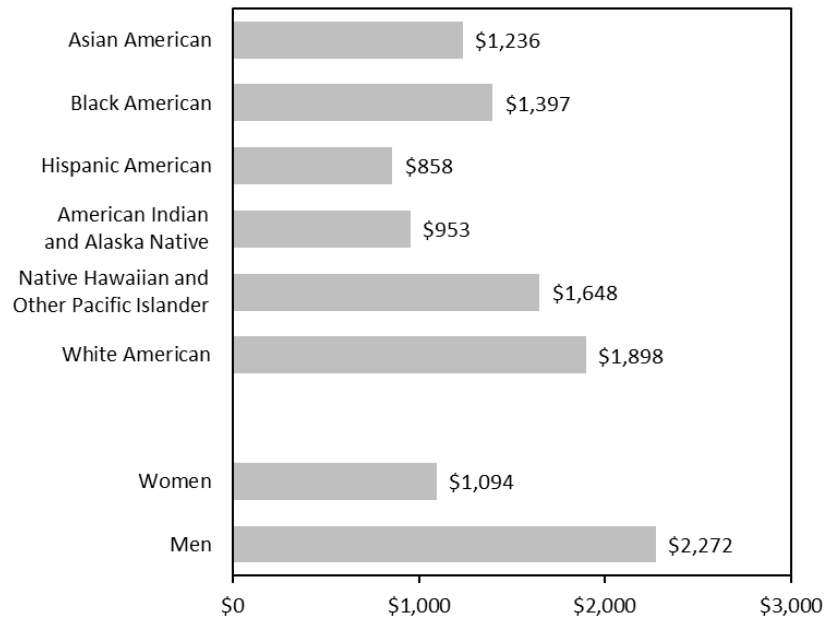
Note:

Only includes employer firms.

Does not include publicly traded companies or other businesses not classifiable by race/ethnicity and gender.

Source:

BBC from 2018 Annual Business Survey.



3. Business owner earnings. BBC also analyzed the earnings of business owners to assess whether business owners who are POCs and women in Oregon earn as much as business owners who are white Americans and men, respectively. As shown in Figure 5-13:

- Hispanic American (\$29,364) and Native American (\$27,975) business owners earned less on average than white American business owners (\$40,089); and
- Woman business owners (\$27,499) earned less on average than male business owners (\$48,738).

Figure 5-13.
Mean annual business owner
earnings in Oregon, 2015-2019

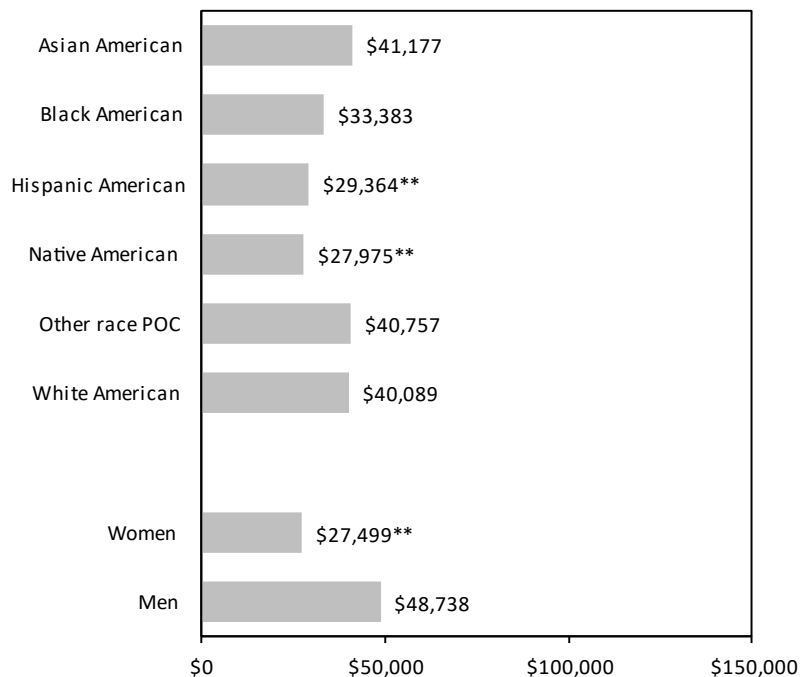
Note:

The sample universe is business owners aged 16 and over who reported positive earnings. All amounts in 2019 dollars.

** Denotes statistically significant differences from white Americans (for POC groups) and from men (for women) at the 95% confidence level.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.



We also conducted regression analyses to determine whether race- and gender-based differences in business owner earnings in Oregon exist even after statistically controlling for various personal factors such as age, education, and family status. The results of those analyses indicated that, compared to white American business owners, Hispanic American business owners earn substantially less. Similarly, compared to male business owners, woman business owners earn substantially less.

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¹⁷ Rector, Elaine. 2010. "Looking Back in Order to Move Forward: A Timeline of Oregon and U.S. Racial, Immigration and Education History." Office of Equity and Human Rights City of Portland, Oregon. Retrieved February 20, 2023 (<https://www.portlandoregon.gov/civic/article/516558>).

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CHAPTER 6.

Qualitative Data Collection

As part of the disparity study, business owners, trade association representatives, and other stakeholders had the opportunity to share personal insights about their experiences working in Oregon as well as with the state of Oregon (the state). BBC Research & Consulting (BBC) documented those insights and identified key themes about conditions in Oregon for person of color (POC)-, woman-owned, and service-disabled veteran (SDV)-owned businesses as well as other businesses. The study team used that information to augment many of the quantitative analyses we conducted as part of the disparity study to provide context for study results and provide explanations for various barriers POC-, woman-, and SDV-owned businesses potentially face as part of the state's contracting and procurement. Chapter 6 describes the process we used to collect personal insights and key themes BBC identified from that information. We present all the personal insights the study team collected as part of the disparity study in Appendix C.

A. Data Collection

The study team collected personal insights about marketplace conditions, experiences working with the state, and recommendations for program implementation. We made various efforts between December 2022 and June 2023 to collect that information:

- **Public forums:** The study team solicited stakeholders for written and verbal insights at 14 public forums BBC facilitated virtually on October 26, 2022; December 6, 7, and 8, 2022; March 28, 2023; April 5, 25, 26, and 27, 2023; and August 21 and 24, 2023.
- **In-depth interviews:** The study team conducted 61 in-depth interviews with owners and other representatives of local construction and professional services businesses. The interviews included discussions about interviewees' perceptions of, and experiences with, the local contracting industry, working or attempting to work with government organizations in Oregon, the state's implementation of its business assistance programs, and other relevant topics. BBC identified interview participants primarily from a random sample of businesses the study team contacted during the availability survey process, stratified by business type, location, and the race/ethnicity and gender of business owners. The study team conducted most of the interviews with the owner or another high-level representative of each business.
- **Availability surveys:** As part of the availability analysis, BBC conducted surveys with 1,152 businesses operating in the Oregon marketplace. The survey included an opportunity for participants to share qualitative insights about whether their companies have experienced barriers starting or expanding businesses in their industries, obtaining work in Oregon, or working with government organizations in the state. A total of 719 survey participants shared such information.
- **Focus groups:** BBC conducted six focus groups with representatives of businesses organizations, such as chambers of commerce, business assistance organizations, and other business groups. We conducted the groups on February 22, 23; May 30; and June 28 and 29, 2023. During each group,

participants engaged in discussions and shared insights about working in Oregon with public and private sector organizations.

- **Written comments:** Throughout the study, stakeholders and community members had the opportunity to submit written comments directly to BBC regarding their experiences working in Oregon. A total of 28 stakeholders and community members shared such comments.

B. Key Themes

Various themes emerged from the personal insights BBC collected as part of the disparity study. We summarize those themes by relevant topic area and present illustrative quotations for each one:

1. Marketplace (beginning on page 2);
2. Potential barriers to business success (beginning on page 5);
3. Working in the private and public sectors (beginning on page 18);
4. Prime contract and subcontract work (beginning on page 21);
5. Doing business with public agencies (beginning on page 24);
6. Certification (beginning on page 29);
7. Barriers related to race and gender (beginning on page 32); and
8. Experiences with state business programs (beginning on page 38).

In an effort to protect the anonymity of individuals and businesses, we coded the source of each quotation with a random number and prefix that represents the individual who submitted the comment and the data collection method:

- “AV” indicates availability survey comments;
- “FG” indicates focus group comments;
- “PT” indicates public forum comments;
- “WT” indicates written comments; and
- In-depth interview comments do not have a prefix.

We also preface each quotation with a brief description of the race and gender of the business owner and the business’ line of work. In addition, we indicate whether each participant represents a certified disadvantaged business enterprise (DBE), a certified minority-owned business enterprise (MBE), a certified woman-owned business enterprise (WBE), a certified small business enterprise (SBE), a certified emerging small business (ESB), a certified service-disabled veteran-owned business (SDV), a certified small woman-owned business enterprise (WOSB), or other relevant certification.

1. Marketplace. Business owners shared their thoughts about recent trends they have experienced or observed in the Oregon marketplace.

a. COVID effects on business. Some interviewees indicated that their businesses struggled during the COVID-19 pandemic. Many of them said they relied on public COVID relief funding to survive.

The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "COVID dollars ha[ve] helped us as far as ... my tribe gave the company \$50,000 [as a grant] to continue to be able to work and use that for advertising dollars to get our name back out there." [#13]

The non-Hispanic white owner of a WBE-certified professional services company stated, "Fortunately, I qualified for the federal unemployment. And that's what saved me." [#16]

Interviewees also discussed various impacts the pandemic had on their respective industries. Some shared that smaller businesses in their industry suffered the effects of the pandemic more acutely than larger businesses due to having fewer resources and greater exposure to risks.

The non-Hispanic white owner of a DBE-, WBE-, and SBE-certified professional services company stated, "A lot of it just came down to the [fact that] we didn't want to be forced to work if it wasn't safe. ... Especially for your tiny, tiny business owners. We were we were probably getting most concerned about our health and safety. ... You're like, what if I have long-term problems from this, and I'm a business owner, this is going to shut me down... I would rather temporarily not do any work and make sure that I'm safe." [#11]

The co-owner of an ESB-certified goods and services company stated, "I think part of the organizations that are left in our particular segment of the business were really big organizations. ... [T]hey had more resources. They were able, of course, to get more funding from the government too, because they were bigger. And so very few of us little, small, tiny companies are [left]." [#15]

Interviewees shared that the shift to remote work has adversely affected their ability to network and develop relationships with other business owners. However, in some industries, remote work has allowed businesses to expand the geography in which they are able to perform work or serve customers. Some business owners said remote work for public sector employees was a barrier, as they believe it has slowed down the procurement process.

The Asian American owner of a construction company stated, "COVID ... I think it reduces your possibilities of forming connections, you know, when people are changing how they do stuff, unless things are in person." [#34]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "It's made it easier to collaborate with people across the states. Whereas before, I think they had a very narrow view of what that could look like." [#3]

The co-owner of a WBE-certified construction company stated, "All the municipalities in the area pretty much started working from home, and that created a slowdown of the project pipeline. So, in my opinion, ... [the] City of Portland, for example, because all those people were working from home, that impacted how quickly they were able to get projects out the door. So, they may disagree and say that everything was business as usual, everybody can work from home, and it's just as efficient. But I disagree, because the slowdown of projects that got let to bid was what has impacted the US." [#9]

b. Marketplace instability. Business owners and representatives discussed instability and insecurity in the marketplace, such as high rates of homelessness and fears of crime or violence. Interviewees shared how this instability affects their businesses' ability to attract customers and recruit staff.

A representative of a majority-owned goods and services company stated, "We have problems with the homeless, drug-taking individuals blocking our sidewalks. It's really hurt our business. I think parts of downtown Portland are economically distressed right now. A lot of the buildings are owned by out-of-state entities, and a lot of these buildings went into shut-down mode during the pandemic and have remained boarded up. There's nothing but crackheads and drug addicts in this area now, and the government is not taking care of it. I was born in Portland, and I've never seen a situation like on First, Second, Third, and Fourth Streets before. Lots of crime here, and, as a result, people don't want to come down here to our business anymore." [#AV26]

A representative of a woman-owned professional services company stated, "The difficulty in the general marketplace is with violence, the tax structure, and policies. We work in Oregon City, which has a high homeless population. They are sleeping in our doorway. We don't feel safe coming into work, and there is a lot of crime in our business park." [#AV28]

A representative of a majority-owned professional services company stated, "We're in Portland, so all of the issues relating to Portland affect us, like homelessness and drugs, which affects our ability to recruit people and get them to come to work." [#AV196]

A participant in a focus group stated, "I would like to share about the homeless issue for Multnomah County. Businesses are really concerned about that, because they legally have a lot of security issues." [#FG1]

c. Keys to success. Business owners and representatives shared what they believe to be keys to success in their industries. Many interviewees stressed the importance of networking and building relationships with other businesses, as obtaining work and building project teams relies heavily on healthy relationships among companies. Similarly, other business owners noted that having a good reputation can serve as the foundation for strong relationships and help to market the quality of their businesses.

The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "I just kept pounding the rock. I was part of the chamber. We had morning meetings at different businesses. I was able to introduce my business and what we do." [#12]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "The more I am well known and well known as an expert, the more name brand recognition there tends to be in the field. So, when people think, 'Oh, we need a consultant,' if they already know of my name, then they'll usually reach out directly." [#3]

The Hispanic American woman owner of an ESB-certified professional services company stated, "It's all based on relationships and the work that we've done in the past. You know what I mean? I tell people that the best marketing is your work." [#32]

The non-Hispanic white owner of an ESB-certified construction company stated, "Never eat lunch alone. That's one of the biggest parts, just getting out meeting people." [#7]

Some interviewees shared that they found success when they had a strong knowledge of their industry and marketplace. Others emphasized the need for business owners to be able to perform all aspects of their work, including on-site tasks, project management, and contract administration.

The owner of a majority-owned goods and services company stated, "I think it's important for people who want to get started in this industry to have a good idea of just how the economics [work for] running a business of this type [of] work. ... You really have to know what you're doing, and you have to keep a really tight grasp on it. It's really easy for things to get loose and then completely fall apart really quickly." [#14]

The non-Hispanic white owner of a WBE-certified professional services company stated, "The myth ... [is] a book that starts out: 'Sarah likes to bake pies.' So, she starts a pie baking business? Well, that's a stupid reason to start a business. Because you will have to be the janitor, you have to be the pie baker, you have to be the marketer, and [you have to] know how to be all those things and when to be them. And I think it probably just takes people not succeeding to realize, 'Oh, maybe I need some help.'" [#17]

2. Potential barriers to business success. Businesses may face various barriers in entering the marketplace or trying to expand, particularly in relation to trying to work with public agencies such as the state. Interviewees shared their experiences with several of these challenges and identified areas in which the state could implement or improve measures to help ease them.

a. Bid process and criteria. Generally, business owners who shared their personal insights found the bid process in the public sector to be time-consuming, costly, and difficult.

The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "It's a very time-consuming task ... [it] probably takes months maybe to bid to office supplies. ... You're at least looking at a couple of weeks, maybe a month to put all the pricing together, and fill out all the forms, and answer all the questions that each one of them ask. ... We have to pick and choose which [opportunities we pursue] when they do make it so detailed." [#13]

The non-Hispanic white owner of a WBE-certified professional services company stated, "It's too much work that goes nowhere." [#16]

Multiple interviewees said the length of time organizations provide to submit bids or proposals is often too short for small businesses without dedicated staff for bidding.

The Hispanic American woman owner of an ESB-certified professional services company stated, "When it comes down to bidding on contracts and the timeframe from which you [have to] submit a bid can be so short." [#32]

A representative of a majority-owned construction company stated, "We can't expect if we give someone a week and we've had three weeks [to look at a solicitation]. ... We gotta get those solicitations out early so people have the [time] to make the decision to say I wanna bid this job or not." [#33]

The Asian American owner of a WBE-, MBE-, and ESB-certified professional services company stated, "The requestor has allowed one week, calendar-wise. This is actually four

business days to respond. ... There are multiple requests for external client references and items that it could take several days to receive back from an external client or entity. So, it's not realistic to think that a small event planning business can gather all of this information in four business days, even if we have every day wide open." [#WT2]

Some interviewees shared that the instructions provided with solicitation documents can be convoluted, unclear, and sometimes conflicting.

The Black American owner of an MBE- and DBE-certified construction company stated, "I'd say [provide] a cheat sheet, more so than a training video. Because the amount of time required to go through the training video is oftentimes, you just don't have the time. But if there was a cheat sheet that said, 'Here's steps 1 through 10 in order to do this process,' all right. Have it not written as a novel, but more so written as a cheat sheet." [#18]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "[T]here is no allowances for any sort of neurodiversity or physical accessibility, especially in the proposal process. And I mentioned that specifically for myself, because I do have a specific flavor of neurodivergence. And as part of the proposal process for the [specific organization], there was a form where it was like, 'Even if it doesn't apply to you, you're still supposed to sign and also submit this form, but separately from the proposal that you're supposed to put through this other way.' And with my brain, it was like this form does not apply to me. And I completely forgot about that requirement. And so spent the rest of the time on the proposal, it was a great one. But they ultimately couldn't review it because of that requirement to still turn in that form that had nothing to do with me." [#3]

b. Access to bonding and bonding requirements. Many public sector agencies, including the state, require bid bonds, payment bonds, or other forms of bid security for construction projects. Generally, these requirements are limited to the prime contractor submitting the bid. However, interviewees noted that some prime contractors require bonds from their subcontractors for these types of projects. Some interviewees described these bonding requirements as a barrier, as small or disadvantaged businesses often cannot obtain large enough bonds for such projects. They may also be limited in their ability to get better bonding rates, because they sometimes do not have access to the types of collateral bonding agents require.

A representative of a majority-owned construction company stated, "Most DBEs probably can't bond their work. You have to take it at face value that they're gonna be able to perform. Some of 'em can, but not all of them can. I mean, that's a big extra step. It also requires cash, or liquidity." [#33]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Bonding was an issue. Took a while to get bonded. I don't know, if that's entirely discriminatory, you're working through credit issues and different things like that when you're trying to get bonded. So, it took a while to find a company that actually wanted to work with us, I feel like it was kind of a blanket, 'no,' for a lot of companies." [#6]

c. Bookkeeping, estimating, and other technical skills. Multiple business owners emphasized the necessity of strong back-of-office skills, such as bookkeeping, estimating, and invoicing. However, they

noted that these skills are not easily learned and often require outside guidance. Interviewees also said finding staff with back-of-office skills is not an easy task.

A representative of a majority-owned construction company stated, "If you're in this business, you should be able to estimate your own work, even if you've got someone else maybe doing it. But you can't be in this business if you don't know how to bid to some degree. I mean, I'm not the only estimator here and they were estimating work before I got here. So, that's a crucial part of the business. ... Accounting is a little different, but the operationally estimating and field work in construction, those are the two most important things that you gotta know." [#33]

The Black American owner of an MBE- and DBE-certified construction company stated, "It's hard to find people that have those skill sets." [#18]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "Some of my challenges, especially in that growth period, is I don't have an HR [human resources] or like tax account background. ... [It's like,] can I have like one hour of an HR person's time so I can ask 20 questions and then figure out what I need to focus or invest in?" [#3]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "You really need a bookkeeper that's working ... with your CPA [certified public accountant] to help make sure things are in the right category, and everything's done properly so that you're not in a bad spot at the end of the year." [#6]

The co-owner of a WBE-certified construction company stated, "I was doing the estimating myself before. And I just didn't have the bandwidth to be able to do all the things. So, I needed someone to come in and help me with that. So, I hired an estimator." [#9]

According to interviewees, the element of estimating that is most difficult to learn is how to balance trying to submit low bids while still making a profit. Learning the typical bidding ranges for public sector projects is one way that interviewees were able to improve on this skill.

The Hispanic American co-owner of a woman-owned professional services company stated, "It'd be a great starting point to really see what what's been bid ... [and] what the rates are. So, we know whether we can be competitive." [#10]

The owner of a majority-owned goods and services company stated, "I think bidding jobs appropriately, you get nervous thinking that you're charging too much, and you don't wanna look greedy, but at the same time, you have to just look at your bottom line and making sure that the revenue that you're bringing in is paying the bills." [#37]

d. Delayed payment. Most of the businesses interviewed had experienced delayed payments at some point. Businesses that perform work as subcontractors reported delayed payments more frequently than businesses that perform work as prime contractors.

The Black American owner of an MBE- and DBE-certified construction company stated, "Oftentimes, a prime prefers not to pay until they get paid. And it can drag out two to three months." [#18]

The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "The getting paid thing is a problem. And I feel like it wouldn't be as big of a deal if we ... were allowed to invoice the clients directly. You know, if I have a project with Multnomah County or the City of Portland, rather than having to invoice the prime, and then they invoice, [it would be better] if I was just allowed to invoice them directly." [#11]

In the public sector, delayed payment is often attributed to bureaucracy rather than discrimination. In contrast, in the private sector, interviewees often attributed delayed payments to discrimination due to race/ethnicity or gender of the business owner.

The non-Hispanic white owner of a WBE-certified professional services firm stated, "Our project contacts are usually as on top of it as they can be. But they're usually not [on top of it]. They're either new or not sure of what the accounting process is. And so, it's like, we have to go through that learning experience each time with each new project contact. And then depending on the accounting and how it's set up, and who goes to. ... For example, like Oregon, as [the] state, it's going through a different accounting procedure, but they're still cutting checks. It's like, I can give you my bank account, like, why are we doing this?" [#3]

The Hispanic American woman owner of an ESB-certified professional services company stated, "They don't pay 'em [Hispanic workers] on time. ... Many white people that hire them for residential, for whatever, they don't pay 'em on time, or they charge, or they pay 'em less, or they come with excuses as to, you know, why they're [not] gonna pay 'em a whole lot. ... They do exploit them. ... They're exploited because they don't complain. Many are afraid or fearful. So, they don't say anything, you know, they don't know the system very well." [#32]

Interviewees said payment can often take longer than 45 days, which they indicated can impair a business's ability to pay its employees and suppliers. This practice is especially difficult for businesses that need to pay suppliers, because they often require payments upfront.

The Asian American owner of an MBE-certified professional services business stated, "As an example, ... we are 90 days out. So, if I'm working with an employer or hire a contractor to work with me, we are paying them almost every month. So, we need to have a buffer to cover all the costs and everything for at least 90 days. And depending on the project size, if you have four or five people working on it for the next 90 days, you need to have at least a ... \$100,000 set aside to cover all the payments until you actually get paid." [#2]

A co-owner of a majority-owned construction company stated, "The minute you pick up those doors or product, you got 30-day clock time to get it paid to the vendors. I still [am] struggling on that right now." [#4]

Some interviewees have had to obtain loans for their businesses to survive while waiting for payment and others have pursued litigation to receive their payments. Neither of these options are free, leading some business owners to lose money when trying to recover their payments from customers or clients.

A participant in a stakeholder engagement session stated, "Payment issues, that's a real thing. And most contractors now are finding themselves in the position of having to settle

for 20 or 30 cents on the dollar through a long-protracted claims process and long engagement of legal resources that frankly they don't have or would rather not spend that money on simply to get what they're entitled to under their contract.” [#PT7]

A representative of a trade organization stated, "I had to loan my company money a month ago, because I ... had six digits in open invoices and nothing was getting paid.” [#FG3]

e. Electronic bidding and online registration with public agencies. Businesses that work with multiple public agencies noted the difficulties in keeping up with multiple online procurement platforms.

The Asian American owner of an MBE-certified professional services business stated, "One more gap is [that] ... some counties have worked together, and they have their own portal. Some of them are using OregonBuys; some of them are using some third-party [site]. So that is also not consistent. So as a small business, if you're getting started, just to find out where to look for [bidding opportunities], it's like, it's too overwhelming. There are too many places.” [#2]

The non-Hispanic white owner of a WBE-certified professional services company stated, "There's a lot of job stability in everybody changing website titles and reinventing websites where we have to, you know, re-input ourselves as a vendor, and it's just laborious time wasting. ... This is another reason why the private sector is a delight.” [#16]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "Depending on what you're applying for, ... [you have to know,] do they use OregonBuys? ... It's never the same process, even though all of those were the state of Oregon. And depending on what it was and what they needed ... the more changes [and] the more antiquated it is, the more time it takes. And that's again, that's like free time. ... There's that cost-benefit analysis of, 'Is this proposal worth it? Do I think I'm going to get it? What is a proposal that is of a large enough cost that it makes sense for me to spend 10 hours putting it together and trying to put it through the system?'" [#3]

Interviewees find the state's online procurement site to be difficult to navigate when submitting bids or looking for information about solicitations.

The non-Hispanic white owner of a WBE-certified professional services company stated, "I'm not successful with ... the ORPIN system. As far as the business work codes [are concerned], there's nothing that says marketing or communications, and of course, not anything [that says] advertising. I did find something in there, I did my best to be registered in there, but I don't have any experience. And look, I tried to look around for contracts, but you know, put in your job code number and your work code, whatever those are, and I got nothing.” [#16]

The non-Hispanic white owner of a goods and services company stated, "OregonBuys is not a user-friendly platform, and it is no better than ORPIN was. It's nearly impossible to get the basic information about upcoming contracts from those platforms.” [#WT10]

The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "When we try to get information [from] the bid website, half the time we never get our questions answered. [We] are dismissed and not fully engaged." [#WT8]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "The systems are hard. [B]oth intellectually and also like the way that it is structured. It's a bit antiquated, the menus are not intuitive." [#3]

f. Experience and expertise to be competitive. Many business owners had worked in their industries prior to starting or becoming business owners. However, they indicated that their work experience has not necessarily translated into competitive bids or proposals. Interviewees shared that such skills are difficult to learn, and finding the time to develop those skills is more difficult for newer businesses that are still establishing themselves.

The Native American owner of a construction company stated, "If I were an electrician who did all the onsite work, and I desired to go start out my own firm and provide subcontracting service for that on public works ... from day one, it would be a totally different world ... preparing the submittals and doing all that stuff. So, there's really no [path] from a tradesperson to a business owner. There's no path for an entrepreneur to learn those skills unless they had the privilege when they were a tradesperson to develop the skills in the office setting." [#20]

g. Factors public agencies consider when awarding contracts. Often, public agencies consider experience working in the public sector when evaluating bids or proposals, and interviewees shared that, as a result, newer businesses face an uphill battle against established, highly experienced businesses during the bid process. Some interviewees viewed public agencies as having a bias against working with new businesses.

The Hispanic American co-owner of a woman-owned professional services company stated, "It seems like all of the people who are getting these contracts have all been in this industry for 25-30 years. ... I'm sure there's a balance there of just knowing who you know, but also knowing exactly how to put it in so that it gets looked at properly." [#10]

The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The hardest part is getting the first contract, because often agencies ask for five years of past experience and three references, all of which are large barriers to small and new businesses." [#61]

A representative of a majority-owned construction company stated, "Early on in contracting, I would submit bids and they would require five years of experience in that task. I tried to do soil stabilization contracts, and I submitted bids and they were rejected due to lack of five years of experience with the company." [#AV141]

A representative of a Black American-owned professional services company stated, "The scor[ing] process benefits firms that are already working [with] the state of Oregon." [#AV57]

For many work types, public agencies award work to the lowest responsive bidders. Many interviewees considered this practice a barrier to success, as smaller, newer businesses often have a higher cost to do

business in comparison to larger, more established businesses, and they have a difficult time staying profitable if they must submit low bids to be competitive.

The co-owner of an ESB-certified goods and services company stated, "One of the problems with bidding a public RFP [request for proposals] or answering a request for work with a government agency is that [do] you know they're gonna take the lowest bid, and it doesn't matter what you do that's better than anything else that's out there. It's just that way." [#15]

The non-Hispanic white owner of a WBE-certified professional services company stated, "Price ... clients are still very bottom-feeder driven. On this side of the desk, we call it dirt bag[ging], where we are asked to dirt bag our pricing, because especially with government agency contracts, ... [because] the most points on the scoring [sheet] is lost at lowest price. Sometimes that doesn't all work out. Some [companies] can take that kind of business as a loss ... to get their foot in the door to hopefully get more [work] later on. ... So, price is an issue." [#16]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "One of the other competitive factors, which has been a point of difficulty, especially with the bidding process, [is that] cost is part of the score. We are a specialty business. And I also am offering benefits to my employees like health care and retirement. So, we are not going to be the cheapest in terms of cost. And so, when part of the score is how low you can go, it does a disservice to firms that are trying to offer competitive pay, and like health and retirement benefits. And so, I see that as a real problem. When we're trying to offer like equitable practices, and yet, we're being undercut by firms that aren't doing the same." [#3]

Professional services projects are often awarded through a qualifications-based selection process, which rely on evaluation committees to review and score proposals. Business owners in highly technical or niche industries reported that evaluation committees are not always well-versed in the terms and requirements of their types of work, leading to inconsistent scoring of proposals.

The non-Hispanic white owner of a WBE-certified professional services firm stated, "I'm not quite sure how or who they choose to do the scoring. I imagine people in whichever department. But given my area of specialty, if you are not also in that area of specialty, it can be really hard to understand or to critically evaluate. And so, I've definitely received evaluations where I have written a proposal, and I've used ... the language of our field and specialty. And they'll say that, ... I didn't address something, when in fact, I have, it's just not in a more common language, because the person is just not as familiar with the actual specialty that's been needed. ... I think there needs to be some change around who's scoring and how and what that looks like." [#3]

The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "The few comments that were present [on our scoring sheet for a recent proposal] showed a blatant pattern of apathy, professional disrespect, lack of attention to detail, blatant labor market ignorance, and overall technical ignorance of the very products and services they are looking to purchase with public funds." [#WT26]

h. Access to financing. Interviewees who have sought financing to start or expand their businesses emphasized the need for well-organized documentation and back-of-house skills to be successful in obtaining loans or lines of credit.

The owner of a majority-owned goods and services company stated, "In the beginning, it can be difficult to secure funding from banks, it's so large, but ... so much of what these interactions come down to as far as licensing or loan procurements [is] just being able to dig your way through a huge pile of paperwork, you know, it's being organized and being able to sit down and just produce a ton of paper. And that can be a challenge." [#14]

Business owners who were not able to obtain financing shared that they had to find alternative sources of money to keep their companies afloat, often dipping into their own retirement savings or remortgaging their homes.

The owner of a majority-owned goods and services company stated, "I have already spent thousands of dollars out of our own 401(k) and our mutual funds and savings to keep our doors open. That's why we're both on Social Security right now. Because we took ourselves off a payroll over a year ago, so that our payroll taxes wouldn't kill us. ... [W]e don't draw an income at all from the business, 100% of the money goes back into the business." [#19]

A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "We [had to] take out our home loan ... to survive the first five years. So that is a five, 10 years draw. Five years payback." [#31]

i. Access to insurance and insurance requirements. Multiple business owners discussed the burden of meeting public agencies' insurance requirements, noting that in recent years, insurance requirements have increased dramatically, sometimes requiring double the amounts of necessary coverage.

The Native American owner of a construction company stated, "It seems that agencies are increasing their insurance requirements. And some are at \$1 million, \$2 million. I've had some clients that require \$2 million to \$4 million." [#20]

Many of these businesses find themselves subjected to blanket insurance requirements that are irrelevant to their work types or incongruent with the amounts of work they are performing.

The non-Hispanic white owner of a WBE-certified professional services company stated, "Insurance is always a big [issue]. In some of these contracts, they asked for errors and omissions insurance. That's the insurance that attorneys and CPA firms have. And last time I checked that's about \$20,000 a year for that policy. So hey, state of Oregon, guess what? Your neat cool contract here? Were you going to pay me \$6,000 for this project, or whatever it is? Sorry, I'm going to X out the box here. And I'm going to say, 'No, I'm not going to get errors and omissions insurance. And so, if that casts me out of your list, fine.'" [#16]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "There's sometimes blanket insurance requirements. Sometimes even auto insurance, even though the type of work I'm doing has nothing to do with me driving a car. So having some of those ... \$2 million professional liability policy. When you're a small business, you do not

start out with that kind of insurance. [Be] more thoughtful around some of the blanket requirements and whether they are needed, depending on the contract.” [#3]

A Black American representative of a trade organization stated, “The level of insurance that needs to be carried for a job is sometimes cost prohibitive because the maximums are based on the job.” [#FG2]

The non-Hispanic white owner of a WBE-, DBE-, and ESB-certified professional services company stated, “One of the biggest obstacles for contracting for me is insurance requirements. I have to guess that many insurance requirements are written with actual construction work in mind. I sit at a desk all day, and since COVID, rarely even travel to job sites for meetings. If I do, we sit in offices. Yet I am required for contracting purposes to have \$1 to \$2 million in general liability coverage and \$1 million in auto coverage. These amounts are extremely high and seem unlikely to apply to my line of work, especially if I am not traveling as part of the work. There should be exceptions to the insurance requirements for desk jobs and/or non-travel.” [#WT3]

j. Obtaining inventory, equipment, and supplies. Interviewees indicated that during the pandemic the costs of equipment and supplies increased across most industries, and global supply chains faced substantial disruptions. Although some industries have returned to normal, others are still experiencing high costs and supply chain delays. Interviewees said these broader economic issues have increased their costs of doing business.

The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, “[Inventory] was affected by the pandemic. ... And the cost was phenomenal, where people would just overcharge ... but now the prices are coming down.” [#12]

The owner of a majority-owned goods and services company stated, “The other challenge that we’ve been facing is that inflation has caused the cost of goods to go up pretty significantly. So as a result, we’ve needed to raise our prices.” [#14]

The owner of a majority-owned goods and services company stated, “I really don’t know what to do about the cost of things, because I know everything goes up. And our vendors’ prices go up constantly. And so, all I can do is just try to pass that on a little bit.” [#19]

A representative of a veteran-owned-owned construction company stated, “[We] struggle to keep above water. Everything is going up for materials [costs], and rates of pay have gone up dramatically for employees.” [#AV125]

Interviewees in industries still experiencing high and variable costs shared that their clients and customers, including public agencies, do not acknowledge the difficulties in obtaining materials in a timely and low-cost manner, and that they are forced to absorb any price increases.

The non-Hispanic white owner of a goods and services company stated, “The supply chain issues in 2020 lead to huge cost increases in materials, and because you bid on these projects at a fixed price for the goods, vendors had to eat those costs. The state should have reimbursed vendors for those costs or supported their efforts to secure fixed pricing. Moving forward, being paid before delivering material can help small businesses selling goods to the state.” [#WT10]

k. Marketing. Many interviewees discussed challenges they faced in marketing their businesses. Some business owners discussed technological barriers, such as spam filters, that prevent their marketing materials from reaching intended audiences.

The co-owner of an ESB-certified goods and services company stated, "We have a marketing arm that sends out emails and all of that. But people don't buy from email. Rarely do we have someone buy anything from our website. They see what they see, and they build a relationship with us. ... There's all these electronic barriers, spam control, and all of that, right. ... We're valid. We're in the state registry. And now people aren't even seeing that we're doing a workshop next week or in three weeks. They're not seeing it, because they've put this spam filter in, and we no longer get through." [#15]

l. Learning about work. Businesses that work in the public sector reported using online procurement platforms to find out about work opportunities. However, interviewees said many of these platforms are difficult to navigate and lack robust notification and search tools.

The Asian American owner of an MBE-certified professional services business stated, "Everything is online. We are already subscribed to all these sites. So, like with OregonBuys, we are subscribed. ... We get those notifications with the other states. Also, outside of Oregon, we already get all those automated notifications There is a program which is funded by the federal agency [where] they will let us know about upcoming opportunities and all those things." [#2]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "Searching for bids take[s] some time, first of all, to get familiar with. ... What keywords are being used, especially for my field where it's more specialized, but people are using some different words, when they're describing what they need." [#3]

m. Networking and relationship building. Multiple interviewees stressed the importance of relationship building and networking, not only to learn about work and market their firms, but also to build project teams and find resources to help grow their businesses.

The owner of an ESB-certified construction company stated, "The better opportunities are determined by networking, building a relationship, and then those parties will contact us to help get the name out ... on some proposals." [#7]

A representative of a trade organization stated, "In Oregon, one of the biggest things in business that helps people succeed ... is the development of relationships. Relationships are huge. And the ability for people to have mechanisms, organizations, or partnerships, really are extremely helpful ... for people to connect with others." [#FG2]

Some businesses use local business organizations or chambers of commerce as a starting point for building relationships with other businesses.

The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Organizations around Portland are very helpful for networking, and there are many groups geared toward small businesses." [#61]

The non-Hispanic white owner of an ESB-certified construction company stated, "Some associations will add that you have to meet each person for a period of time. There's an American Public Works Association [that] is more associated with utilities and infrastructure. And that is an independent organization that a lot of public employees go to. ... Those are much better networking events. Going to reverse vendor trade shows ... those events, the people see so many people that no relationships are developed. It's just ... [you] get a stack of business cards, and hopefully made an impression two days after that event [is] out." [#7]

Some interviewees commented that it is often difficult to find time to attend networking events.

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "The most difficult thing when you have these network events, and you're trying to get your day-to-day stuff done but also go to these events, I think that's probably the struggle of it." [#6]

A representative of a majority-owned professional services company stated, "It's also just difficult ... to find time to do the work but also do business development." [#8]

Other difficulties associated with networking that interviewees shared included a lack of opportunities to meet people in person and high employee turnover rates.

The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "I would say just getting in the door, because even our certificates don't help us do that. And then it's hard to get face-to-face in front of people anymore. Because all the mediums [to meet] are via video. ... It did a lot to be in front of people and to be able to walk into businesses and meet new people and get new customers, but ... it's still hard to find people in the office to meet." [#13]

The owner of a majority-owned goods and services company stated, "One of the biggest problems we had was building relationships because people were switching jobs. ... You'd be talking to a guy, he moved to another company, and you just cannot build a relationship when you don't know who's working with what company." [#37]

n. Personnel and labor. Many business owners described challenges they faced in trying to find and hire personnel and labor, citing a dearth of interested applicants. Some business owners said they turn to local business organizations or recruiters to find personnel. Interviewees working in construction said finding apprentices is difficult for many businesses.

A representative of a majority-owned construction company stated, "We have a recruiter, and so we're out trying to canvas the marketplace for as many young people as we can find. ... The problem that we have is it doesn't matter who you are or where you're from, there aren't that many people that want to go into this. And it's a drain on every part of this business. Every contractor, no matter what it is you do, you cannot get enough people." [#33]

The co-owner of a WBE-certified construction company stated, "I think [personnel and labor is] a challenge across the board, doesn't matter if you're certified or not. But I think

that it's more challenging for small firms, because they don't know where to go. Like if you're on a public project, and you need apprentices, and you're not union, where do you get them? Well, you have to know that there's a program here locally. It's called the Northwest College of Construction. And they have a track training program and apprenticeship program that you'd have to get signed up with. So just ... having that knowledge out there ... these are the programs that are available for you to get apprentices and start training your workforce." [#9]

When business owners do find potential employees, they report that traditional incentives such as health insurance and paid time off are not as attractive to applicants as they used to be. Furthermore, these interviewees noted that wage expectations have increased since the pandemic.

The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "We've gotta have a competitive wage that we're paying our [employees] because if you are not paying a competitive wage, you're not gonna get a very good employee." [#36]

The owner of a majority-owned goods and services company stated, "Labor has been just a colossal problem. ... We know based on ZipRecruiter that we're offering well above market for what we're asking. We offer health benefits, vacation, we offer dental, all these things. And we still are struggling at times to find employees. That has been a nightmare." [#37]

The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "While [we have] been successful in retaining employees, labor retention [is] a big issue for small businesses. [We] have kept employees by offering a living wage, somewhere around \$28 [an hour] to ensure employees are well taken care of and to increase the likelihood that we will retain staff. However, [our] living wage is significantly higher than the lowest wage rate the City of Portland requires unions to pay their employees (which is around \$17.50 an hour), which only makes it harder to compete for contracts." [#61]

The non-Hispanic white woman owner of a company stated, "I would say it's really hard to keep up with competitive wages. Everyone expects a lot of money and really great benefits. So, it's been something that I'm struggling to keep up with to compete with the bigger guys." [#PT7]

Businesses that perform construction work and specialty trades shared that their workforce is aging, and few young people are entering their fields.

A representative of a majority-owned construction company stated, "Our median age has gotta be 45 at least. ... You'd rather have it 35." [#33]

The Black American owner of a construction company stated, "We're just now all of a sudden panicking, going, 'We need tradespeople,' because all the tradespeople are retiring, and we don't have a succession of people coming through that have ... a good solid trade." [#1]

The owner of a majority-owned goods and services company stated, "I've always said that the ideal age for some of our warehouse positions is 24 to 32. It used to be that we would

get guys around like the 20 to 24 age range. That's not the case anymore. Seems to be right around 30 to 35. My average age has probably gone up about 10 years since the pandemic to now, not necessarily a bad thing, it's just very clear." [#37]

Businesses in the construction industry shared that the skill requirements to do construction work are changing over time as new technologies are introduced, and many business owners reported that finding employees with sufficient skills is becoming increasingly difficult.

The Native American owner of a construction company stated, "Most people in [the] industry have a lot of choice of where they could work. ... It's hard to find somebody with a broad skill set and the desire to work independently." [#20]

A representative of a majority-owned construction company stated, "The changing requirements for the workforce is another key problem. You know, construction used to be looked at [as] you don't have to have too much of an education to get into this field. But with all the different advances that are happening around technology, in order to keep up your capacity, even in spite of the lack of workers, means it's gonna require future workers to be more and more skilled." [#33]

A representative of a trade organization stated, "Our ability to be able to even hire a workforce is severely hindered right now, not just because there's not enough qualified people, but because our own education system is a failed system. [People of color] don't have enough qualified people in specific trades that we can actually go after that are members of our community." [#FG1]

Some interviewees shared that they actively seek to build diverse workforces but encounter barriers when trying to do so. For some industries, business owners find that women or POCs are not applying for jobs. To counteract this trend, interviewees recommended that workforce development efforts be more tailored by industry and the race/gender compositions of those industries.

The Hispanic American woman owner of an ESB-certified professional services company stated, "If we're trying to solve the larger issue of a shortage of skilled workers and we want to do it with an equity lens ... the Hispanic community makes up over 600,000 residents You cannot overlook that. That is where you're gonna get the majority of your minority workers from. ... Let's just recognize that. ... The way the system works and how the money is allocated is, one, [it's] not allocated specifically towards things that solve the workforce development challenges for specific industries. And then [two,] it's not allocated efficiently toward minority communities based upon their size and contribution in gaps." [#32]

The co-owner of a WBE-certified construction company stated, "We tried to recruit women. I tried to reach out and advertise to women, but there's just not many out there that want this line of work. ... No matter how many advertisements or career fairs [there] are [or] anything that you participate or try to get involved with, ... there's just not as many interested. I can't change that." [#9]

A representative of a construction trade association stated, "If you really want to have someone come up and become an MBE or a DBE contractor, they have to have experience—doing the work to actually get that certification through COBID [the

Certification Office of Business Inclusion and Diversity]. And if there isn't a component looking at having those people access work, it can be really hard to create and grow our own MBE [and] DBE contractors in the state. So, I really strongly encourage the state to ... look at the workforce equity components and the workforce of the MBE/DBE contractors that are getting contracts from the state and hope that is included." [#PT3]

o. Restrictive contract specifications. Some interviewees reported that solicitation requirements and contract specifications are often very narrow and sometimes appear to be tailored to specific businesses.

The non-Hispanic white owner of a WBE-certified professional services company stated, "We're sensing that all the time that the decision maker on the government agency side has a favorite person in mind. But they have to go through the bid process, they have to go through the proper procedures that are there, because the prior contract is about to expire." [#16]

The Asian American owner of an MBE-certified professional services business stated, "When I see the RFP, I know it's not written for me. There is already somebody in mind. So, training won't help [overcome that]." [#2]

The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "One way of finding loopholes [is] to select the vendor that they already planned to before the bid goes out. The bidding process is just a formality." [#WT9]

The co-owner of an ESB-certified goods and services company stated, "Sometimes I'll read an RFP and say, 'They've already decided who's doing this [project]. So, I don't know why I would respond to this.'" [#15]

Some business owners said projects that have requirements for certified businesses or are related to diversity, equity, and inclusion work have more restrictive specifications that result in less favorable work for woman- and POC-owned businesses.

The Hispanic American woman owner of an ESB-certified professional services company stated, "When they have an approach toward minority business, they develop RFPs or contracts that come ... with a tone of not trusting. So, they add more requirements in terms of insurance, in terms of liability. ... Does it equal the value of the budget that they're offering you? So, in a way, you're already trying to defend yourself, but also trying to hopefully pay your bills based upon the budget they're giving you. And so, it's a very condescending type of approach. Sometimes, when they hire minority firms or organizations or anybody that is minority, sometimes the scope of work doesn't equal to the dollars or the budget involved. And it, from a market standpoint, it's more like, 'This is what we have, this is what you do.' ... The RFPs, the budgets, the requirements sometime are more extensive when it comes to certain projects that focus on minority populations." [#32]

3. Working in the private and public sectors. Interviewees discussed the differences between working in the private and public sectors and identified challenges they face when trying to obtain work in the public sector.

a. Differences between sectors. Business owners said one of the biggest differences between the public and private sectors in acquiring and performing work is the amount of paperwork required both to win projects and manage them.

The co-owner of a WBE-certified construction company stated, "When I work for a private firm, they send me a contract, I sign it, then I just send them my monthly billings, right? Easy. They might have a few safety documents that they require. That kind of thing. When I work for the public sector ... I have to sign up for this website so I can submit my certified payroll, my workforce plan, and I have to sign up for this other website so they can track all my subcontractor payments, and then I have to sign up for this other website so they can track all my equipment. ... There's just a lot more, there's like five different platforms that you have to submit information into. And it's not like that for the private side. There's a lot more documentation [in the public sector], a lot more things that you have to turn in, paperwork that you have to complete." [#9]

Interviewees considered public sector work to be more secure and consistent but said it had less flexibility when problems arise during the life of projects.

The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "You have to kinda look at it like this, the government jobs, you know that they're going to be lengthy. It can be good job security for someone for a few years." [#36]

A representative of a majority-owned professional services company stated, "If you need to make a change, let's say you need additional money for a project, either because of being over budget or ... the scope has slipped a bit or has expanded. With the private sector, typically, that's fairly easy ... they can approve that. Whereas in the public sector, government work, it's difficult to change that. You're pretty well tied into what your contract is." [#8]

Businesses that work in the private sector noted that relationships have a much stronger bearing on securing work compared with the public sector. These businesses see the public sector as more competitive, because contract awards in the public sector are more likely to be based on pricing than on relationships.

The non-Hispanic white owner of a WBE-certified professional services firm stated, "Working with the government, it's of course harder to get your foot in the door. ... You either win the contract or you don't. There's not a lot of relationship building. Whereas I experienced the opposite with nonprofits. There's usually a lot of good relationship building, but maybe you don't work with them right away. There tends to be repeat work with nonprofit clients, whereas [with the] government, it really seems to be like just this specific project in this specific area of the government, and then we may never work with them again." [#3]

The non-Hispanic white owner of an ESB-certified construction company stated, "In [the] public sector, it's more competitive." [#7]

Some business owners said they observed a greater emphasis on the participation of woman- and POC-owned businesses in the private sector than they do as part of state work.

The Asian American owner of an MBE-certified professional services business stated, “It’s much, much easier to get [work in the] ... private sector, they have lots of outreach programs where they want to work with certified firms, minority-owned or woman-owned, or all different categories. With the state, ... I don’t see basically any movement happening.” [#2]

b. Challenges getting public sector work. Business owners and representatives discussed the challenges they face when trying to obtain or perform public sector work. Some interviewees said the public sector’s bidding process was too time consuming and costly for the low rate of success they experience.

The Hispanic American woman owner of an ESB-certified professional services company stated, “Talking to small businesses, they feel like they don’t have a chance, in terms of connecting with government. ... It’s an impossible journey that they don’t see happening. That’s why the majority don’t apply for government contracts.” [#32]

A participant in a stakeholder engagement session stated, “I could not land a single contract. I would even email, do follow-up, do all the things I need to do. I read the requirements, and make sure I check all the boxes, and everything, all my I and Ts dotted, and everything. ... After about two years, I just stopped. Because I was putting in a lot of time putting in those proposals. ... So, I just kind of stopped.” [#PT5]

A participant in a stakeholder engagement session stated, “Some companies don’t want to jump through all the hoops to do business with the state of Oregon, such as OregonBuys, when they have plenty of business that only require a quote.” [#PT7]

The Native American veteran owner of a construction company stated, “I have tried for over six months to be an Oregon government-approved business to work with them. I gave up. Too much time and not enough understanding of how to do it. For me I would have to be full time figuring out their system.” [#WT6]

Business owners in certain industries expressed that although they have an interest in performing public sector work, there are few opportunities to work for government agencies, due to either the nature of their work or prohibitive procurement policies that surround their work types.

The Hispanic American co-owner of a woman-owned professional services company stated, “It’s trickier to find contracts up for tender from Oregon than it has been in our industry than it has been, for example, to find things with federal agencies.” [#10]

The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, “Office furniture, you cannot sell [it] to the state unless the manufacturer is on the contract.” [#13]

The non-Hispanic white owner of a WBE-certified professional services company stated, “[I’m not doing business with the state], because they don’t really need my services. I just stopped looking at pretty much everything that comes through my email. Because it just doesn’t have anything to do with what I do.” [#17]

The non-Hispanic white owner of a WBE-certified professional services firm stated, “For the government, there doesn’t seem to be as many opportunities that are a match for us. But the opportunities that are out there are bigger size contracts. And our success rate,

depending on project and level of government has been maybe 50% successful. Whereas with nonprofit clients, we're usually like majority of the time successful." [#3]

Businesses that have worked with multiple public sector agencies reported that each agency has its own requirements for bidding, invoicing, and contract administration, and that the lack of consistency is a barrier.

A Native American representative of a non-profit organization stated, "The programs that are getting funding from the government agencies, the administrative and reporting requirements are extremely burdensome. And there's typically multiple types of reporting from each agency ... and each one has something different that you have to report ... so that becomes really challenging for the service provider." [#FG1]

A representative of a trade organization stated, "Every agency is its own little island with respect to technology, there's not a lot of integration in there. ... Bureaucracy, is a serious, serious barrier, particularly for small businesses, particularly for those who, again, know how to do the work well, but they don't know the system and they don't know how to turn that into effective business management." [#FG3]

The co-owner of an Asian American-owned professional services stated, "I did not have the resource[s] or finance[s] to hire a professional to [navigate the requirements] for me. I need to learn how to do that. I need someone to help. So, if this is the gap between us and larger firms that they can fulfill whatever the agent's requirement for the finance, for the invoice, for the billing rate, I try to learn, do my best. I try my in-house bookkeeping person, but I found out there's no way I can meet their third-party auditor's standard." [#PT6]

4. Prime contract and subcontract work. Businesses discussed how they assemble project teams and the factors that influence their decisions to work with other businesses.

a. Finding and selecting subcontractors. Prime contractors interviewed for the study shared a few different tools they use to develop their pool of subcontractors and potential project partners. Some prime contractors shared that they actively research and conduct outreach with subcontractors, using plan holders' lists, online clearinghouses and platforms, or project teams that have previously won work in the area as a starting point to find potential project partners. Other prime contractors rely on referrals from other businesses to find potential subcontractors.

The Black American owner of an MBE- and DBE-certified construction company stated, "[We find subcontractors] usually through other people in the industry or through one of the agencies." [#18]

A representative of a majority-owned construction company stated, "You can use the plan holders' list. That's the old-school [method]. But we solicit people. So, we pay attention to who's out there and who's the most competitive people, certainly for the state. ... We'll go through the registry of DBEs, and we'll isolate all the ones for each particular trade and then, you know, send out solicitations, make phone calls." [#33]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "[We find them] direct[ly] through emails, phone calls. And then there's also various

platforms. We used Blue Book for a while. That's one that has a lot of private opportunities on it. And now we use more Build Connect than anything else. They have private and public stuff on there. It's just a spot where ... all the large players can essentially centralize all their bids. So anytime that ... they're gonna put out something, they're gonna put it through Build Connect, and you get an invite, and then you know, you get all your documents, and everything's there." [#6]

Most prime contractors and consultants said they choose project partners with which they have worked previously. Some use the same subcontractors repeatedly whereas others develop relationships with other businesses in their industries and swap project roles depending on the nature of projects.

The owner of a majority-owned goods and services company stated, "Over the years, we've settled on a set of contractors that we tend to reuse over and over." [#14]

The co-owner of an ESB-certified goods and services company stated, "Reputation, past experience with them [dictates how we choose subcontractors]. ... A big part of it is experience. So, what do they bring to the table? Where have they been? What experience do they have? How broad is that experience?" [#15]

The Black American owner of an MBE- and DBE-certified construction company stated, "I usually try and work with a particular sub if, for example, they're doing AC, or they've done AC for me in the past. Then I'll go to them first and see if they've got room in the schedule." [#18]

A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "We have [multiple] competitors just in the Oregon area, or we compete with a lot of other commissioning agent[s]. So, they are our competitors, and they are our teaming partners. So, some project[s], we team with them, sometimes we compete." [#31]

Although price is a key factor for many prime contractors and consultants when selecting subcontractors, previous positive experiences with subcontractors can trump low bids. Some prime contractors noted that, if a contract includes goals for the use of certified firms, businesses' certification statuses can also override higher bids.

A representative of a majority-owned construction company stated, "Price is the biggest factor. And then capacity and character would be the other. ... We don't always pick the person who's low. ... Most of the time we do, but we also get into some situations where we know someone can't necessarily do it the way that we're gonna have to have it done, and we might have to pay more, or we allow for a contingency to do that work." [#33]

The co-owner of a WBE-certified construction company stated, "It depends on what kind of project it is. If there's no requirement to who we need to use, or there's no goals on the job, we'll go with somebody that we have that has the variability in their schedule, the lowest price, and somebody that we have a relationship with. If there's goals involved, like if we're working for a government agency, and you have to have a certain percentage of minority or women or emerging small businesses, then we go to the COBID site. We have created our own internal database that says these are all the firms, and we outreach to all of them. And then we make our selection of those firms based on basically price, but not always, like

if somebody has a higher price that we've worked with in the past, and then somebody has a lower price that we know nothing about, we'll pick the person that has a little bit higher price, because we've actually worked with them. And we know that they can do the work." [#9]

b. Finding prime contractors. Subcontractors interviewed for the study shared how they find project partners, largely mirroring the tools and methods prime contractors use to find subcontractors. Some subcontractors reported that they take an active approach to finding project partners by researching upcoming projects and contacting businesses that are on bidders lists, contacting businesses from online clearinghouses and platforms, or attending networking events.

The Black American owner of an MBE- and DBE-certified construction company stated, "[We find prime contractors through] word of mouth and getting on bid lists." [#18]

The Native American owner of a construction company stated, "About 10% of the work is me just making phone calls before the bids are submitted. So, my process is pretty simple. I can get on OregonBuys, I could see what projects are going to bid. ... I go through the bid items of the projects, just looking for the two or three bid items I'm concerned with. If I see the bid items, then I look at the list of who went to the pre-bid meeting. And I already know which general [contractor] views which electrician. And from there, I could figure out who to call [and] who to reach out to." [#20]

The Hispanic American woman owner of an ESB-certified professional services company stated, "I learned to meet people, develop relationships, get involved—committees, boards, commissions, wherever that is. I learned [about] our local chamber commerce, other associations. And then definitely, you know, I learned to research and develop and meet people." [#32]

The co-owner of a majority-owned construction company stated, "We use Partner Connect, which is a huge online software system that shows up for all the general [contractors]. We get an awful lot of good invites on that." [#4]

Other subcontractors shared that they are contacted by prime contractors or consultants because of their certification statuses or their unique skill sets.

The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "Having the COBID certification, especially being a DBE ... more of these people who are looking to hire contractors and putting out these request[s] for proposals. They're all looking to increase their percentages of disadvantaged groups, and they want certified groups. And so more of these prime contractors are looking for subcontractors who have this certification. So, I just suddenly had more and more people reaching out to be like, 'Hey, are you certified? Can you do this work?'" [#11]

The Asian American owner of an MBE-certified professional services business stated, "As a small business, the reason why we continue to get work is because we have this core strength, which [is] very unique." [#2]

A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "Certification is a real strong point that gives [us] a competitive advantage." [#31]

A representative of a trade organization stated, "If you're using your certification status to get projects, the people who are seeking you out are the ones who are trying to meet some sort of a DBE goal. And there's only so many firms out there who meet these requirements." [#FG3]

Most businesses that work as subcontractors reported that once they have developed relationships with a prime contractors or consultants, they are regularly contacted to submit bids for projects.

The non-Hispanic white owner of a WBE-certified professional services company stated, "We know each other; it's reputation. We've all grown up in this business together. The strong survive, so I've got, you know, 35 or 40 year relationships out there." [#16]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "The ones I've agreed to work with, there's been a bit of a relationship established, like referring work to each other." [#3]

The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "We've gone out there, we've put our face out there, we've attended the meetings, we've done the work, showed who we are, what we can do. Now we have companies that will literally call us because they know they have something coming up. And rather than going through the list, they know who they're gonna get." [#36]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "All primes have usually have a sub board or sub pool that they essentially put your name into. So, whenever they're doing projects, they usually send you out a bid because you're a part of that sub pool. So, you're pre-qualified and all that stuff to work with them." [#6]

The co-owner of a WBE-certified construction company stated, "We also have relationships that we've developed with general contractors, and so they know us, they've worked with us in the past, and they'll call us back to quote another project they have upcoming." [#9]

5. Doing business with public agencies. Business owners and representatives discussed their experiences obtaining and doing work with public agencies, including the state, and shared some barriers and challenges they face when working in the public sector.

a. Getting paid in the public sector. Multiple interviewees shared that payment in the public sector is slow. Some of the delays they reported are related to the roles their companies perform on projects (e.g., subcontractors receive payments after the prime contractors have been paid). Other interviewees cited agencies' internal policies and administrative requirements as the reason for slow payment.

The non-Hispanic white owner of a WBE-certified professional services company stated, "When I tell a private sector client, my terms are net 10 [days for payment]. Guess what happens? I have a check in 10 days. When I tell the state that 30 [or] 45 days, maybe it's

been 60. Never 30 [days]. Never. So, thank you very much state of Oregon holding my money hostage.” [#16]

The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "One of the only issues that I really have with the government jobs is that the government may pay the larger company, because usually on the government jobs we're the DBE [subcontractor] ... we don't get paid for months. And that causes a big issue for smaller companies. ... Those larger companies paying us and paying us on time, that has been a hurdle that we've been dealing with from 2007 to 2023.” [#36]

The co-owner of a majority-owned construction company stated, "Every contract is a little different. And then those big jobs that you're talking about that are state and all that, there's a lot of systems that you have to use to insert to show certified payroll ... and it's all gotta line up perfectly or else they just ... withhold your funds. So, on the pay side, it's a slow, arduous process.” [#4]

The co-owner of a WBE-certified construction company stated, "The City of Portland says that they pay you every two weeks, and that's what you tell your subcontractors, and that would be great if that was actually how it happened. But that's not really how it happens. Once ... the municipality gets approved and submits your bill to accounting, yes, they do pay quickly, but sometimes the project teams just take a long time to turn over ... that document to their financial department. ... And that's a big problem with smaller minority and women and emerging small businesses.” [#9]

The non-Hispanic white woman owner of a company stated, "It would be great if there was something that you guys could work with where, if you are a COBID firm, that there's some help to actually get paid for your work. [I] don't mean to bash on the City of Portland, but that's the only place in Oregon where my certification was supposed to be used for. I do a lot of my work in Washington now because it's easier to get paid. So, we would be directed to do work, and I don't know if they were taking advantage or maybe the wrong person was [working] as an inspector to work when they shouldn't have been, but we would do the work and then we wouldn't get paid for it. It was like they kind of tricked you into it like, 'Oh, you didn't do the right paperwork' even though the inspector directed it. I'm trying to get paid currently from a job in the City of Portland from 2021.” [#PT7]

Business owners who have worked with the state reported that the state does not pay electronically, instead issuing paper checks or paying via credit card.

The Hispanic American co-owner of a woman-owned professional services company stated, "Our [state] contract, they pay us by credit card, because they specifically said 'It's going to be too hard on our end to put you through the proper contracting cycle. So as long as you only invoice us for under \$5,000, each time, we can pay you by credit card.'" [#10]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "I would say for the payments, like there are so many great easy tools even offered by our banks ... [For example], I can pay people electronically by having my bank send them a text message. It is getting so much easier. So, I would love to see all of [these] state agencies get on board with electronic payment versus checks.” [#3]

b. Experiences learning about and performing work for the state. Multiple business owners discussed the difficulties they experience trying to learn about upcoming opportunities to work with the state. Some shared that they often learn about projects after windows for submitting bids or proposals have closed.

The Hispanic American co-owner of a woman-owned professional services company stated, "I don't know if there is an Oregon-like equivalent to the [General Services Administration]. ... Is there a place that all of the contracts with the state of Oregon are, and they're searchable by [North American Industry Classification System] code or whatever it might be? ... When the opportunities came up ... it's closed. We find stuff that ... was tendered six months ago." [#10]

The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "Finding projects in the state of Oregon has been a challenge." [#13]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "The state of Oregon [solicitations], they were not easy to find." [#3]

A representative of a woman-owned construction company stated, "Not sure where the state advertises for their opportunities?" [#AV3]

The non-Hispanic white owner of an SDV-certified business stated, "It's more effort on my part to find things out, to actually get inside the fence, and then access relevant information. It's more effort than it's worth." [#PT5]

Some interviewees noted that the state implements various policies that prioritize vendors that have previously done work with the state and creates barriers for new vendors.

The Asian American owner of an MBE-certified professional services business stated, "The other thing is what Department of Administrative Service [DAS] has done. They created a pre-qualified vendor pool to give work to bigger contract[ors], [projects] which are like a few hundred thousand dollars or millions of dollars. But all those contracts, the way they were written, they were written for big businesses. There was nothing which says 'Okay, we are going to encourage minority-owned businesses or small businesses to participate in that and be part of the vendor pool.' The criteria were written in such a way that it excluded all the small businesses. So, what happened is basically they just created all these barriers to make it almost impossible for small businesses to do work with the state." [#2]

The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Awards are being made based on political favors in some cases. We've seen it." [#WT24]

Interviewees said that, during contract negotiations, the difficulties of working with state agencies are exacerbated by the state's fear of being sued. They shared that the length of time it takes to execute contracts is longer with the state than other public agencies.

The Hispanic American woman owner of an ESB-certified professional services company stated, "A big problem is also [the state's Department of Justice]. Liability-wise,

[everything] scares them. ... For example, [to] do a simple contract, when we get a contract from the state ... DOJ holds it up for three or four months, and then they advise the agencies [to] not just take any risk with anything. ... So, they create more barriers in their system, in their process, because their goal [is] to protect state funding. But it goes to the other extreme. It becomes impregnable. ... It becomes inequitable and becomes exploitive and counterproductive. ... [I]t works against them, and it creates a system that really bogs down, and it becomes ineffective." [#32]

The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "And [a barrier] is just bizarrely written RFPs with unattainable goals really ... You get locked into almost like a litigator loop with [the state] that they don't really want to answer questions, but I have to have those questions answered in order to effectively respond." [#PT7]

Some interviewees noted that there is poor interagency communication, and there is a lack of consistency with how the state implements its own rules.

A representative of a trade organization stated, "Trying to engage in government contracts is incredibly difficult. Because every agency has a different way of doing their procurement. There is no level of consistency there ... depending on how large their agency is, they don't even really know their own procurement rules." [#FG1]

The non-Hispanic white owner of a goods and services company stated, "Departments within the state don't communicate enough, often duplicating each other's efforts." [#WT10]

The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "The state doesn't follow its own legislative rules and [Oregon Revised Statutes] to make sure discrimination and racist policies and behaviors aren't perpetuated by employees, managers, [and] directors across the board." [#WT8]

c. Best contract administration and procurement policies. Interviewees were asked to share the best contract administration and procurement policies and practices they have encountered while working with public agencies. Overall, business owners appreciate good communication, efficiency, and limited bureaucracy.

The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "With the smaller ones, [the] City of Sandy Hook [or] River County, ... when they're putting out request for work, ... everything [operates on] a more simplified scale." [#11]

The Black American owner of an MBE- and DBE-certified construction company stated, "The projects that I've worked with [the Oregon Department of Transportation] on, their project managers are immaculate. They do what it takes to get the work started and contracted and done. They let you know if something's not what they expected and allow you an opportunity to go in and fix it." [#18]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "[The] City of Astoria's ... application processes is much shorter in terms of what they're asking

for. [They] are much quicker... in terms of [when] you submit the proposal ... it's like a week or two weeks later. ... They make decisions quickly." [#3]

A representative of a majority-owned professional services company stated, "Soil and Water Conservation Districts and Watershed Councils [are] easy to perform work with because they're a government aid entity. But they're much smaller. The bureaucracy is much lower. So just the hurdles to get in and talk with them and then get work is much lower than, say [other organizations] where there's a little bit more involved." [#8]

COBID-certified businesses shared that they prefer to work with agencies that make concerted efforts to build relationships and conduct outreach with certified businesses.

The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "Metro and the Port of Portland, they really do go out of their way to do business with minority- [and] women-owned small businesses. ... They have some people that go to every single networking event. And they're out there meeting people. So having city employees really get involved in meeting the small businesses and networking with them, and trying to fit them in wherever they can. So, I think the Port of Portland, [the] City of Portland, and Metro do a very good follow up, and I have not seen very many other public agencies go out of their way like that." [#13]

The Asian American owner of an MBE-certified professional services business stated, "The City of Portland, I have seen that they do a lot of outreaches where they reach out to small business certified firms. And they proactively try to work with them to give the work. ... I would definitely recommend looking at some of what the cities and counties are doing, because there are organizations which are doing a really good job reaching out to small businesses. ... Even when you compare it with the State of Washington or other states, you will see in that contracting language that they are promoting small businesses, and they're actually putting the effort [in] where they are just not doing a photo op or something. They are actually putting effort [in] to make sure that it is written in the contracts." [#2]

A representative of an Asian American-owned, DBE-, and MBE-certified professional services company stated, "They really, sincerely, sincerely ... reach out to the minority firm. Metro and TriMet [Tri-County Metropolitan Transportation District] are good. ... They are happy to meet with us to know about us. So, whenever there's an outreach time, and they even reserve a table for us to meet their project managers, they automatically extend that gesture to us to have the opportunity to meet more project managers." [#31]

The non-Hispanic white owner of an ESB-certified construction company stated, "Oregon is the only state that we found that emerging small businesses do have some support. All other states are [focused on] women or minority or disadvantaged. ... Oregon's definitely a leader in that department." [#7]

d. Worst contract administration and procurement policies. Business owners shared the worst contract administration and procurement policies and practices they have encountered while working with public agencies. Overall, the agencies that interviewees viewed most negatively were those that had poor communication, high staff turnover rates, inconsistent administration of contracts, and slow turnaround on approvals and payments.

The non-Hispanic white owner of a WBE-certified professional services company stated, "[The] Lottery was well, there's just so much turnover, ... you got a new sheriff every time you're working with them." [#16]

The Asian American owner of an MBE-certified professional services business stated, "When there is a transition, so you're working with a manager, and they take up another job and another manager comes in, they may interpret your projects, the scope of work or the statement of work slightly different from the manager who had initially worked with [you]. So sometimes during that transition, we have to reevaluate the deliverables, we may, in some cases, ... amend our contract to address any changes or any gap between what the deliverables are." [#2]

The non-Hispanic white owner of a goods and services company stated, "DAS and other state agencies don't respond to questions with regard to RFPs or during contract administration." [#WT10]

The non-Hispanic white woman owner of a professional services company stated, "I have found that not all parties are on the same page when it comes to contracts and the information that I got at the beginning of starting my process ... did not match the criteria or the timeframe that it took to get completed. It was definitely frustrating at times." [#WT11]

6. Certification. Interviewees shared their experiences with the COBID certification process and the benefits and disadvantages of being certified.

a. Advantages to certification. Multiple interviewees pursued certification with the state because of the opportunities they saw or experienced with various public agencies, such as set asides for certain types of certified businesses.

The Hispanic American co-owner of a woman-owned professional services company stated, "Our thought was set-asides, because there are women-owned small business and small business set-asides ... usually on federal contracts. So, the thought was that if those set-asides exist on state level ones, too, then that would make us more competitive." [#10]

The co-owner of an ESB-certified goods and services company stated, "We get to put it on all our proposals. One of the cities we work with, they didn't know we were [certified]. ... The person who was new in the department was thrilled to find out we are an emerging small business, because then, you know, we filter into the category that they have to be using businesses." [#15]

The non-Hispanic white owner of a WBE-certified professional services firm stated, "In the scoring, at least for us, there's usually like an incentive for them to choose an emerging small business, veteran-owned, minority-owned kind of thing. We have also used it even if we've not been applying for state of Oregon [work] by stating we've been certified as with the state of Oregon, and I have found that translate[s] to both nonprofits and outside-of-Oregon governments, even though there's not necessarily an equivalency or relationship. They just for whatever their systems are, they get some bonus points of some sort. ... So, it is a bit of a selling point, even when it's not required outside of the state of Oregon." [#3]

The Asian American owner of a construction company stated, "When I see some of these development projects, say they're putting in some affordable housing and you know, it's at X dollars ... for certified minority owned businesses." [#34]

The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The greatest advantage of certification is the ability to qualify for set-asides." [#61]

Interviewees also said certification served as an incentive for prime contractors to use their businesses as subcontractors, provided access to free or low-cost technical assistance, and, for certain public agencies, offered opportunities to be directly awarded work worth less than certain dollar thresholds.

The Black American owner of an MBE- and DBE-certified construction company stated, "You're listed as a preferred sub with the prime over others." [#18]

A representative of an Asian American-owned, DBE-, and MBE-certified professional services company stated, "A public [agency] can hire us directly under a certain threshold ... [it] has to be under \$10,000." [#31]

The co-owner of a WBE-certified construction company stated, "[There is] technical assistance, if you need it, and you want it and you're a certified firm, there's avenues to get it at a better price or for free." [#9]

b. Disadvantages to certification. Certified business also reported some disadvantages to certification. Multiple business owners said there is a substantial time burden to becoming certified, and because not all public agencies offer programs for certified businesses, the costs can heavily outweigh the benefits.

The Asian American owner of an MBE-certified professional services business stated, "You're just wasting your time [becoming certified]. You're spending hours and hours on that certification, and then every year you have to renew it. ... As a small business, those are all non-billable hours." [#2]

Some business owners shared that when they did pursue certification, the extended time it takes the agency to process applications could result in delays or even loss of work for them. Without active certifications, prime contractors that otherwise would have included them on projects would look for different certified businesses or agencies for which they were performing work might find them in breach of contract.

The co-owner of a WBE-certified construction company stated, "They'll send you an email [that] says we've received your application, and it's going to be under review for the next 90 days. So, if you're trying to get a job with a general contractor that's looking to add a certified firm, yes, you're still certified, but they're kind of taking a risk on you because you didn't get your paperwork to the agency in time. And then the agency processing is taking two to three months to get to give you your certification letter." [#9]

Some interviewees said they felt a certain stigma associated with certification, as it may draw resentment from prime contractors that perceive their businesses as only receiving work because they are POC- or woman-owned.

The Black American owner of an MBE- and DBE-certified construction company stated, "Some individuals tend to have resentment because of that preference or requirements surrounding the contracts that are for minority-owned companies." [#18]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "[A disadvantage is] people assuming that you're only there because you're [a] minority, right? ... We're a qualified company. It's just [that] we happen to carry the minority status. But I think that's probably the only downside to it is the stigma and the ridicule that comes with the perception." [#6]

c. Experiences with the certification process. Many businesses certified with the state view the amount of paperwork required to obtain certification as a burden.

The Black American owner of a construction company stated, "I would say that I was caught off guard by the amount of paperwork that [certification] would take." [#1]

The non-Hispanic white owner of a WBE-certified professional services company stated, "The WBE process is a barrier. That's a gauntlet. Every year there's [a] nuisance, [a] renewal, something, and every three years it's this huge gauntlet ... [where] we need three years of tax returns and all nine documents and sign this and do that. And do they make it easy to find [and] get any contracts? Do they have any email system of, 'Hey, here's a bid you should go after because of fit?' You're getting [a] hell to the no." [#16]

In addition to the high volume of paperwork required, business owners said some of the information the agency requests for certification is unnecessary, and the instructions provided to complete the certification process are confusing. For some interviewees, this issue is exacerbated by what they see as the cumbersome nature of the COBID website.

The Hispanic American co-owner of a woman-owned professional services company stated, "There's always a big information requirement when you go to sign up and you have to submit all the various documentations. And in the past, I always wonder[ed] ... it seems like a lot of that stuff is stuff that the state has on file somewhere or somewhere else. So why do I have to put it all here? ... You have all my tax returns, and you have all my address stuff, and you have my driver's licenses. So, what specifically do you need from me again? It would be way easier if you didn't have to do all that." [#10]

The co-owner of an ESB-certified goods and services company stated, "The website for certification and recertification is probably the most non user-friendly website I've ever used, ever. It's difficult to understand what they're asking for, and where to go to find it. ... I'm sure they understand what the words mean. But to somebody on the outside, it's just like, is here, here? What are they asking for?" [#15]

The non-Hispanic white owner of a WBE-certified professional services company stated, "I still find it a pain to recertify. 'Go and find this and that and ... [figure out what you need].' What do you need to know about my car? What difference does it make ...? I don't know. It just doesn't really make a lot of sense." [#17]

When looking for support to complete the certification process, interviewees shared that the COBID staff were not helpful except for providing renewal reminders. They perceived staff to be inaccessible or even adversarial during the certification process.

The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "I feel like it's pretty hard to get a hold of people there. If you have a question about something, it feels like, 'Oh, just go to this portal, fill out this thing. And then we'll get back to you.' ... I've gotten these very generic answers back. And I'm like, 'Well, you didn't actually help me. You didn't actually answer the question or give me any additional information. You basically just told me exactly what was there.'" [#11]

The co-owner of an ESB-certified goods and services company stated, "They're really good at communicating when it's time for you to recertify, you know. You have to redo it every year and then every three years you have to recertify, and they're really good at communicating all of that." [#15]

A co-owner of a WBE-certified construction company stated, "At the beginning, to get certified with the state of Oregon, it just felt like they were not on my side. ... It felt like if I said the wrong thing, or provided the wrong document, or wasn't perfect that they just were gonna not certify me. [It] went so far as I had to be out on an excavator showing the certification manager that I could operate a piece of equipment." [#9]

An Asian American representative of a trade organization stated, "The COBID office had some change where they started actually doing ... more work certifying folks and scrutinizing us. And so, they said because I had a full-time job, and I was doing this also on the side, that they were going to deny my renewal, even though I'd had it for six or seven years, because it was not my primary business. ... Folks like me have to work two jobs to make a living to support my family, and you're just penalizing me." [#FG1]

7. Barriers related to race and gender. Interviewees discussed additional barriers related to the race or gender of business owners, beyond those that other businesses might face in the Oregon marketplace.

a. Discrimination based on gender. Woman business owners shared multiple instances where they experienced sexism. For example, interviewees representing woman-owned businesses reported that they are seen as less competent than men and in need of extra support or oversight.

The non-Hispanic white owner of a WBE-certified professional services firm stated, "I had 15 years of experience, which is good amount of time, right? But having [to] reflect back like, 'Oh, ... you're fairly new.'" Like there's what feels like an intentional misunderstanding on [other businesses'] part. ... In my experience, that's usually how the female gender bias [works]. While not directly stated, that is where it's coming from, as the lack of experience discussion, when in fact, that's not actually an issue." [#3]

The Hispanic American co-owner of a woman-owned professional services company stated, "The main place we faced [sexism] is with my wife facing it, presenting as a young woman who also owns a business. [She has] issues with ... having to prove competence, harder than I have to prove competence. We can walk into the same meeting and her

answers might get questioned and mine won't. Because I am a man with a gray beard."
[#10]

The co-owner of a WBE-certified construction company stated, "People are just more critical of you if you're a female versus a male in this industry. I have to prove it more. You know, I can't make mistakes. ... I felt like because I'm a woman, if I make a mistake, then 'Oh, see. She doesn't know what she's doing.'" [#9]

Some interviewees shared that they are treated differently by other business owners when networking because of their race or gender.

The Hispanic American co-owner of a woman-owned professional services company stated, "Networking opportunities can sometimes be challenging. I know that my wife doesn't necessarily feel comfortable going to all of them. ... She's a younger woman in a space where networking opportunities are oftentimes older men. And they're intimidating for a couple of reasons, one of which being that you get a lot of people hitting on her and ... they're not really there to network as much anymore. And so that's a challenge." [#10]

Other interviewees shared that they feel excluded from work opportunities and professional spaces by the "good ol' boy club."

The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "Where we live, it's the good ol' boys. You know, they have their friends that work for other companies, and they want to go with them, because that's their friends. So, my biggest challenge was, just like I said, getting into a man's world." [#12]

The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "I have found that sometimes with the good ol' boys club, they'll do that. ... There are still men in this day and age out there that feel like women [shouldn't be] running a business. We're supposed to be in the kitchen, barefoot and pregnant. And you would think that in this day and age there wouldn't [be] men out there like that, but there are." [#36]

The Hispanic American co-owner of a woman-owned professional services company stated, "Even like [Small Business Administration]-related stuff, ... if it's not specifically for women, then I know that she's had a number of negative experiences. And so, she hasn't really felt like we should know she was worth our time anymore. I know that that's not an uncommon complaint, either. From women, especially younger women trying to attend some of these events is the whole reason why that the good ol' boys club is called the good ol' boys club." [#10]

Some interviewees said woman-owned businesses are often the first to be identified as fraudulent businesses, and many woman business owners shared that even during the certification process, they had to fight to prove that they could perform work in traditionally male-dominated industries.

The Hispanic American co-owner of a woman-owned professional services company stated, "That's one of our worst nightmares. ...[M]y wife, she's a subject matter expert. For tax reasons, I own 49%, so we can split the tax revenue. We're not just woman-owned,

we're woman-managed. ... But I know people do that [obtain certifications fraudulently]. And I don't ever want to have anyone even think that with us. So, it is very frustrating to know when there are people out there, because they mean that anybody who's doing this legitimately still has to worry about crossing that threshold.” [#10]

A woman co-owner of a WBE-certified construction company stated, "I do have people in my industry that have said, 'Oh, it's not really her that's leading the show. It's her business partner and her family.' It's just like hearsay, right? ... That kind of bad negative talk gets spread throughout the community. And then people ... question, 'Well, is she legitimate, you really know what she's doing?'" [#9]

Several interviewees indicated that fraudulent, woman-owned businesses are in fact an issue in the marketplace.

The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "It feels like the state is making a push for WBEs rather than MBEs, and that there are many companies out there who are fronts or frauds to take advantage of the state's use of WBE goals.” [#61]

The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "It's set up for white men with white women fronting as the owner to win! PERIOD.” [#WT8]

Woman business owners also reported that they experienced price discrimination, with other businesses offering inventory, supplies, or loans at different rates or prices than what is offered men.

The non-Hispanic owner of a WBE-, DBE-, and SBE-certified professional services company stated, "I feel like people maybe try to sell me on stuff more. Take advantage of the fact that ... there's these ideas that ... women are gullible, and they like to spend money or something 'like that. Rather than being shut out of stuff, I feel like it's ... the other way that 'I'm trying to ... take advantage of your gullibility and your perceived lack of knowledge about something.” [#11]

b. Discrimination on the basis of race or ethnicity. POC business owners shared that they felt their work faced more scrutiny than work by their white counterparts and that they were given less leeway for simple mistakes. They shared that they felt as though they were perceived as being less competent and that they only won projects because of their certification statuses instead of the quality of their work.

The Black American owner of a construction company stated, "I did face a couple of times, where I went into a mom and pop's electric supply house, and the young man behind the counter challenged me. But his dad that was there, his dad knew, as well, why would I come in here and lie about me being a contractor? ... The contractor's price is different than the ordinary pedestrian price. ... I pulled out my credentials, and I laid them on the counter. I say, 'Does everybody have to do this? Or is it just me?' ... They weren't used to seeing Black electricians.” [#1]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "It might be inspecting something differently than they're inspecting it. For other

people, it might be not allowing a variance that they're allowing for another company. It might just be flat out scrutiny from another company. They might just kind of let them do whatever they're going to do. And for us, they're gonna stand there and watch over our shoulder every second, which is a guaranteed way to make somebody mess up when they're nervous. ... It's kind of an ongoing thing where you work with another company. They automatically assume you can't do the job. And, obviously, I mean, you have to [attribute] that to the fact that they look at us, and we look different than everybody else. There's not a whole lot of fully owned and majority operated by minority civil concrete companies that exist in general." [#6]

A representative of a trade organization stated, "If a prime makes a mistake on a job, if a [majority business owner] or company makes a mistake on the job, somehow those issues are able to be remedied, and they will get another chance. And often, woman-owned businesses, people of color-owned businesses in the construction industry won't get another chance if a mistake is made. ... People feel like they are blacklisted ... by some of our public agencies, because the word goes around because of a mistake that was made." [#FG2]

Like woman business owners, POC business owners reported that they experienced price discrimination, being offered inventory, supplies, or loans at different rates or prices than their white counterparts.

The Black American owner of an MBE- and DBE-certified construction company stated, "There are times when I feel like I'm getting a run around with purchasing materials and again, staffing, based on demographics of the company as well as size." [#18]

The Black American owner of a construction company stated, "If you get a supplier and they charge me even a couple of a percent more, that could guarantee that I'm not gonna be the low bidder." [#35]

Some interviewees shared that financial institutions appear to be less supportive of or less willing to lend to POC-owned businesses.

A representative of an Asian American-owned, DBE-, and MBE-certified professional services company stated, "The minority [businesses] have a hard time to get loan from bank." [#31]

The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "Wells Fargo or Bank of America or something like that, we didn't get as much assistance from those banks as a minority company as we should have." [#36]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Financing is a big challenge. It's very difficult to get lenders to lend money to minority companies. ... Automatically, they assume it's more risk and are more reluctant to do [so]." [#6]

A representative of a trade organization stated, "The problem [with] ... any sort of lending institution is that they're trying to manage risk. And that risk is this notion that the Latino community is ... not educated, right? We're [perceived to be] undocumented ... And so,

putting up a barrier saying that we're a flight risk, right? There's no statistical information that ... can back that statement up. ... Bias is what needs to be routed out."
[#FG1]

Interviewees said the “good ol’ boy” club is pervasive in Oregon and entry is often limited to businesses owned by white men. Some POC business owners said they have been passed over for work that went to those businesses.

The Black American owner of a construction company stated, "Sometimes when they find out that you are a minority business, they don't want to do business with you, even though they say they do." [#1]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "The truth of the matter is, the construction industry is widely a white industry. And there's a lot of people who just don't want to work with somebody who doesn't look like them. ... They've been in this business for a long time, and so they have the friends they want to work with. They got their buddies they want to work with. And so, at the end of the day, that's what you are always up against, the 'Do they want to work with somebody that looks like me, or do they ... have a buddy who they'd rather give the work to?' All that stuff comes into play." [#6]

A representative of a Black American woman-owned construction company stated, "In Southern Oregon, [I] have not seen a Black contractor. It is a good ol’ boy network. and some have been using the same businesses for over 20 years." [#AV23]

POC business owners also shared that their businesses were often subject to “scope creep,” and they face expectations that they will perform more work for less pay than other businesses.

The Black American owner of an MBE- and DBE-certified construction company stated, "A lot of times the expectation is that a minority-owned company doesn't get paid as much as a well-established or a white organization gets paid." [#18]

The Asian American owner of an MBE-certified professional services business stated, "If I am getting paid, say \$150 an hour for the same exact work, a bigger company is charging \$400 or \$500 an hour. ... It's easy for them to get that [rate] than for me to justify why I should be getting [that rate]. That discrimination is there." [#2]

The Hispanic American woman owner of an ESB-certified professional services company stated, "'Can you do all this for this [price]? ... Well by the way, can you do more? Can you add this and that?' ... [Y]ou don't wanna lose the contract, so you're forced to say, 'Yeah, okay, I'll do it at a very little cost or no cost,' whatever they're adding to it. ... And that's unfortunate because if I was a big company and had lawyers, they wouldn't ask for that. So sometimes the culture [is such] that we try to get more from small business, because we can get away with it. And sometimes you're forced, because once you say no, then they're gonna label you as ... a complainer." [#32]

The Hispanic American woman owner of an ESB-certified professional services company stated, "[Prime contractors are] afraid of ... the lower cost, you know, cuz many minority businesses can do things sometimes for lower cost compared to mainstream wide business."

And so, they're scared of that competition model that they're gonna lower their prices, and many are afraid.” [#32]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "There's these other companies that are charging more than you're charging, and then [the clients are] still giving you pushback on your price.” [#6]

Multiple interviewees shared that there is a perception among prime contractors and public agencies that Hispanic American-owned businesses are run by undocumented immigrants, and they feel they have to continuously prove that they have the right to do work in the state.

The Hispanic American woman owner of an ESB-certified professional services company stated, "Part of the certification with Oregon COBID, what I hear from minority businesses, especially Latino businesses, is that they come from a point of view [that working some jobs] makes you feel uncomfortable and [you're] trying to prove [your citizenship status]. ... It's not really friendly. It's more like, 'Prove to me that you're legal.'” [#32]

When no programs exist to encourage the use of certified businesses, business owners shared that they are overlooked for work opportunities. When programs do exist, POC-owned businesses said they saw opportunities go to white woman-owned businesses before certified MBEs.

The Asian American owner of an MBE-certified professional services business stated, "There is no motivation or no incentive for other big companies to work with small businesses here in Oregon [without race-based programs].” [#2]

A representative of an Asian American-owned, DBE-, and MBE-certified professional services company stated, "That white woman, because a woman[-owned business] is also [a] minority category, white woman take [the] majority of the minority [contract dollars] ... or job opportunit[ies]. White woman[-owned businesses say it is] so easy to get jobs, so easy to get contract[s]. ... Communication marketing people feel comfortable to speak to ... white women, white people. ... I cannot change [the] perception of the people they love to do business with.” [#31]

POC- and woman-owned businesses also shared that they face outright race- or gender-based hostility or discrimination in the workplace from clients and customers.

The Black American owner of a WBE-, MBE-, and DBE-certified professional services stated, "A couple of years ago, we were the DBE on a contract, and one of the contractors refused to call me by my name. He insisted on calling me 'gal,' and that didn't sit well with me. I had to let him know that I didn't appreciate that. ... [On another project,] there was an event coordinator and I guess she didn't like African Americans. When she sees that she was dealing with an African American company, she kind of made it a point to be rude. She was totally fine over the phone. But then as soon as she sees my face, she became the rudest woman ever. Didn't wanna look in my face, forget shaking the hands cuz usually when you meet someone, you know, shake their hand ... She wouldn't do it.” [#36]

The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Primarily hostile work environment. You know, when you're out there, and the

majority of our field team is minorities, and when they're out in the site, and they're being ridiculed and discriminated against unfairly. Those are situations that are upsetting, and we don't necessarily want to put our people in those situations. So, when it comes to that stuff, we're not afraid to pull off a job because the work environment is toxic. I would say that's the primary reason why we would not want to work with another company." [#6]

A representative of a nonprofit organization stated, "We see a disparity in who's driven out of the industry early on because of bullying, harassment, and hazing. They don't get to graduate up to be contractors." [#FG3]

8. Experiences with state business programs. Interviewees discussed their experiences with the state's business assistance programs. Business owners who have attended training courses or workshops with the state said they found some to be useful whereas others were not related to the barriers they face in the marketplace.

The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "Over the years, I have attended various workshops to try and help the business grow. Most of them were [helpful]. There were some that it was not worth my time, because it didn't apply to me in my situation." [#12]

When programs do exist to support POC-owned businesses, interviewees shared that these programs were underfunded in comparison to race- and gender-neutral programs.

The Hispanic American woman owner of an ESB-certified professional services company stated, "The few minority [focused programs] they get ... [have] limited resources. Most of the funding goes toward white-dominant organizations. They get funding and they get a lot of funding, but then the majority [of programs are] not targeted toward minority business." [#32]

Interviewees said some business programs in the state may require proof of citizenship for Hispanic American-owned businesses, which discourages people from engaging with these programs.

The Hispanic American woman owner of an ESB-certified professional services company stated, "Especially working with Latino businesses ... when it comes to discrimination, of legality, of undocumented ... We used to have a program here in Salem, called the Latino Micro Enterprise Development Program, which we started. We had it for 13 years, but during the Trump administration ... we had to ask for proof of citizenship. We felt it was really discounting our communities. People didn't wanna come to the program anymore. It just created a certain anxiety strain that [they] decided not to apply again. And they discontinued that program because of those requirements." [#32]

Many white business owners shared that they perceived business programs targeting POC- and woman-owned businesses to be unfair to their businesses.

A representative of a majority-owned construction company stated, "Being a minority contractor is giving benefit for minorities and is not based on their qualifications. [For the] government to choose over them rather than based on qualifications is discrimination." [#AV249]

A representative of a majority-owned construction company stated, "I don't understand sometimes bids for minority status. I am white and do not think it's fair, and it is discouraging." [#AV72]

A representative of a majority-owned construction company stated, "I don't get considered because I'm not of color and not woman-owned. They get points and I don't. Companies get further consideration if they're woman-owned and of-color and veteran-owned." [#AV178]

CHAPTER 7.

Availability Analysis

BBC Research & Consulting (BBC) analyzed the availability of person of color (POC)-owned businesses, woman-owned businesses, and service-disabled veteran (SDV)-owned businesses ready, willing, and able to perform work on the construction; professional services; non-professional services, goods, and supplies contracts and procurements State of Oregon (state) executive branch agencies award.¹ Chapter 7 describes the availability analysis in five parts:

- A. Purpose of the availability analysis;
- B. Potentially available businesses;
- C. Availability database;
- D. Availability calculations; and
- E. Availability results.

Appendix D provides additional supporting information related to the availability analysis.

A. Purpose of the Availability Analysis

BBC examined the availability of POC-, woman-, and SDV-owned businesses for state prime contracts and subcontracts to use as benchmarks against which to compare the actual participation of those businesses in organization work (i.e., assessing *disparities*). Assessing disparities for POC-, woman-, and SDV-owned businesses allowed us to determine whether certain business groups were substantially underutilized during the *study period*—that is, July 1, 2017, and June 30, 2022—relative to their availability for state work, which is crucial in determining whether the use of race- or gender-conscious measures is appropriate and, if so, ensuring their use meets the strict scrutiny and intermediate scrutiny standards of constitutional review, respectively. In addition, estimating availability is useful to the state in setting overall aspirational goals for the participation of POC-, woman-, and SDV-owned businesses in the work it awards as well as setting race- or gender-based contracting goals for the participation of those businesses in agency work, if the state determines the use of such measures is appropriate.

B. Potentially Available Businesses

The availability analysis focuses on specific areas of work, or *subindustries*, associated with the contracts and procurements the state awarded during the study period. We began the analysis by identifying the specific subindustries in which the state spends the majority of relevant contract and procurement dollars as well as the geographic area in which the majority of the businesses with which the state spends those dollars are located (i.e., the *relevant geographic market area*, or *RGMA*). Based on that information, we identified the RGMA for the study as the entire state of Oregon. We then conducted extensive surveys with more than 1,200 businesses in the marketplace to develop a representative and

¹ “Woman-owned businesses” refers to white woman-owned businesses. Information and results for businesses owned by women of color are included along with those of businesses owned by men of color according to their corresponding race/ethnic groups.

unbiased database of potentially available businesses located in the RGMA that perform types of work relevant to state contracting and procurement. The objective of the surveys was not to collect information from every relevant business operating in the local marketplace but rather to collect information from an unbiased subset of the relevant business population that appropriately represents the entire relevant business population. That approach allowed us to estimate the availability of POC-, woman-, and SDV-owned businesses for state work in an accurate and statistically valid manner.

1. Overview of availability surveys. BBC worked with Davis Research to conduct telephone and online surveys with business owners and managers to identify Oregon businesses potentially available for state contracts and procurements. We began the process by compiling a *phone book* of all types of businesses—regardless of ownership characteristics—that perform relevant work and are located in Oregon, based on information from Dun & Bradstreet (D&B) Marketplace and vendor listings from various Oregon organizations. We compiled information about business establishments based on 8-digit work specialization codes that were most related to the contracts and procurements the state awarded during the study period. We obtained listings on 14,193 local businesses that perform work related to those work specializations. We did not have working phone numbers for 2,159 of those businesses, but we attempted availability surveys with the remaining 12,034 businesses.

2. Survey information. The study team conducted availability surveys with businesses listed in our phone book to collect various pieces of information about each one, including:

- Status as a private sector business (as opposed to a public agency or nonprofit organization);
- Status as a subsidiary or branch of another company;
- Primary lines of work;
- Interest in performing work for government organizations;
- Interest in performing work as a prime contractor or subcontractor;
- Largest prime contract or subcontract the business is able to perform;
- Whether the business can perform work or serve customers in Oregon;
- Business size in terms of revenue and number of employees;
- Race/ethnicity and gender of the owner(s); and
- Veteran and SDV status of the owner(s).

C. Availability Database

After conducting availability surveys, BBC compiled an *availability database* that included information about businesses potentially available for relevant state contracts and procurements. We included businesses in the availability database if they reported possessing all the following characteristics:

- Being a for-profit business;
- Having a location in the RGMA;
- Having bid on or performed construction; professional services; or non-professional services, goods, and supplies work in the RGMA in the past five years;

- Primary lines of work being in industries and subindustries directly relevant to state contracts and procurements; and
- Being able to perform work in Oregon.

1. Oversampling. It was important for the accuracy of availability estimates for the availability database to accurately reflect the proportional representation of POC- and woman-owned businesses in relevant Oregon industries and to be based on sufficient amounts of data for each relevant business group. We determined those proportions from the American Community Survey (ACS), which the United States Census Bureau conducts every year, for the industries and subindustries most relevant to the state's contracting and procurement.² Figure 7-1 presents those proportions for each POC- and woman-owned business group relevant to the study, weighted by the volume of dollars the state spent in construction; professional services; non-professional services, goods, and supplies contracts and procurements during the study period.

Figure 7-1.
Percent representation of POC-
and woman-owned businesses
in relevant Oregon industries

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

2015-2019 ACS

Business group	Percent
White woman-owned	23.9 %
Asian American-owned	5.2 %
Black American-owned	0.8 %
Hispanic American-owned	5.8 %
Native American-owned	1.2 %
Total POC-owned	13.0 %
Total POC- and woman-owned	36.9 %

As the study team conducted availability surveys, we monitored the number of completed surveys from each relevant POC- and woman-owned business group. Through the process, it became clear that certain groups—particularly Black American-, Hispanic American-, and Native American-owned businesses—were showing completion rates that were less than their representation in relevant Oregon industries, according to the ACS, or that even if their completion rates were in line with their representation in the marketplace, that the number of completed surveys for particular groups would not be sufficient to make meaningful statistical conclusions about their availability for state projects. As a result, we supplemented our phone book with membership listings from various Oregon business organizations, so we could contact additional POC- and woman-owned businesses to participate in availability surveys. We integrated membership lists from the following organizations into our phonebook:

- Mercatus;
- The Oregon Native American Chamber;
- Professional Business Development Group;
- Philippine American Chamber of Commerce of Oregon;

² BBC also examined the proportional representation of POC- and woman-owned businesses in relevant Oregon industries based on Non-employer Statistics by Demographics (NES-D) data from the United States Census Bureau. The reported proportional representation of POC- and woman-owned businesses in relevant Oregon industries was quite similar between both data sources. We ultimately chose to use data from the ACS because it allowed us to tailor our analyses based on relevant industries and subindustries at a more detailed level.

- National Association of Minority Contractors-Oregon;
- Hispanic Metropolitan Chamber of Commerce; and
- Micronesian Islander Community.

2. Businesses in the database. Figure 7-2 presents the percentage of businesses in the availability database that were POC-, woman-, and SDV-owned, after our efforts to oversample particular groups of businesses. The database included information on 1,148 businesses that completed an availability survey for specific construction; professional services; and non-professional services, goods, and supplies contracts and procurements the state awards. As shown in Figure 7-2, 37.4 percent of businesses in the database were POC- or woman-owned, which was largely in line with the overall representation of those businesses in the marketplace, according to the ACS (36.9%). In addition, 2.8 percent of potentially available businesses were SDV-owned (not shown in Figure 7-2).

The information in Figure 7-2 reflects a simple count of businesses with no analysis of their availability for specific state contracts or procurements nor does it reflect the data weighting procedures we used to further ensure that the availability database accurately reflected the representation of POC- and woman-owned businesses in the Oregon marketplace. It represents only a first step toward analyzing the availability of POC-, woman-, and SDV-owned businesses for state work.

Figure 7-2.
Percent of businesses in the availability database that were POC- or woman-owned

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC availability analysis.

Business group	Percent
White woman-owned	16.6 %
Asian American-owned	4.3 %
Black American-owned	5.8 %
Hispanic American-owned	8.1 %
Native American-owned	2.6 %
Total POC-owned	20.8 %
Total POC- and woman-owned	37.4 %

D. Availability Calculations

BBC weighted all survey data we collected to ensure that the representation of each group of POC- and woman-owned businesses in the availability database reflected its proportional representation in the Oregon marketplace, according to ACS data. We applied the following survey weights to the survey data for each group:

- White woman-owned businesses: survey weight of 1.44;
- Asian American-owned businesses: survey weight of 1.21;
- Black American-owned businesses: survey weight of 0.13;
- Hispanic American-owned businesses: survey weight of 0.71;
- Native American-owned businesses: survey weight of 0.46; and
- Business owned by white men: survey weight of 1.01.

After weighting survey data, we used a *custom census* approach—which accounts for specific business, contract, and procurement characteristics such as work type, role, size, capacity, and interest—to estimate the availability of POC-, woman-, and SDV-owned businesses for state work. We analyzed information from the availability database to develop dollar-weighted estimates of the degree to which POC-, woman-, and SDV-owned businesses are ready, willing, and able to perform state work. Those estimates represent the percentage of contracting and procurement dollars one would expect the state to award to POC-, woman-, and SDV-owned businesses based on their availability for the specific types and sizes of relevant state contracts and procurements.

BBC only considered a portion of the businesses in the availability database as potentially available for any given state prime contract or subcontract. We first identified the characteristics of each prime contract or subcontract (referred to generally as a *contract element*), including type of work, contract size, and contract role and then took the following steps to estimate the availability of POC-, woman-, and SDV-owned businesses for each one:

1. We identified businesses in the availability database that reported they:
 - Are interested in performing construction; professional services; or non-professional services, goods, and supplies work in that particular role, for that type of work, for government organizations;
 - Can perform work or serve customers in Oregon; and
 - Have the ability to perform work of that size or larger.
2. We then counted the number of POC-owned businesses, woman-owned businesses, and businesses owned by white men in the availability database that met the criteria in step 1. We used an analogous approach in counting SDV-owned businesses versus businesses not owned by SDVs.
3. We translated the counts of businesses in step 2 into percentages.

We repeated the above steps for each contract element included in the disparity study, and then multiplied the percentages of available businesses for each contract element by the dollars associated with it. We then added results across all contract elements and divided by the total dollars for all contract elements. The result was dollar-weighted estimates of the percentage of relevant contract and procurement dollars one would expect the state to award to POC-, woman-, and SDV-owned businesses based on their availability for specific types and sizes of that work. Figure 7-3 provides an example of how we calculated availability for a specific subcontract associated with a construction prime contract the state awarded during the study period.

BBC based availability calculations on the prime contracts and subcontracts the state awarded during the study period. A key assumption of the availability analysis is that the work the state awarded during the study period is representative of the work it will award in the future. If the types and sizes of the work the state awards in the future differs substantially from the work it awarded during the study period, then it should adjust availability estimates accordingly.

E. Availability Results

BBC estimated the overall availability of POC-, woman-, and SDV-owned businesses for the construction; professional services; and non-professional services, goods, and supplies work the state awards. We also

estimated the availability of POC- and woman-owned businesses for various subsets of contracts and procurements the state awards. For each set of projects, we present availability estimates for all POC- and woman-owned businesses combined and separately for each relevant business group: white woman-owned businesses, Asian American-owned businesses, Black American-owned businesses, Hispanic American-owned business, and Native American-owned businesses.

1. Overall. Figure 7-4 presents dollar-weighted estimates of the overall availability of POC- and woman-owned businesses for all relevant state project combined. Overall, the availability of POC- and woman-owned businesses for that work is 33.9 percent, indicating that one might expect the state to award approximately 33.9 percent of its contract and procurement dollars to POC- and woman-owned businesses based on their availability for that work. The business groups that exhibit the greatest availability for state work are white woman-owned businesses (18.6%), Asian American-owned businesses (8.3%), and Hispanic American-owned businesses (5.1%).

BBC also examined the overall availability of SDV-owned businesses for state work. The availability analysis indicated that the availability of SDV-owned businesses for state projects is 3.9%.

Figure 7-4.
Availability estimates for state work

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC availability analysis.

Business group	Availability
White woman-owned	18.6 %
Asian American-owned	8.3 %
Black American-owned	0.5 %
Hispanic American-owned	5.1 %
Native American-owned	1.5 %
Total POC-owned	15.3 %
Total POC- and woman-owned	33.9 %

Figure 7-3.
Example of calculating availability for a state subcontract

On a prime contract the state awarded during the study period, the prime contractor awarded a subcontract worth \$104,702 for trucking, hauling, and storage services. To determine the overall availability of POC- and woman-owned businesses for the subcontract, BBC identified businesses in the availability database that:

- Indicated they perform trucking, hauling, and storage work;
- Reported being able to perform work of equal size or larger;
- Can perform work or serve customers in Oregon; and
- Reported interest in working as a subcontractor on government projects.

We identified 19 businesses in the availability database that met those criteria, six of which were POC- or woman-owned. Thus, the availability of POC- and woman-owned businesses for the subcontract was 31.6 percent (i.e., $6/19 \times 100 = 31.6$).

2. Time period. BBC examined the availability of POC- and woman-owned businesses separately for the first half and second half of the study period to assess whether the availability of those businesses changed over time. Figure 7-5 presents the availability of POC- and woman-owned businesses for state work by time period, with *early projects* defined as those the state awarded between July 1, 2017 and June 30, 2020 and *late projects* defined as those the state awarded between July 1, 2020 and June 30, 2022. As shown in Figure 7-5, the availability of POC- and woman-owned businesses for state work did not vary by time period. Their availability for state work was 33.8 percent for early projects and 34.0 percent for late projects. The same business groups show the greatest availability for both time periods:

white woman-owned businesses (early = 19.0%; late = 18.2%), Asian American-owned businesses (early = 8.1%; late = 8.5%), and Hispanic American-owned businesses (early = 4.9%; late = and 5.3%).

Figure 7-5.
Availability estimates for
state work by time period

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC availability analysis.

Business group	Time Period	
	Early	Late
White woman-owned	19.0 %	18.2 %
Asian American-owned	8.1 %	8.5 %
Black American-owned	0.5 %	0.5 %
Hispanic American-owned	4.9 %	5.3 %
Native American-owned	1.4 %	1.6 %
Total POC-owned	14.9 %	15.7 %
Total POC- and woman-owned	33.8 %	34.0 %

3. Industry. BBC also examined the availability of POC- and woman-owned businesses separately for state construction; professional services; and non-professional services, goods, and supplies work to assess whether the availability of those businesses differed by industry. As shown in Figure 7-6, POC- and woman-owned businesses exhibit less availability for the state's non-professional services, goods, and supplies work (26.6%) than for its construction (31.8%) or professional services work (39.1%).

Figure 7-6.
Availability estimates for
construction; professional
services; and non-professional
services, goods, and supplies work

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC availability analysis.

Business group	Industry		
	Construction	Professional services	Non-professional services, goods, and supplies
White woman-owned	18.3 %	20.7 %	15.1 %
Asian American-owned	5.1 %	12.0 %	5.3 %
Black American-owned	0.4 %	0.4 %	0.5 %
Hispanic American-owned	6.5 %	4.4 %	4.5 %
Native American-owned	1.5 %	1.6 %	1.2 %
Total POC-owned	13.5 %	18.4 %	11.5 %
Total POC- and woman-owned	31.8 %	39.1 %	26.6 %

4. Contract role. Many POC- and woman-owned businesses are small businesses, and thus, often work as subcontractors, so it is instructive to examine availability estimates separately for state prime contracts and subcontracts. As shown in Figure 7-7, the availability of POC- and woman-owned businesses is in fact less for the state's subcontracts (30.2%) than for its prime contracts (34.0%).

Figure 7-7.
Availability estimates for state prime contracts and subcontracts

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC availability analysis.

Business group	Role	
	Prime contracts	Subcontracts
White woman-owned	18.6 %	18.2 %
Asian American-owned	8.4 %	3.3 %
Black American-owned	0.5 %	0.5 %
Hispanic American-owned	5.0 %	6.3 %
Native American-owned	1.5 %	2.0 %
Total POC-owned	15.3 %	12.0 %
Total POC- and woman-owned	34.0 %	30.2 %

5. Prime contract size. BBC examined the availability of POC- and woman-owned businesses separately for *large prime contracts*—ones worth \$250,000 or more—and *small prime contracts*—ones worth less than \$250,000—the state awarded during the study period to examine whether contract size was related to the availability of POC- and woman-owned businesses for state work, at least at the prime contract level. As shown in Figure 7-8, the availability of POC- and woman-owned businesses is virtually identical for small prime contracts (33.9%) and large prime contracts (34.0%).

Figure 7-8.
Availability estimates for large and small prime contracts

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC availability analysis.

Business group	Size	
	Small	Large
White woman-owned	20.2 %	18.1 %
Asian American-owned	5.6 %	9.3 %
Black American-owned	0.7 %	0.4 %
Hispanic American-owned	6.2 %	4.7 %
Native American-owned	1.2 %	1.5 %
Total POC-owned	13.7 %	15.9 %
Total POC- and woman-owned	33.9 %	34.0 %

CHAPTER 8.

Utilization Analysis

BBC Research & Consulting (BBC) measured the participation of person of color (POC)-, woman-, and service-disabled veteran (SDV)-owned businesses located in Oregon in the construction; professional services; and non-professional services, goods, and supplies contracts and procurements State of Oregon (state) executive branch agencies awarded between July 1, 2017, and June 30, 2022 (the *study period*).¹ We measured participation in terms of *utilization*—the percentage of contract and procurement dollars the state awarded to those businesses during the study period. We measured the overall participation of POC-, woman-, and SDV-owned businesses in all relevant contracts and procurements the state awarded during the study period as well as in various subsets of state contracts and procurements. Chapter 8 presents the utilization analysis in four parts:

- A. Purpose of the utilization analysis;
- B. Utilization analysis results;
- C. Concentration of dollars; and
- D. Statistical outliers.

A. Purpose of the Utilization Analysis

Calculating the percentage of dollars the state awarded to Oregon POC-, woman-, and SDV-owned businesses during the study period is useful in determining whether certain business groups face barriers as it relates to the state's contracting and procurement processes. Moreover, assessing whether any business groups are substantially underutilized relative to their availability for state work allows the agency to determine whether the use of race- or gender-conscious measures is appropriate and ensure that its use of such measures is tailored to those business groups for which compelling evidence of barriers exist.

B. Utilization Analysis Results

BBC calculated the overall participation of POC-, woman-, and SDV-owned businesses located in Oregon in all state contracts and procurements combined and, for POC- and woman-owned businesses, separately for various subsets of the projects the state awarded during the study period.

1. Overall. Figure 8-1 presents the overall participation of POC- and woman-owned businesses in all relevant construction; professional services; and non-professional services, goods, and supplies contracts and procurements the state awarded during the study period. As shown in Figure 8-1, the state awarded 10.9 percent of relevant contract and procurement dollars to all POC- and woman-owned businesses considered together. The groups that exhibited the greatest levels of

¹ "Woman-owned businesses" refers to white woman-owned businesses. Information and results for businesses owned by women of color are included along with those of businesses owned by men of color according to their corresponding race/ethnic groups.

participation in that work were white woman-owned businesses (6.6%), Hispanic American-owned businesses (2.0%), and Native American-owned businesses (1.3%).

Figure 8-1.
Utilization analysis results for state work

Note:

Numbers rounded to nearest tenth of 1 percent
and thus may not sum exactly to totals.

Source:

BBC utilization analysis.

Business group	Utilization
White woman-owned	6.6 %
Asian American-owned	1.0 %
Black American-owned	0.1 %
Hispanic American-owned	2.0 %
Native American-owned	1.3 %
Total POC-owned	4.3 %
Total POC- and woman-owned	10.9 %

BBC also examined the overall participation of SDV-owned businesses for state work. The utilization analysis indicated that the state awarded 1.3 percent of all its relevant contract and procurement dollars during the study period to SDV-owned businesses.

2. Time period. BBC examined the participation of POC- and woman-owned businesses in state work separately for the first half and second half of the study period to assess whether the participation of those businesses changed over time. We defined *early* projects as those the state awarded between July 1, 2017 and June 30, 2020 and *late* projects as those the state awarded between July 1, 2020 and June 30, 2022. As shown in Figure 8-2, for early projects, the state awarded 9.0 percent of relevant contract and procurement dollars to all POC- and woman-owned businesses considered together, and for late projects, the state awarded 13.2 percent of corresponding dollars to those businesses. The groups that exhibited the greatest levels of participation in state work were the same across both time periods: white woman-owned businesses (early = 5.0%; late = 8.5%), Hispanic American-owned businesses (early = 1.8%; late = 2.2%), and Native American-owned businesses (early = 1.2%; late = 1.4%).

Figure 8-2.
**Utilization analysis results
for state work by time period**

Note:

Numbers rounded to nearest tenth of 1 percent
and thus may not sum exactly to totals.

Source:

BBC utilization analysis.

Business group	Time Period	
	Early	Late
White woman-owned	5.0 %	8.5 %
Asian American-owned	0.9 %	1.0 %
Black American-owned	0.1 %	0.1 %
Hispanic American-owned	1.8 %	2.2 %
Native American-owned	1.2 %	1.4 %
Total POC-owned	4.0 %	4.8 %
Total POC- and woman-owned	9.0 %	13.2 %

3. Industry. BBC also examined the participation of POC- and woman-owned businesses separately for the construction; professional services; and non-professional services, goods, and supplies contracts and procurements state executive branch agencies awarded during the study period to determine whether the participation of those businesses differed by industry. As shown in Figure 8-3, the participation of POC- and woman -owned businesses considered together was greatest in the state's construction work

(13.0%), followed by professional services work (12.0%), and then non-professional services, goods, and supplies work (5.6%). Participation for individual business groups differed across industries:

- The groups that exhibited the greatest levels of participation in construction work were Hispanic American-owned businesses (4.7%), white woman-owned businesses (4.4%), and Native American-owned businesses (2.6%).
- The groups that exhibited the greatest levels of participation in professional services work were white woman-owned businesses (9.7%), Asian American-owned businesses (1.1%), and Hispanic American-owned businesses (0.9%).
- The groups that exhibited the greatest levels of participation in non-professional services, goods, and supplies work were white woman-owned businesses (3.7%), Native American-owned businesses (1.5%), and Asian American-owned businesses (0.3%).

Figure 8-3.
Utilization analysis results for construction; professional services; and non-professional services, goods, and supplies work

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC utilization analysis.

Business group	Industry		
	Construction	Professional services	Non-professional services, goods, and supplies
White woman-owned	4.4 %	9.7 %	3.7 %
Asian American-owned	1.1 %	1.1 %	0.3 %
Black American-owned	0.2 %	0.1 %	0.0 %
Hispanic American-owned	4.7 %	0.9 %	0.2 %
Native American-owned	2.6 %	0.2 %	1.5 %
Total POC-owned	8.7 %	2.3 %	2.0 %
Total POC- and woman-owned	13.0 %	12.0 %	5.6 %

4. Contract role. Many POC- and woman-owned businesses are small businesses, and thus, often work as subcontractors. For that reason, it is useful to examine the participation of POC- and woman-owned businesses separately for the prime contracts and subcontracts the state awarded during the study period. As shown in Figure 8-4, the participation of POC- and woman-owned businesses considered together was greater in the state's subcontracts (20.3%) than in its prime contracts (10.7%). Participation for individual business groups differed between prime contracts and subcontracts:

- The groups that exhibited the greatest levels of participation in prime contracts were white woman-owned businesses (6.5%), Hispanic American-owned businesses (2.0%), and Native American-owned businesses (1.1%).
- The groups that exhibited the greatest levels of participation in subcontracts were white woman-owned businesses (9.9%), Native American-owned businesses (8.6%), and Hispanic American-owned businesses (1.0%).

Figure 8-4.
Utilization analysis results for
prime contracts and subcontracts

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC utilization analysis .

Business group	Contract role	
	Prime contracts	Subcontracts
White woman-owned	6.5 %	9.9 %
Asian American-owned	1.0 %	0.8 %
Black American-owned	0.1 %	0.1 %
Hispanic American-owned	2.0 %	1.0 %
Native American-owned	1.1 %	8.6 %
Total POC-owned	4.2 %	10.3 %
Total POC- and woman-owned	10.7 %	20.3 %

5. Prime contract size. BBC examined the participation of POC- and woman-owned businesses separately for *large prime contracts*—prime contracts worth \$250,000 or more—and *small prime contracts*—prime contracts worth less than \$250,000—the state awarded during the study period to examine whether contract size was related to the participation of POC- and woman-owned businesses in state work, at least at the prime contract level. As shown in Figure 8-5, the participation of POC- and woman-owned businesses considered together was greater in the state’s small prime contracts (11.4%) than in its large prime contracts (10.5%). The groups that exhibited the greatest level of participation were the same for large and small prime contracts: white woman-owned businesses (small = 7.8%; large = 6.1%) and Hispanic American-owned businesses (small = 2.1%; large =2.0%).

Figure 8-5.
Utilization analysis results
for large and small prime contracts

Note:

Numbers rounded to nearest tenth of 1 percent and thus may not sum exactly to totals.

Source:

BBC utilization analysis.

Business group	Contract size	
	Large	Small
White woman-owned	6.1 %	7.8 %
Asian American-owned	1.0 %	0.8 %
Black American-owned	0.1 %	0.2 %
Hispanic American-owned	2.0 %	2.1 %
Native American-owned	1.4 %	0.5 %
Total POC-owned	4.4 %	3.6 %
Total POC- and woman-owned	10.5 %	11.4 %

C. Concentration of Dollars

BBC analyzed the degree to which relevant contract and procurement dollars the state awarded to POC- and woman-owned businesses during the study period were spread across different businesses. We used that analysis as an indication of whether many businesses share in the collective success of their respective groups, or alternatively, whether only a few businesses account for each group’s aggregate participation in state work. The study team assessed that question by calculating:

- The number of different businesses within each group to which the state awarded contract and procurement dollars during the study period; and
- The number of different businesses within each group that accounted for 75 percent of the group’s total contracting dollars during the study period after ordering them from most to least dollars.

Figure 8-6 presents those results for each relevant group of POC- and woman-owned businesses. In total, the state awarded approximately \$348 million to 458 different POC- and woman-owned businesses during the study period. However, only 58 of those businesses (12.6%) accounted for 75 percent of the corresponding contract and procurement dollars. Most notably, although the state awarded contract and procurement dollars to 41 different Asian American-owned businesses, two of them accounted for 58.8 percent of those dollars by themselves. Similarly, although the state awarded contract and procurement dollars to 19 different Native American-owned businesses, one of them accounted for 49.6 percent of those dollars by itself. In addition, one Black American-owned business accounted for 47.8 percent of all dollars that went to Black American-owned businesses by itself. Those results indicate that a small number of POC- and woman-owned businesses accounted for most of the total contract and procurement dollars the state awarded to those businesses during the study period.

Figure 8-6.
Concentration of contract and procurement dollars the state awarded to POC- and woman-owned businesses

Source:

BBC utilization analysis.

Business group	Utilized businesses	Businesses accounting for 75% of contract dollars	
		Number	Percent
White woman-owned	293	30	75.1 %
Asian Pacific American-owned	41	3	77.8 %
Black American-owned	17	5	77.9 %
Hispanic American-owned	88	21	75.6 %
Native American-owned	19	4	76.6 %
Total POC-owned	165	29	75.6 %
Total POC- and woman-owned	458	58	75.1 %

D. Statistical Outliers

Results from the concentration analysis indicated that although the state awarded nearly 11 percent of its relevant contract and procurement dollars to POC- and woman-owned businesses during the study period, a relatively large proportion of those dollars were concentrated with a relatively small number businesses. An often observed characteristic of income and wealth data—which are very similar in nature to data on contract and procurement dollars—is that the underlying distributions are heavily skewed in the positive direction, usually caused by a small number of extreme values, or *statistical outliers*.^{2,3} The presence of skewed distributions and statistical outliers can have substantial effects on measures of inequity, poverty, and disparities, sometimes masking evidence of disparities or inequities that truly exist for the rest of the population.^{4,5} For that reason, as standard practice, researchers identify extreme values when working with income and wealth data and use well-accepted procedures to account for them, including removing them from their analyses, *winsorizing* the data (i.e., removing or adjusting all data points that exist in the lowest and highest ends of the dataset), or simulating data to

2 <https://thedocs.worldbank.org/en/doc/248311593193853901-0050022020/render/lecture12final.pdf>

3 Alvarez, E. and Garcia-Fernandez, R.M., et al. 2014. "The effect of outliers on the economic and social survey on income and living conditions." *International Scholarly and Scientific Research & Innovation*, 8(10): 3276–3280.

4 Cowell, F.A., and Flachaire, E. (2007) "Income distribution and inequality measurement: The problem of extreme values. *Journal of Econometrics*, 141(2): 1044-1072.

5 Hlasny, V. and Verme, P. (2018). "Top incomes and inequality measurement: A comparative analysis of correction methods using the EU SILC data." *Econometrics*, 6(30).

replace them.^{6, 7, 8, 9} In accordance with best practices in social science, BBC assessed whether any POC- or woman-owned businesses to which the state awarded work during the study period were statistical outliers and what impact any outliers have on utilization analysis results.

1. Methodology. BBC used a *two-and-a-half standard deviation test* to determine whether any POC- or woman-owned businesses were statistical outliers based on the dollars the state awarded to them during the study period.¹⁰ First, to address the highly skewed distribution of the data, we took the base 10 logarithm (*log*) of the dollars the state awarded to each of the 458 POC- and woman-owned businesses that performed work on its contracts and procurements during the study period.¹¹ Log transformation is a common practice social scientists use to normalize positively skewed datasets without changing the relationships of the corresponding data points relative to one another.¹² The data points are only transformed for analytical purposes and then are transformed back to their original values for reporting. Figure 8-7 presents the distribution of the dollars the state awarded to each POC- and woman-owned business during the study period before (panel a) and after (panel b) log transformation. As shown in panel (b) of Figure 8-7, applying a log transformation to the dollars the state awarded to POC- and woman-owned businesses resulted in a distribution approximating normality, making it more appropriate for standard, statistical analysis.

Second, after transforming the data, we computed the average and standard deviation of the log-transformed dollars the state awarded to all 458 POC- and woman-owned businesses during the study period (average = \$5.20; standard deviation = \$0.75). Then, we determined whether the dollars the state awarded to any single business during the study period differed by more than two-and-a-half standard deviations from the average, which was the case for the five POC- and woman-owned businesses to which the state awarded the most dollars and the four POC- and woman-owned businesses to which the state awarded the fewest dollars.¹³ We considered those businesses to be statistical outliers. Figure 8-8 presents the raw dollars the state awarded to each of those businesses during the study period as well as information on the race and gender of its owners.

⁶ Cowell, F.A. and Victoria Feser, M.P. 2002. "Welfare ranking in the presence of contaminated data," *Econometrica*, 70: 1221-1233.

⁷ Gravelle, H. and Sutton, M. 2006. "Income, relative income, and self-reported health in Britain 1979-2000," *Center for Health Economics Research Paper*, 10.

⁸ Grubbs, F.E. (1969). "Procedures for detecting outlying observations in samples," *Technometrics*, 11(1): 1-21.

⁹ Blaine, Bruce E. (2018). "Winsorizing." *The SAGE Encyclopedia of Educational Research, Measurement, and Evaluation*, 1817-1818.

¹⁰ The standard deviation of a dataset is a measure that indicates how dispersed data points are from the average of the dataset. Smaller standard deviations indicate that data points are relatively clustered around the average whereas larger standard deviations indicate that data points are relatively spread out from the average.

¹¹ The base 10 logarithm of a number is the power to which the value of 10 must be raised in order to result in the same number. For example, the base 10 logarithm of 100 is 2, because 10 raised to the power of 2 equals 100. The value of the log of any particular number greater than 1 is far less than the value of the number itself.

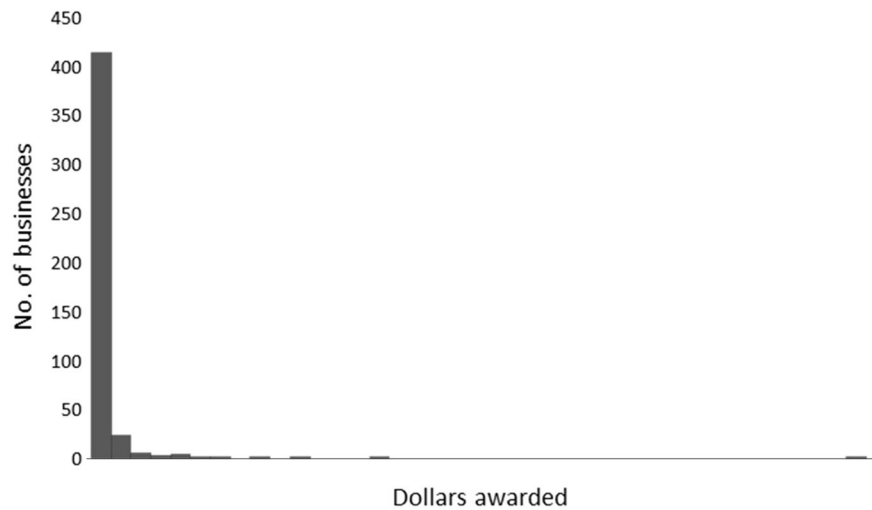
¹² West, R.M. 2021. "Best practice in statistics: The use of log transformation," *Annals of Clinical Biochemistry: International Journal of Laboratory Medicine*, 59(3): 162-165

¹³ Considering a normally distributed dataset, more than 98 percent of observed data are included within two-and-a-half standard deviations of the average, at $\alpha = .05$.

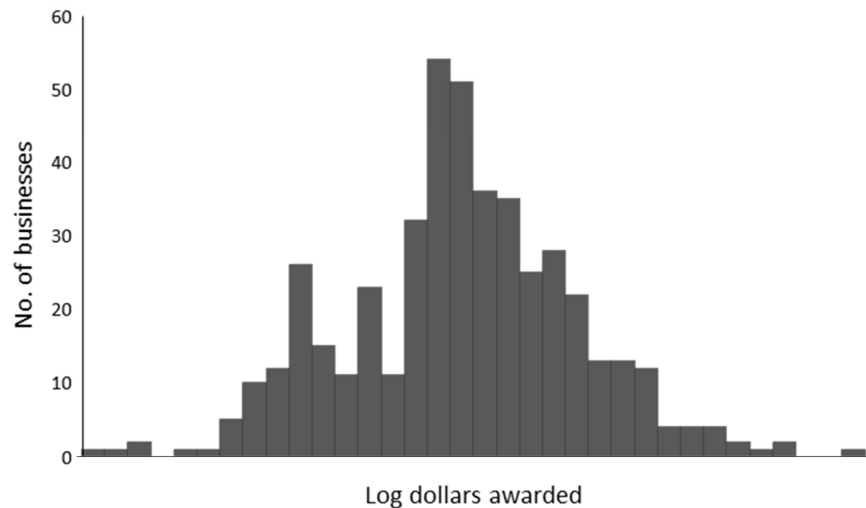
Figure 8-7.
Distribution of dollars the state awarded to POC- and woman-owned businesses before and after log transformation

Source:
BBC utilization analysis.

a) Before log transformation



b) After log transformation



Third, BBC adjusted the values of statistical outliers by calculating the average and standard deviation of the log-transformed dollars the state awarded to POC- and woman-owned businesses during the study period *after* removing statistical outliers (average = \$5.19; standard deviation = \$0.70). We then identified the dollar value that was the closest to two-and-a-half standard deviations greater than the average (log dollars = \$6.95; raw dollars = \$8.8 million; $SDs = 2.42$) and the dollar value that was closest to two-and-a-half standard deviations less than the average (log dollars = \$3.39; raw dollars = \$2,469; $SDs = 2.39$) and replaced the dollar values for the five businesses that were statistical outliers on the high end of the distribution with \$8.8 million and the dollar values for the four businesses that were statistical outliers on the low end of the distribution with \$2,469.¹⁴

¹⁴ As described previously, many researchers remove statistical outliers from their analyses or trim their datasets of the largest and smallest values. Although there may be sound reasons to do so, BBC instead adjusted the values of statistical outliers so they would still be included in our analyses.

Figure 8-8.
Information on the businesses
that were statistical outliers

Source:
BBC utilization analysis.

Business ownership			State dollars (thousands)
Race	Gender		
1 White American	Woman		\$53,784
2 Native American	Man		\$20,451
3 White American	Woman		\$20,063
4 White American	Woman		\$14,312
5 White American	Woman		\$11,583
...
455 White American	Woman		\$1.2
456 White American	Woman		\$1.2
457 Hispanic American	Woman		\$1.0
458 Hispanic American	Man		\$0.5

After replacing dollar values for businesses BBC identified as statistical outliers, there was a total difference of approximately \$76 million between the dataset not adjusted for outliers (\$348 million) and the data set adjusted for outliers (\$272 million). We reallocated the \$76 million to each relevant business group—including businesses owned by white men—proportional to the total dollars the state awarded to the group during the study period. Figure 8-9 presents the percentages and volumes of dollars from the \$76 million we reallocated to each group.

Figure 8-9.
Volumes of dollars reallocated to
each business group after
accounting for statistical outliers

Source:
BBC utilization analysis.

Business group	Percent of awarded dollars	State dollars (thousands)
White male-owned	89.1%	\$67,656
White woman-owned	6.6%	\$5,023
Asian American-owned	1.0%	\$722
Black American-owned	0.1%	\$80
Hispanic American-owned	2.0%	\$1,498
Native American-owned	1.3%	\$984
...		
Total		\$75,964

Figure 8-10 presents the overall participation of Oregon POC- and woman-owned businesses in the contracts and procurements the state awarded during the study period, unadjusted for statistical outliers—which are the same results presented in Figure 8-1—and adjusted for statistical outliers. As shown in Figure 8-10, the participation of Asian American-owned businesses, Black American-owned businesses, and Hispanic American-owned businesses remained virtually unchanged before and after adjusting for statistical outliers. However, participation changed more substantially for white woman-owned businesses, whose participation decreased from 6.6 percent to 4.7 percent and for Native American-owned businesses, whose participation decreased from 1.3 percent to 1.0 percent as a result of adjusting for statistical outliers.

Figure 8-10.
Utilization analysis results for
state work before and after
accounting for statistical outliers

Source:

BBC utilization analysis.

Business group	Unadjusted participation	Adjusted participation
White woman-owned	6.6 %	4.7 %
Asian American-owned	1.0 %	1.0 %
Black American-owned	0.1 %	0.1 %
Hispanic American-owned	2.0 %	2.0 %
Native American-owned	1.3 %	1.0 %
Total POC-owned	4.3 %	4.1 %
Total POC- and woman-owned	10.9 %	8.8 %

CHAPTER 9.

Disparity Analysis

BBC Research & Consulting (BBC) compared the percentage of contract and procurement dollars State of Oregon (state) executive branch agencies awarded to person of color (POC)-, woman-, and service-disabled veteran (SDV)-owned businesses during the study period (i.e., *utilization* or *participation*) with the percentage of contract and procurement dollars one might expect the agency to award to those businesses based on their availability for that work.¹ The analysis focused on construction; professional services; and non-professional services, goods, and supplies work the state awarded between July 1, 2017 to June 30, 2022 (the *study period*).

A. Overview

BBC expressed utilization and availability as percentages of the total dollars associated with a particular set of projects and then used the following formula to calculate a *disparity index* to help compare utilization and availability for relevant business groups and different sets of projects:

$$\frac{\% \text{ participation}}{\% \text{ availability}} \times 100$$

A disparity index of 100 indicates *parity* between actual participation and availability. That is, the participation of a particular business group is in line with its availability. A disparity index of less than 100 indicates *disparity* between participation and availability. That is, the group is considered to have been underutilized relative to its availability. Finally, a disparity index of less than 80 indicates a *substantial disparity* between participation and availability. That is, the group is considered to have been *substantially underutilized* relative to its availability. Many courts have considered substantial disparities as inferences of discrimination against particular business groups, and they often serve as justification for organizations to use relatively aggressive measures—such as race- and gender-conscious measures—to address corresponding barriers.²

B. Disparity Analysis Results

BBC measured overall disparities between the participation and availability of POC-, woman- and SDV-owned businesses for all relevant contracts and procurements. In addition, for POC- and woman-owned businesses, we measured disparities separately for various subsets of contracts and procurements the state awarded during the study period. We provide detailed disparity analysis results in Appendix E.

1. Overall. Figure 9-1 presents disparity indices for POC- and woman-owned businesses for all relevant prime contracts and subcontracts the state awarded during the study period. There is a line at the

¹ “Woman-owned businesses” refers to white woman-owned businesses. Information and results for businesses owned by women of color are included along with those of businesses owned by men of color according to their corresponding race/ethnic groups.

² For example, see *Rothe Development Corp v. U.S. Dept of Defense*, 545 F.3d 1023, 1041; *Engineering Contractors Association of South Florida, Inc. v. Metropolitan Dade County*, 122 F.3d at 914, 923 (11th Circuit 1997); and *Concrete Works of Colo., Inc. v. City and County of Denver*, 36 F.3d 1513, 1524 (10th Cir. 1994).

disparity index level of 100, which indicates parity, and a line at the disparity index level of 80, which indicates a substantial disparity. Substantial disparities we observed are highlighted with red borders. As shown in Figure 9-1, POC- and woman-owned businesses considered together exhibited a disparity index of 32 for all relevant contracts and procurements the state awarded during the study period, indicating a disparity where the state awarded POC- and woman-owned businesses \$0.32 for every dollar one might expect the executive branch agencies to award to those businesses based on their availability for state work. Four business groups exhibited substantial disparities for state work: white woman-owned businesses (disparity index of 36), Asian American-owned businesses (disparity index of 12), Black American-owned businesses (disparity index of 23), and Hispanic American-owned businesses (disparity index of 39).

Figure 9-1.
Overall disparity analysis
results for state work

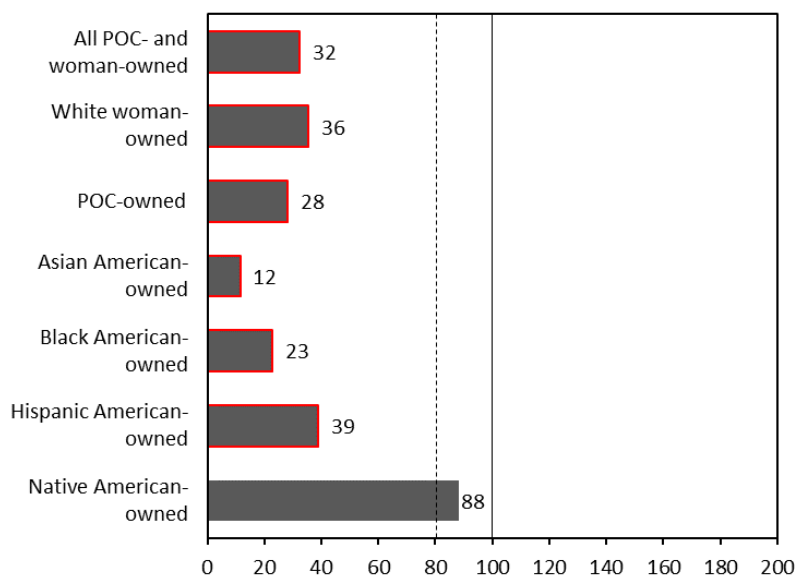
Notes:

For more detail, see Figure E-1 in
Appendix E.

Substantial disparities highlighted with red
borders.

Source:

BBC disparity analysis.



BBC also assessed whether SDV-owned businesses exhibit a disparity between their participation and availability for state work. SDV-owned businesses exhibited a substantial disparity (disparity index of 34) on all state contracts and procurements considered together (not shown in Figure 9-1).

2. Time period. BBC examined disparity analysis results for the first half and second half of the study period to assess whether disparities for POC- and woman-owned businesses changed over time. We defined *early* projects as those the state awarded between July 1, 2017 and June 30, 2020 and *late* projects as those the state awarded between July 1, 2020 and June 30, 2022. As shown in Figure 9-2, POC- and woman-owned businesses considered together exhibited substantial disparities for both early and late projects (early disparity index = 27; late disparity index = 39). Disparity indices varied by business group and time period:

- White woman-owned businesses (early disparity index = 26; late disparity index = 46), Asian American-owned businesses (early disparity index = 11; late disparity index = 12), Black American-owned businesses (early disparity index = 18; late disparity index = 28), and Hispanic American-owned businesses (early disparity index = 36; late disparity index = 42) exhibited substantial disparities for both time periods.
- Native American-owned businesses (early disparity index = 84; late disparity index = 92) did not exhibit substantial disparities during either time period.

Figure 9-2.
Disparity analysis
results by time period

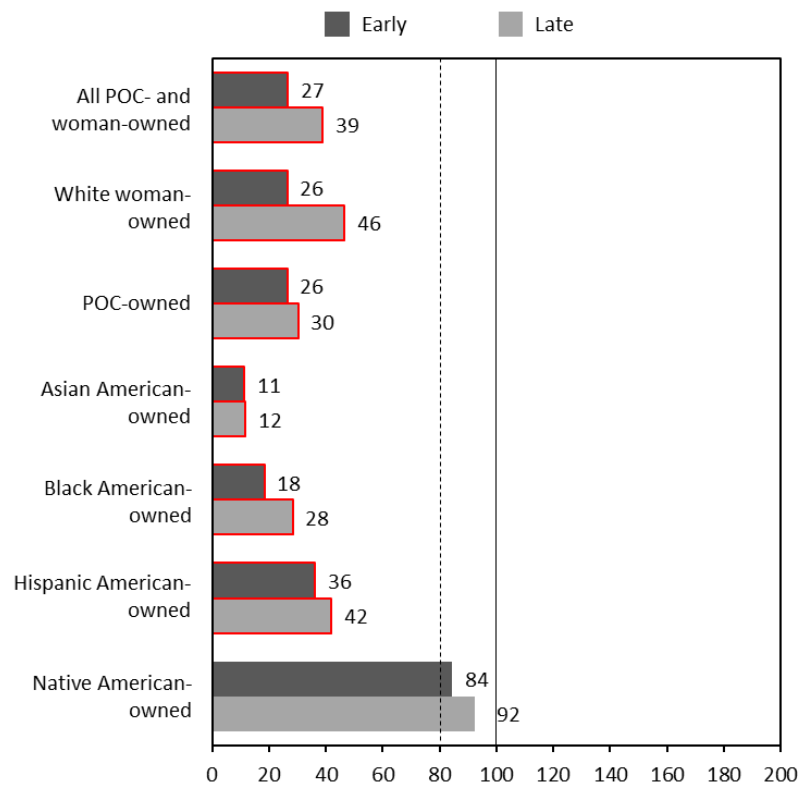
Note:

For more detail and results by group, see
Figure E-2 and E-3 in Appendix E.

Substantial disparities highlighted with red
borders.

Source:

BBC disparity analysis.



3. Industry. The state can develop programs to encourage the participation of POC- and woman-owned businesses in its work that are tailored specifically to different industries. For example, if the state determines that it is appropriate to use race- or gender-conscious measures as part of its contracting and procurement, it can determine which groups might be eligible to participate in those measures differently for construction and professional services projects based on information about which groups face substantial disparities for state work in each industry. BBC examined disparity analysis results separately for the construction; professional services; and non-professional services, goods, and supplies contracts and procurements the state awarded during the study period to determine whether outcomes for POC- and woman-owned businesses differed by industry. As shown in Figure 9-3, POC- and woman-owned businesses considered together exhibited substantial disparities on construction (disparity index of 41); professional services (disparity index of 31); and non-professional services, goods, and supplies projects (disparity index of 21). Disparity indices varied by business group and industry:

- White woman-owned businesses (disparity index of 24), Asian American-owned businesses (disparity index of 22), Black American-owned businesses (disparity index of 44), and Hispanic American-owned businesses (disparity index of 73) exhibited substantial disparities for construction work.
- All relevant POC- and woman-owned business groups exhibited substantial disparities for professional services work.
- White woman-owned businesses (disparity index of 24), Asian American-owned businesses (disparity index of 6), Black American-owned businesses (disparity index of 9), and Hispanic American-owned businesses (disparity index of 4) exhibited substantial disparities for non-professional services, goods, and supplies work.

Figure 9-3.
Disparity analysis results for
construction; professional
services; and non-professional
services, goods, and supplies work

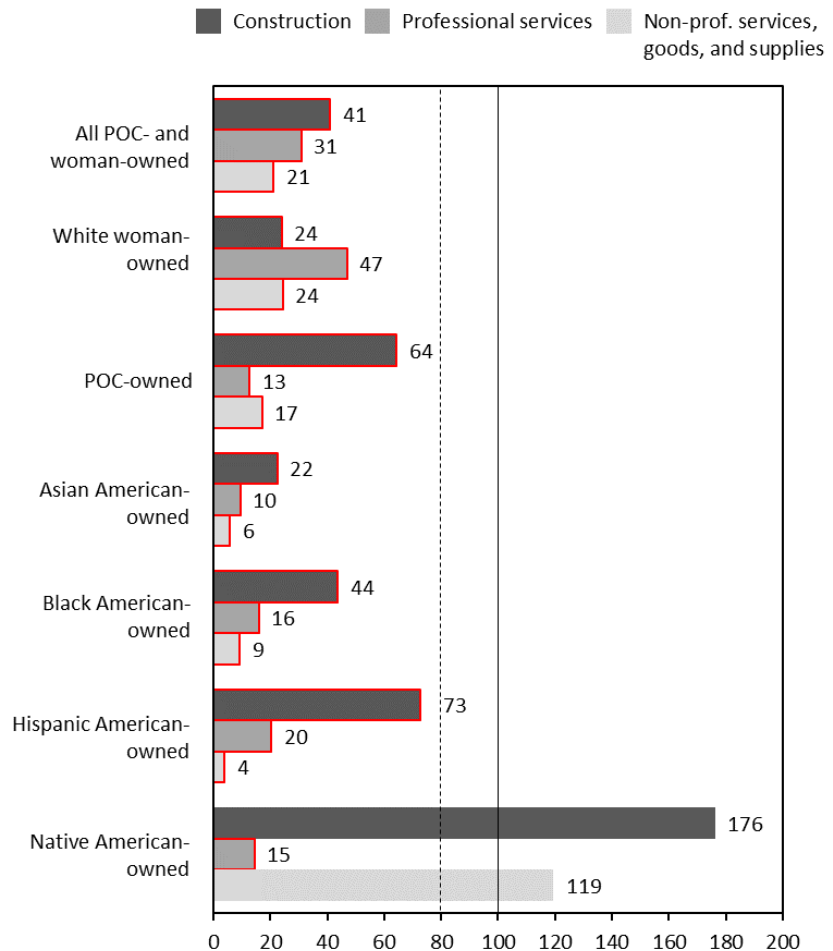
Note:

For more detail and results by group, see Figures E-4, E-5, and E-6, in Appendix E.

Substantial disparities highlighted with red borders.

Source:

BBC disparity analysis.



4. Contract role. Many POC- and woman-owned businesses are small businesses, and thus, often work as subcontractors. For that reason, it is useful to examine disparity analysis results separately for the prime contracts and subcontracts the state awarded during the study period. As shown in Figure 9-4, POC- and woman-owned businesses considered together exhibited a substantial disparity for both prime contracts (disparity index of 32) and for subcontracts (disparity index of 67). Disparity analysis results differed by business group and contract role:

- All relevant POC- and woman-owned business groups exhibited substantial disparities for prime contracts.
- White woman-owned businesses (disparity index of 55), Asian American-owned businesses (disparity index of 24), Black American-owned businesses (disparity index of 13), and Hispanic American-owned businesses (disparity index of 15) showed substantial disparities for subcontracts.

Figure 9-4.
Disparity analysis results for
prime contracts and subcontracts

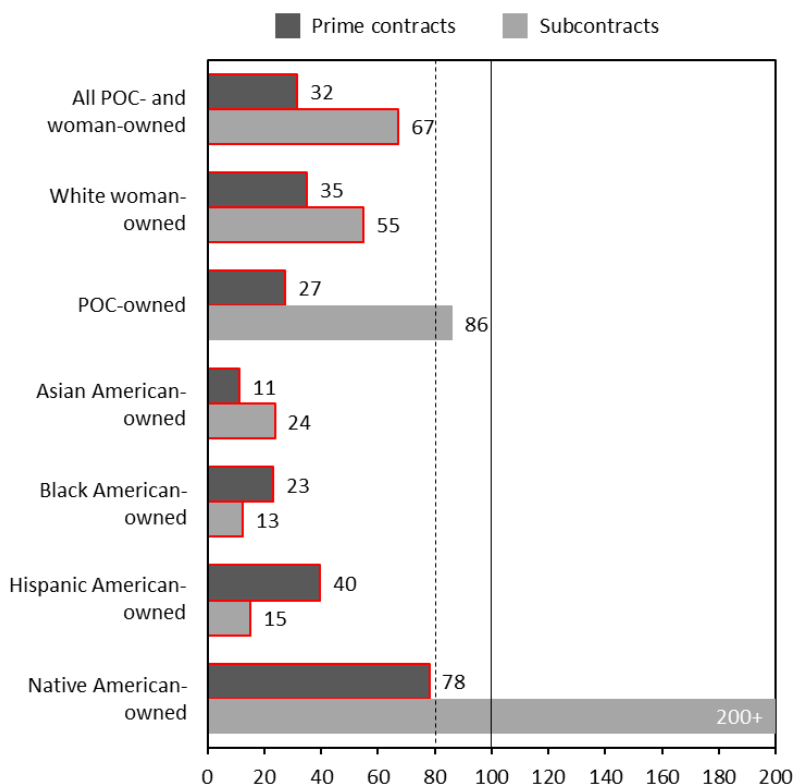
Note:

For more detail, see Figures E-7
and E-8 in Appendix E.

Substantial disparities highlighted with red
borders.

Source:

BBC disparity analysis.



5. Prime contract size. Many POC- and woman-owned businesses are small businesses, and the participation of POC- and woman-owned businesses in government work is often inversely related to project size despite the fact that their availability for small projects tends to be greater than for large projects. BBC assessed disparities separately for large and small prime contracts executive branch agencies awarded during the study period to assess whether those general trends relate to outcomes for POC- and woman-owned businesses for state work. As shown in Figure 9-5, POC- and woman-owned businesses considered together exhibited substantial disparities on both small prime contracts (disparity index of 34) and large prime contracts (disparity index of 31). Disparity analysis results differed by group and contract size:

- All relevant POC- and woman-owned business groups exhibited substantial disparities for small prime contracts.
- White woman-owned businesses (disparity index of 34), Asian American-owned businesses (disparity index of 11), Black American-owned businesses (disparity index of 17), and Hispanic American-owned businesses (disparity index of 42) showed substantial disparities on large prime contracts. Native American-owned businesses (disparity index of 88) exhibited a disparity on large prime contracts, but it did not reach the threshold for being considered substantial.

Figure 9-5.
Disparity analysis
results by contract size

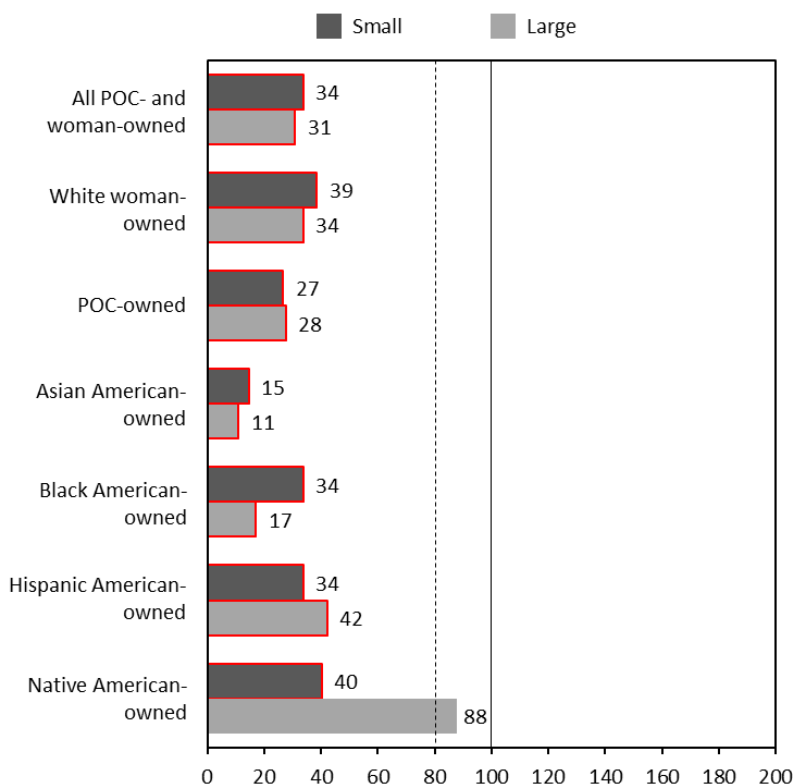
Note:

For more detail and results by group, see Figures E-9 and E-10 in Appendix E

Substantial disparities highlighted with red borders.

Source:

BBC disparity analysis.



6. Adjusted for statistical outliers. Using the methodology we describe in Chapter 8, BBC accounted for the nine statistical outliers we identified among the POC- and woman-owned businesses to which the state awarded contract and procurement dollars during the study period. After making those adjustments, we reassessed overall disparities between the participation and availability of POC- and woman-owned businesses for state work. Figure 9-6 presents those results. As shown in Figure 9-6, after accounting for statistical outliers, POC- and woman-owned businesses considered together exhibited a disparity index of 61 for all relevant contracts and procurements the organization awarded during the study period, which indicates a substantial disparity. Furthermore, each relevant business group also exhibited substantial disparities for that work.

C. Statistical Significance

Statistical significance tests allow researchers to assess the probability that any observed quantitative differences were due to *real* differences rather than to chance. In other words, a statistically significant difference is one that can be considered as statistically reliable or real. BBC used Monte Carlo analysis, which relies on repeated, random simulations of the data to assess the statistical significance of key disparity analysis results.

1. Overview of Monte Carlo. BBC used Monte Carlo simulations to randomly select businesses to “win” individual contract elements included in disparity study analyses. For each contract element, the availability analysis provided information on businesses potentially available to perform that contract element based on type of work, contractor role, contract size, and other factors. Then, we randomly chose a business from the pool of available businesses to win the contract element. The chance of a business from a particular business group winning the contract element was equal to the number of businesses from that group available for it divided by the number of all businesses available for it.

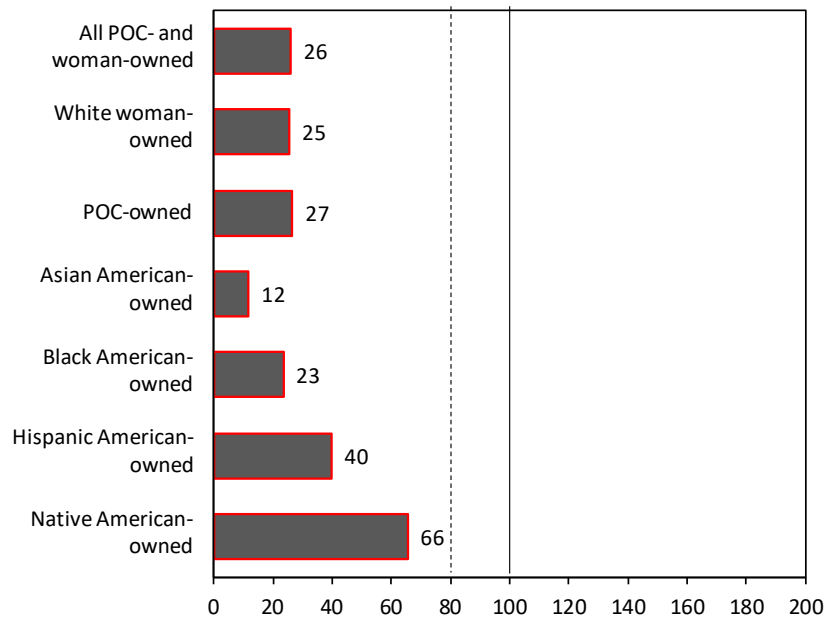
Figure 9-6.
Disparity analysis results for state work adjusted for statistical outliers

Note:

For more detail, see Figure E-11 in Appendix E.

Source:

BBC disparity analysis.



BBC conducted Monte Carlo simulations for all contract elements included in the disparity study. The output of the simulation for all the contract elements represented simulated participation of POC- and woman-owned businesses for all relevant state projects. The entire Monte Carlo simulation was then repeated 1 million times. The combined output from all 1 million simulations represented a probability distribution of the overall participation of POC- and woman-owned businesses if contracts and procurements were awarded randomly based only on the estimated availability of relevant businesses working in the local marketplace.

The output of Monte Carlo simulations represents the number of simulations out of 1 million that produced participation equal to or less than the actual, observed participation of POC- and woman-owned businesses in state work, after accounting for statistical outliers. If that number was less than or equal to 25,000 (i.e., 2.5% of the total number of simulations, or $p = .025$), then we considered the disparity index to be statistically significant at $\alpha = .05$, using two-tailed tests.

2. Results. Figure 9-7 presents the statistical significance of observed disparities for all state contracts and procurements considered together. As shown in Figure 9-7, the disparities we observed for POC- and woman-owned businesses for state work were statistically significant at $p < .01$.

Figure 9-7.
Statistical significance of observed disparities for state work

Note:

An asterisk indicates statistical significance at a 99 percent confidence level.

Source:

BBC disparity analysis.

Business Group	Disparity index	Probability that disparity is due to chance (p-value)
POC-owned and woman-owned	32	0.00 *
White woman-owned	35	0.00 *
POC-owned	28	0.00 *

CHAPTER 10.

Contract and Procurement Practices and Business Programs

Chapter 10 provides an overview of the relevant laws, statutes, rules, and policies guiding the State of Oregon's (the state's) public contracting and procurement processes during the period of July 1, 2017 through June 30, 2022 (*study period*) as well as the business programs the state uses to encourage the participation of small businesses as well as person of color (POC)-, woman-, and service-disabled veteran (SDV)-owned businesses in its contracting and procurement.¹ BBC Research & Consulting (BBC) does not detail all the state's statutes, rules, and policies as they relate to contracting and procurement but only those we have deemed directly relevant to disparity study analyses and the participation of POC-, woman-, and SDV-owned businesses in state work.

The chapter is organized in two parts:

- A. Procurement and contracting laws, rules, and policies; and
- B. Business programs.

A. Procurement and Contracting Laws, Rules, and Policies

State agency procurement and contracting is governed by various laws, rules, and policies from multiple sources, including the Oregon Constitution; the Oregon Revised Statutes (ORS), the Attorney General Model Contracting Rules, the Department of Administrative Services Public Contracting Rules, the Oregon Administrative Rules, the Governor's Executive Orders, and statewide policies and procedures.

1. General policies. ORS 279A sets forth general policy statements and general provisions related to state contracting and procurement, which require the use of fair, open, and impartial methods of selecting vendors and requires the state to support competition and ethical dealings in obtaining goods and services that provide the state best value. Contracting and procurement authority for most state agencies resides with the Department of Administrative Services (DAS). However, the Oregon Department of Transportation (ODOT), the Oregon Department of Human Services, the Oregon Department of Corrections, and the Oregon Department of Education have independent contracting and procurement authority. Although those departments retain the authority to procure their own goods and services, their data are included as part of the disparity study because they are executive branch agencies.

In addition to the provisions in ORS 279A, state agencies under DAS authority must follow the department's Public Contracting Rules, which also describe how DAS administers its role as the

¹ There are several bills pending in the Legislative Assembly's 2023 session that may impact the states contracting and procurement practices and programs.

contracting agency for most state agencies.² Prior to initiating a contract or procurement process, DAS and an agency under DAS procurement authority must review and comply with the “Buy Decision” rule, which requires agencies to make contracting and procurement decisions according to the following hierarchy of purchasing methods:

1. Surplus property;
2. Oregon Forward Program;
3. Inmate labor;
4. Statewide DAS price agreements; and
5. ORS 190 agreements.

If agencies are unable to acquire required goods or services from one of the above mechanisms, then they may go to the open market to acquire them using one or more of the methods described below.

a. Goods, services (including non-professional services), and general construction services. ORS 279B sets forth the following procurement methods to purchase goods, services (including non-professional services), and general construction services (as defined in ORS 279C):

- Small procurements;
- Intermediate procurements;
- Competitive sealed bids and proposals;
- Sole source procurements;
- Emergency procurements; and
- Special procurements.³

i. Small procurements. For goods, services (including non-professional services), and general construction services work valued at \$10,000 or less, agencies may award contracts to contractors of their choice in any manner they deem practical or convenient, including direct awards.

ii. Intermediate procurements. For goods, services (including non-professional services), and general construction services work worth more than \$10,000 but less than \$150,000, contracting agencies must obtain three quotes at minimum. They may use informal processes to obtain quotes, contacting three known providers in any manner they deem appropriate. Agencies are required to directly solicit quotes from each category of Certification Office for Business Inclusion and Diversity (COBID)-certified businesses [i.e., minority-owned business enterprises (MBE)-certified, woman-owned business enterprises (WBE)-certified, SDV-certified businesses, and emerging small business (ESB)-

² DAS has delegated its contracting and procurement authority for goods and services worth \$250,000 or less to individual state agencies.

³ General construction services are projects that involve construction work but do not strictly meet the definition of a “public improvement,” such as emergency work, minor alteration, ordinary repair, or maintenance (ORS 279C.320). ORS 279C.320 requires non-public improvement construction services procurement to follow the solicitation process detailed in ORS 279B.

certified businesses) whenever possible.⁴ Or alternatively, agencies may use more formal processes, such as posting solicitations on OregonBuys and requesting written responses. Regardless of procurement method, agencies must communicate information on all procurements worth \$10,000 or more to the Governor’s Policy Advisor, which may be achieved through advertising on OregonBuys.⁵ Agencies may consider various factors in making contract awards, such as price, experience, expertise, product functionality, or suitability for particular purposes.⁶

iii. Competitive sealed bids and proposals. Goods, services (including non-professional services), and general construction work worth more than \$150,000 are awarded through competitive sealed bids, also known as invitations to bid (ITBs); and competitive sealed proposals, also known as requests for proposals (RFPs). The choice of one method over the other is a function of the goods or services agencies wish to acquire, the factors they wish to consider in making awards, and the need to negotiate terms and conditions.

ITBs. If a good or service is essentially the same from all potential vendors and the only distinguishing factor is price, and if agencies are not willing to negotiate terms and conditions of resulting contracts, they may use ITBs. As part of the ITB process, solicitation documents must describe the need for a good or service and describe the procurement process the agency is using, including when and how bids must be submitted, whether the agency will use a prequalification process related to the good or service, whether the bidder must submit a bid security, and any bidding preferences that might apply. The solicitation documents must also set forth the terms and conditions of the resulting contract. The contract terms and conditions are not negotiable. The agency must post public notices for ITBs for a minimum of seven days.

Once agencies receive bids, they complete responsiveness checks. In order to be considered “responsive,” bidders must be registered on OregonBuys; they must be registered with the Secretary of State to do business in Oregon (or be exempt); and they must complete and deliver all required submittals, including bidder information and certification sheets, bid sheets, non-discrimination certifications, certifications that they will pay taxes to the state, COBID plans, references, lists of subcontractors, responsibility inquiry forms, non-disclosure affidavits, insurance certificates, and any other submittals required in ITBs. For information technology (IT) purchases, bidders must also certify compliance with all state IT rules, regulations, and policies. Agencies then award contracts to the lowest, responsive bidders.

RFPs. If agencies wish to evaluate the quality of the goods or services or vendors’ experience or expertise as part of goods or services purchases, or if they wish to negotiate the terms and conditions of the resulting contracts, then they use RFP processes. As part of an RFP process, the agency awards a contract based on a comparison and evaluation of various factors of proposers to determine which proposer offers the best solution for the state’s needs. Similar to ITBs, the agency must post public notice of the RFP solicitation—typically via OregonBuys—for at least 30 calendar days. Solicitation documents must describe the needed goods or services and describe the RFP procurement process,

⁴ DAS Statewide Policy 107-009-0030 7(g).

⁵ ORS 200.035

⁶ Effective January 1, 2024, the threshold for small procurements will increase to \$25,000, and the threshold for intermediate procurements will rise to \$250,000. (SB 1047 2023 session).

including when and how proposals must be submitted, and how the agency will evaluate them and determine which proposer provides the best offer to the state based upon numerous factors, which may include price and any applicable preferences. The solicitation documents must also identify the terms and conditions of the resulting contract that are negotiable.

Once agencies receive proposals, they must complete responsiveness checks. In order to be considered responsive, proposers must meet the same requirements as for ITBs and submit administrative proposals, technical proposals, price proposals, and any other submittals required in the RFP. Responsive proposals are then evaluated by evaluation committees, which vary in size and often include subject matter experts to assist in making award determinations. Once the evaluation committee selects a vendor, the agency must complete a responsibility check to ensure that the potential awardee meets state standards. The agency then awards the contract to the responsible and responsive proposer that best meets the state's needs.

iv. Sole source purchases. Agencies may award contracts or procurements without competition based on written determinations that the goods or services they require are only available from one source.⁷ Sole source purchases are not limited by contract amounts but are reserved for use for special or exceptional situations.

v. Emergency procurements. An agency may declare an emergency and develop a procurement and contracting process designed to respond to the emergency. The agency must use as much competition as reasonably possible to obtain the required good or service consistent with the needs of the emergency but can award the contract to a vendor directly. Contracts resulting from emergency procurement processes must be limited in duration to the amount of time necessary to respond to applicable emergencies.

vi. Special procurements. Agencies can use special procurement procedures for situations where the other five relevant purchasing methods would not result in them obtaining the goods or services that they require. The DAS director must approve the use of special procurements. Special procurement documents must detail agency needs, the procurement and contracting processes agencies intend to use, and why one of the other procurement methods would not meet those needs. Notices of the intent to use special procurement procedures must be posted publicly for seven days to give potential offerors opportunities to protest contract awards.

b. Construction and professional services related to public improvements and public works. ORS 279C sets forth contracting and procurement requirements for professional services and construction work related to public improvements or public works projects.

i. Architectural and engineering (A&E) services and other professional services. There are three primary methods of procurement state agencies can use to procure A&E services and other professional services related to public improvements or public works projects: direct appointments (OAR 137-048-0200), informal selection processes (OAR 137-048-0210), and formal selection processes (OAR 137-048-0220). For A&E services, state agencies use qualifications-based selection (QBS)

⁷ In determining whether procurements qualify for sole source processes, DAS Statewide Policy 107-009-0030 requires agencies to review the COBID Vendor Directory for potential vendors.

processes to procure required services, regardless of their estimated values.^{8,9} A QBS process requires agencies to base the initial selection of consultants on qualifications alone, and they are prohibited from considering price in their selections.¹⁰ For other professional services, state agencies select consultants based on qualifications, price, or a combination of both.¹¹

Direct appointment. Similar to the selection method for small procurements, agencies may directly award contracts to consultants performing A&E services or other professional services under four situations: small procurements, for which estimated contract values are \$100,000 or less; emergency procurements; intermediate fee continuation situations in which agencies need to use the same consultants from earlier phases of projects with estimated contract values of \$250,000 or less; and extensive fee continuation situations in which agencies to use the same consultants from earlier phases of projects with estimated contract values of more than \$250,000. For both small and emergency procurements, agencies can choose consultants from their own lists of interested consultants, other agencies' lists of interested consultants, or through other research efforts.

Informal selection process. For projects worth less than \$250,000, agencies may select consultants on the basis of qualifications alone or on the basis of price and qualifications for related services. However, consultants performing A&E services must be selected on the basis of qualification alone. When using informal selection processes, agencies must create RFPs and provide them to a minimum of five potential consultants from the agency's list of interested consultants, other agencies' lists of interested consultants, or through other research efforts. As with intermediate procurement processes, agencies are required to directly solicit quotes from each category of COBID-certified businesses whenever possible.¹² Upon receipt of proposals, agencies must review them in the manner described in ORS 279B and develop short lists of the three highest-ranked proposals. Agencies must then negotiate with the highest-ranked proposer and award a contract.¹³

Formal selection process. For projects worth \$250,000 or more, agencies must select consultants through RFP processes or through Request for Qualifications (RFQ) processes followed by RFP processes. Solicitations must be advertised in newspapers of general circulation or posted in OregonBuys for a minimum of 14 calendar days before closing dates. If an agency chooses to use an RFQ process, then it may develop a shortlist of qualified consultants that would then submit proposals for the agency's consideration. Upon receipt of proposals, the agency must review them in the manner described in ORS 279B and develop a shortlist of the three highest-ranked proposals. The agency must then negotiate with the highest-ranked proposer and award the contract.

⁸ A&E services include architectural, engineering, photogrammetric mapping, transportation planning, and land surveying services.

⁹ ORS 279C.110(1) and (2)

¹⁰ ORS 279C.110(1)

¹¹ Other professional services include planning; design; engineering; overseeing public improvement projects or components of public improvement projects; landscape architecture; facilities planning; energy planning; space planning; waste, hazardous, or toxic substance testing; cost estimating; appraisal; materials testing; mechanical system balancing; commissioning; project management; construction management; owner representation; and land-use planning services (ORS 279C.100(8)).

¹² DAS Statewide Policy 107-009-0030 7(g)

¹³ ODOT has developed its own administrative rules for procuring A&E and professional services worth \$250,000 or less. ODOT uses an abbreviated selection process to procure services of this size, which is limited to the consideration of three prospective consultants (OAR 731-148).

ii. Public improvements. State agencies procure construction services and work associated with construction or the renovation of buildings, roads, bridges, and other structures through low-bid competitive bidding processes, which they must use for any public improvement projects—that is, projects for the construction, reconstruction, or major renovations on real property by or for contracting agencies.^{14, 15, 16} If low-bid competitive bidding processes are not suited for a particular public improvement project, such as projects that require one contractor for both design and build services, state agencies can use alternative construction procurement methods, including construction manager/general contractor or multiparameter methods.¹⁷ Regardless of the method, public improvement projects have several requirements for both bidders and contracting agencies, including:

- Bid bonds, or other allowable forms of bid security;
- Performance bonds, cashier's checks, or certified checks;
- Payment bonds;
- Payment within 30 days or payment after 30 days with the addition of interest; and
- Retainage, which is returned to contractors as part of final payments.¹⁸

iii. Public works. When required construction services meet the definition of a public works project, procurement documents and resulting contracts must meet the requirements of the Oregon "Little Davis-Bacon Act," including posting information on contractors' and subcontractors' public works bonds, paying prevailing wage rates for workers who supply labor under applicable projects, and preparing required documentation of compliance.^{19, 20}

B. Overview of Business Programs

COBID implements various program measures to encourage the participation of small businesses as well as POC-owned businesses, woman-owned businesses, SDV-owned businesses, and other disadvantaged businesses in state contracting and procurement. Executive Order 08-16 and subsequent executive orders have required state agencies to set aspirational targets related to the participation of MBEs and WBEs in their work.²¹ Executive Order 22-15 and Statewide Policy

¹⁴ ORS 279C.300 and 279C.335(1)

¹⁵ Public improvement projects worth \$250,000 or less may be awarded to an ESB through competitive quote procedures similar to the informal procurement processes state agencies use for goods, non-professional services, and general construction services work [ORS 279C.412 – 279C.414; ORS 279C.335(1); ORS 200.180].

¹⁶ Should public improvement services be procured using intermediate procurement processes, agencies must follow DAS Statewide Policy 107-009-0030 2 and 7(g), whenever possible.

¹⁷ ORS 279C.335 and 279C.350

¹⁸ ORS 279C.300 – 279C.670

¹⁹ The definition of "public works" is set forth in ORS 279C.800(6). The Little Davis-Bacon Act is defined in ORS 279C.800 – 279C.870

²⁰ Prevailing wage rates are established by the Bureau of Labor and Industries or by the Federal Department of Labor under the Davis-Bacon Act and related acts.

²¹ Executive Order 12-03 identifies the state agencies that must set targets for MBE and WBE participation in their contracts and procurements.

107-009-0030 provide detailed guidance to state agencies to embed equity processes in their procurement and data collection policies to aid in meeting their aspirational targets.

The state uses myriad *race- and gender-neutral* measures to encourage the participation of small businesses—including many POC-, woman-, and SDV-owned businesses—in its work. Race- and gender-neutral measures are designed to encourage the participation of all businesses—or all small businesses—in an agency’s work, regardless of the race/ethnicity or gender of business owners. In contrast, *race- and gender-conscious* measures are designed to specifically encourage the participation of POC- and woman-owned businesses in an agency’s work (e.g., using condition-of-award POC- and woman-owned business goals to award individual contracts or procurements). The state uses the following types of race- and gender-neutral measures as part of its efforts to increase the participation of POC-, woman-, and SDV-owned businesses in its work:

- Advocacy and outreach efforts;
- Finance and bonding assistance; and
- Technical assistance.

State agencies may also establish specific requirements that limit competition for work worth less than \$50,000 to small businesses or set participation targets for certified businesses in that work.²²

1. Advocacy and outreach efforts. COBID participates in various advocacy and outreach efforts, including participating in and hosting vendor fairs, attending outreach events, and using communications targeted specifically to certified businesses.

a. Outreach events. COBID participates in and hosts myriad outreach events throughout Oregon. The office also participates in events other organizations—including chambers of commerce, POC-owned business associations, and universities—host. At such events, COBID provides information on how to become certified with the state, how to do business with the state, upcoming contract and procurement opportunities, technical and start up assistance, and other key topics. Other organizations, such as Connect 2 Oregon, host vendor fairs with optional training sessions that COBID supports and helps advertise. Prior to the COVID-19 pandemic, COBID would participate in more than 100 outreach events each year. In 2022, the office participated in almost 60 outreach events. Moreover, per DAS Statewide Policy 107-009-0030, all agencies are strongly encouraged to mirror COBID’s efforts to engage with certified firms.

b. Communications. COBID provides resource lists, contact information of key state staff, and a directory of certified businesses on its website. The office also sends notifications to certified businesses about solicitations for all state contracts and procurements worth more than \$10,000.²³

2. Finance and bonding assistance. The state’s economic development office, Business Oregon, offers finance assistance to support small businesses, including many POC-, woman-, and SDV-owned businesses, and make state contracting and procurement opportunities more accessible. For

²² ORS 279A.100 through 279A.112

²³ OAR 125-247-0305

example, Business Oregon offers various financial programs, such as the Governor's Strategic Reserve Fund, the Capital Access Program, the Entrepreneurial Development Loan Fund, the Disadvantaged and Emerging Small Business Loan Fund, and the Credit Enhancement Fund, aimed at strengthening and growing the financial capacity of Oregon businesses.

3. Technical assistance. In 2021, the state created a technical assistance program that funds organizations providing technical assistance to Oregon businesses, including one-on-one business advising, skill building workshops, training courses, and other types of technical assistance. More than 30 organizations currently receive funding through the program, which offers services in multiple languages and across multiple locations in Oregon.

CHAPTER 11.

Program Considerations

The 2023 State of Oregon Disparity Study provides information related to outcomes for person of color (POC)-, woman-, and service-disabled veteran (SDV)-owned businesses in State of Oregon (state) contracts and procurements. BBC Research & Consulting (BBC) summarizes key results from the study as well as their potential implications. We also present guidance the state should consider to further encourage the participation of POC-, woman-, and SDV-owned businesses in its work.

A. Key Results and Implications

BBC analyzed contract and procurement dollars state executive branch agencies awarded between July 1, 2017 to June 30, 2022 (*study period*) to calculate the participation (or, *utilization*) of POC-, woman-, and SDV-owned businesses in organization work; estimate the availability of those businesses for that work; and assess whether any disparities exist between participation and availability.¹ We also conducted quantitative and qualitative research on outcomes for POCs, women, SDVs and the businesses they own in Oregon to assess whether any barriers exist in the larger marketplace that make it more difficult for those businesses to perform state work. That information will help the state assess whether those businesses experience barriers as part of its contracting processes and what types of measures it could use to help address those barriers effectively and in a legally defensible manner.

1. Availability for state work. BBC's availability analysis indicates relatively high availability of POC- and woman-owned businesses for the construction; professional services; and non-professional services, goods, and supplies work the state awards. Figure 11-1 presents estimates of the availability of each relevant group of POC- and woman-owned businesses for state work. Overall, the availability of POC- and woman-owned businesses considered together is 33.9 percent for state work. White woman-owned businesses account for most of that availability followed by Asian American-owned businesses and Hispanic American-owned businesses.² In addition, the availability analysis indicated that SDV-owned businesses are available for 3.9% of the dollars associated with state projects (not shown in Figure 11-1).

Figure 11-1.
Availability of POC- and woman-owned businesses for state work

Sources:
BBC availability analysis.

Business group	Availability
White woman-owned	18.6 %
Asian American-owned	8.3 %
Black American-owned	0.5 %
Hispanic American-owned	5.1 %
Native American-owned	1.5 %
Total POC-owned	15.3 %
Total POC- and woman-owned	33.9 %

¹ BBC analyzed \$3.2 billion of relevant contracts and procurements state agencies awarded during the study period.

² American Community Survey data indicate that 37.4% of businesses in relevant Oregon industries are POC- or woman-owned, representing a simple headcount. Chapter 7 and Appendix D describe why a headcount is insufficient to measure availability accurately.

2. Participation of POC- and woman-owned businesses. The utilization analysis indicated relatively low participation of Oregon POC- and woman-owned businesses in the contracts and procurements state agencies awarded during the study period. As shown in Figure 11-2, overall, the state awarded 10.9 percent of its relevant contract and procurement dollars to Oregon POC- and woman-owned businesses during the study period. The POC- and woman-owned business groups to which the state awarded the most dollars was white woman-owned businesses followed by Hispanic American-owned businesses and Native American-owned businesses. In addition, the utilization analysis indicated that the state awarded 1.3 percent of all its relevant contract and procurement dollars during the study period to SDV-owned businesses (not shown in Figure 11-2).

Figure 11-2.
Participation of POC- and
woman-owned
businesses in state work
during the study period

Sources:
BBC utilization analysis.

Business group	Participation
White woman-owned	6.6 %
Asian American-owned	1.0 %
Black American-owned	0.1 %
Hispanic American-owned	2.0 %
Native American-owned	1.3 %
Total POC-owned	4.3 %
Total POC- and woman-owned	10.9 %

Additional analyses of the participation of Oregon POC- and woman-owned businesses in state work during the study period indicated that state agencies awarded most of those dollars to a relatively small number of businesses. In total, the state awarded approximately \$348 million to 458 different POC- and woman-owned businesses during the study period. However, only 12.6 percent of those businesses accounted for 75 percent of the corresponding contract and procurement dollars and only 26.8 percent accounted for 90 percent of the corresponding contract and procurement dollars.

3. Disparities between participation and availability. The crux of the disparity study was to assess whether any disparities exist between the participation and availability of POC-, woman-, and SDV-owned businesses in state work. A *substantial disparity* between participation and availability—that is, a disparity where participation is 80 percent or less of availability—for a particular business group is interpreted by courts as an inference of discrimination against that group in the marketplace and often serves as evidence that the organization could consider using race- or gender-based measures to address corresponding barriers for that group. BBC observed substantial disparities between the participation and availability of all relevant race and gender groups—woman-owned businesses, Asian American-owned businesses, Black American-owned businesses, Hispanic American-owned businesses, and Native American-owned businesses—across different sets of state contracts and procurements, indicating that all relevant groups of POC- and woman-owned businesses might be considered eligible to participate in race- or gender-based measures the organization decides to implement, if any. In addition, the disparity analysis indicated that SDV-owned businesses exhibited a substantial disparity on all state contracts and procurements considered together.

Figure 11-3 presents a visualization of various project sets for which relevant POC- and woman-owned business groups exhibited substantial disparities, as indicated by black circles. Most POC- and woman-owned business groups showed substantial disparities for all the contract and procurement sets shown

in Figure 11-3 with the exception of Native American-owned businesses. Native American-owned businesses showed substantial disparities for prime contracts—which represents 97 percent of the dollars we analyzed as part of the disparity study—and professional services projects but did not show substantial disparities for any other projects sets presented in Figure 11-3. Those disparities indicate inferences of discrimination against relevant POC- and woman-owned business groups in the Oregon marketplace and as part of the state’s contracting and procurement. In addition, SDV-owned businesses also showed a substantial disparity for the relevant contracts and procurements executive branch agencies awarded during the study period (not shown in in Figure 11-3).

Figure 11-3.
Substantial disparities observed for state work

Contract set	Business group					
	All POC and white woman	All POC	White woman	Asian American	Black American	Hispanic American Native American
All work	●	●	●	●	●	●
Construction	●	●	●	●	●	●
Professional services	●	●	●	●	●	●
Non-prof. svcs., goods, supplies	●	●	●	●	●	●
Prime contracts	●	●	●	●	●	●
Subcontracts	●		●	●	●	●

Notes: ● indicates substantial disparity (i.e., disparity index of 80 or less)

“All POC and white women” and “All POC” aggregate the participation and availability for the relevant business groups to assess whether the group as a whole exhibits a substantial disparity.

Source: BBC disparity analysis.

An important consideration regarding the disparities BBC observed for state work relates to the impact of POC- and woman-owned businesses to which the organization awarded exceptionally large amounts of work. We examined whether the volume of dollars the state awarded to any single POC- or woman-owned business during the study period met the definition of being a *statistical outlier*—that is, a data point that differs in an extreme way from all other data points in a data set. Using a two-and-a-half standard deviation test, we found that the five POC- and woman-owned businesses to which the state awarded the most dollars during the study period and the four POC- and woman-owned businesses to which the organization awarded the least dollars met the definition of being statistical outliers.

After identifying the nine POC- and woman-owned businesses that met the definition of being statistical outliers, BBC adjusted their awarded dollars using best practices in statistics and social science. We then recalculated disparity indices for all relevant business groups and sets of contracts and procurements (for details, see Chapter 8). Figure 11-4 presents the substantial disparities we observed for each relevant group on key sets of contracts and procurements after accounting for statistical outliers. As shown in Figure 11-4, once we accounted for statistical outliers, relevant business groups exhibited substantial disparities for even more key contract and procurement sets state agencies awarded during the study period, particularly when considering all relevant contracts and procurements together. Notably, Native American-owned businesses exhibited a substantial for all work considered together after accounting for statistical outliers. Those results even more clearly indicate that inferences of discrimination exist for all groups of POC- and woman-owned businesses operating in the marketplace.

Figure 11-4.
Substantial disparities observed for state work after accounting for statistical outliers

Contract set	Business group						
	All POC and white woman	All POC	White woman	Asian American	Black American	Hispanic American	Native American
All work	●	●	●	●	●	●	●
Construction	●	●	●	●	●	●	
Professional services	●	●	●	●	●	●	●
Non-prof. svcs., goods, supplies	●	●	●	●	●	●	
Prime contracts	●	●	●	●	●	●	●
Subcontracts	●		●	●	●	●	

Notes: ● indicates substantial disparity (i.e., disparity index of 80 or less)

Source: BBC disparity analysis.

Accounting for statistical outliers is a routine practice in social science, and we provide details in Chapter 8 on the methodology we used to do so as well as how our methodology adheres to best practices in social science research. Although there is a dearth of literature or case law that addresses how to treat statistical outliers in disparity studies, there is at least one recent case—*Kossman Contracting Co. v. City of Houston (Kossman)*—that speaks to how a federal district court in Texas considered relatively large data points when interpreting disparity analysis results.³ The City of Houston implemented a race- and gender-conscious goals program for which the city considered Native American-owned businesses eligible. The city made that determination based on results from a disparity study that showed a substantial disparity between the participation and availability of Native American-owned businesses for city work. However, the substantial disparity for Native American-owned businesses was only observed after the consultant removed the two Native American-owned businesses to which the city awarded the most contract dollars during the study period from its analyses.

Kossman Contracting Co. challenged the city’s implementation of the program, including its inclusion of Native American-owned businesses in its race- and gender-based goals program. The United States District Court of the Southern District of Texas ruled that it found “no equal-protection significance” in the fact that much of the work the city awarded to Native American-owned businesses during the study period went to only two firms. The court also found that the substantial disparity the consultant observed after removing those two firms from its analyses “is not evidence of the need for remedial action.” Thus, the district court ruled in favor of *Kossman Contracting Co.*

There are two crucial aspects of *Kossman* that are instructive to the state in assessing the degree to which the case informs how it might consider disparity analysis results after accounting for statistical outliers. First, the ruling came from a magistrate judge in a federal district court in Texas. Although the ruling could be considered persuasive, it has little, if any, precedential value on the state or other government organizations operating in the Ninth Circuit. Second, and perhaps more importantly, the approach the City of Houston and its disparity study consultant used to account for large data points—that is, identifying the businesses from a single business group to which the city awarded relatively large proportions of the group’s dollars and removing those businesses from the disparity analysis—is not

³ *Kossman Contracting Co., Inc. v. City of Houston*, 2016 WL 1104363 (S.D. Tex. 2016).

comparable to the approach BBC used to systematically identify statistical outliers and adjust their values in an empirically acceptable way. There is no indication that the City of Houston or its consultant identified the two Native American-owned businesses it ultimately removed from its analyses as actual statistical outliers or what methodology they used to do so. (Identifying the two largest data points for a particular business group is not equivalent to identifying statistical outliers.) Furthermore, there is also no indication of whether the City of Houston or its consultant explored alternative ways to account for those data points rather than removing them from its analyses. For example, rather than removing statistical outliers from our analyses, we replaced them with values that were more representative of the population of POC- and woman-owned businesses that participated in state work during the study period, (and reallocated those dollars in a proportional manner), which is a much more conservative approach to addressing statistical outliers.

4. Barriers in the marketplace. The United States Supreme Court and other federal courts have held that analyses of conditions in a relevant geographic market area for POC- and woman-owned businesses are instructive in determining whether organizations' use of race- and gender-conscious programs as part of their contracting processes are appropriate and justified. They have held that evidence of marketplace barriers for POCs, women, and POC- and woman-owned businesses helps to establish a *compelling government interest* for organizations to take remedial action to address those barriers and can help organizations narrowly tailor the use of such remedial measures to the business groups for which evidence of barriers exist. Barriers in the marketplace likely have important effects on the ability of POCs and women to start businesses in relevant industries and operate them successfully. Any difficulties they face in starting and operating businesses in the region may reduce their availability for state work and their ability to successfully compete for and perform that work.

BBC's analyses of marketplace conditions in Oregon indicate that POCs, women, and POC- and woman-owned businesses face various barriers in the region in terms of acquiring human capital, accruing financial capital, owning businesses, and operating successful businesses (for details, see Chapters 5 and 6 and Appendices B and C). In many cases, there is evidence those disparities exist even after accounting for various other factors such as age, income, education, and familial status. In the next section, we presents recommendation that might help the state ameliorate some of those difficulties as well as the disparities we observed between the participation and availability of POC- and woman-owned businesses in agency work.

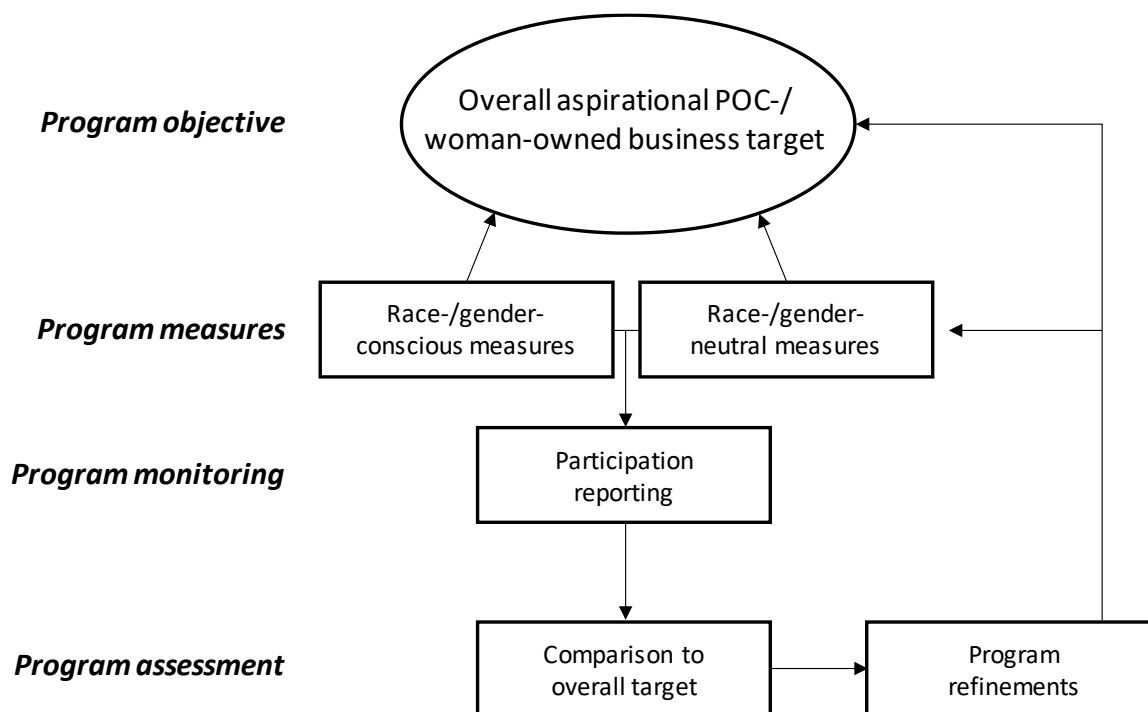
B. Guidance

BBC observed substantial disparities between the participation of POC-, woman-, and SDV-owned businesses in state contracts and procurements and their availability for that work. We present guidance for the state to consider as part of addressing those disparities and further encouraging the participation of POC-, woman-, and SDV-owned businesses in its work effectively and in a legally defensible manner. In considering our guidance the state should be particularly mindful of the legal requirements surrounding the use of race- and gender-conscious measures, including state and federal regulations as well as relevant case law. The state should consult closely with its Department of Justice (DOJ) in developing any new policies or programs related to POC-, woman-, and SDV-owned businesses to ensure they are consistent with the requirements of the strict scrutiny, intermediate scrutiny, and rational basis standards of constitutional review, respectively (for more information, see Chapter 2).

1. Overall POC-/woman-owned business target. BBC recommends that the state should consider establishing an overall aspirational target for the participation of POC- and woman-owned businesses in the contracting and procurement work it awards (and SDV-owned businesses if the state desires). An overall POC-/woman-owned business target could help create a shared commitment to, and understanding of, the state's equity objectives among internal and external stakeholders and help guide efforts the agency could use to try to achieve the target each year. If the state establishes an overall POC-/woman-owned business target, it would monitor the participation of POC- and woman-owned businesses in its work each year. If it fails to achieve its overall target in a particular year, the state would assess reasons why it might have failed to do so and develop plans to achieve its target the following year, including potential refinements to existing program measures and the introduction of new program measures, as necessary.

Setting an overall POC-/woman-owned business target is not a race- and gender-conscious measure, because it is not technically a program measure at all. Instead, it represents an overall, aspirational objective that would guide various individual measures the state might use to encourage POC- and woman-owned business participation in its work, each of which would either be race- and gender-neutral, or if appropriate, race- and gender-conscious in nature. Figure 11-5 presents a framework illustrating the relationship between an overall POC-/woman-owned business target, measures an organization might use to meet the target, monitoring of the participation of POC- and woman-owned businesses in organization work, and assessments of whether any program refinements are necessary.

Figure 11-5.
Framework for the relationships among an overall aspirational POC-/woman-owned business target, individual program measures, program monitoring, and program assessment



- **Program objective:** The overall POC-/woman-owned business target would be an overall, aspirational objective of the amount of contract and procurement dollars the state would try to award to POC- and woman-owned businesses each year. It would help organize the state's program and help create a shared commitment to, and understanding of, its equity objectives related to POC- and woman-owned business participation in state work.
- **Program measures:** The state would use various measures—including race- and gender-neutral measures, and, if appropriate, race- and gender-conscious measures—in an effort to encourage the participation of POC- and woman-owned businesses in its work and meet its overall target each year. Race- and gender-neutral measures might include setting aside individual contract or procurement opportunities for exclusive competition among small businesses or relaxing bonding requirements on individual opportunities to make them more accessible to small businesses. Race- and gender-conscious measures might include setting condition-of-award goals for the participation of POC-/woman-owned business participation in individual contracts or procurements or awarding preference points based on the level of proposed participation of POC-/woman-owned businesses on project teams.
- **Program monitoring:** The state would compile information on the participation of POC- and woman-owned businesses in its work—including both prime contract and subcontract work—on a regular basis, perhaps quarterly, semi-annually, or annually.
- **Program assessment:** On an annual basis, the state would compare the actual participation of POC- and woman-owned businesses in its work to its overall aspirational POC-/woman-owned business target. If actual participation falls short of the target, the state would consider whether any refinements are necessary to the program measures it uses or to the overall target itself that would allow it to better meet the target the following year.

BBC presents an example of a two-step process the state could consider using to set an overall POC-/woman-owned business target, which is based on the process organizations use to set overall targets as part of the Federal Disadvantaged Business Enterprise (DBE) Program. The process includes *establishing a base figure* and *considering an adjustment* to the base figure based on various information related to the ability of POC- and woman-owned businesses to compete for and perform state work.

a. Establishing a base figure. The first step the state could take in setting an overall POC-/woman-owned business target is to develop a base figure for the target based on demonstrable evidence of the availability of POC- and woman-owned businesses for its work, ideally from the availability analysis BBC conducted as part of this study. The availability analysis indicated that POC- and woman-owned businesses that would meet the state's requirements for being certified as Minority-owned Business Enterprises or Women-owned Business Enterprises are potentially available to participate in 30.4 percent of state contract and procurement dollars, which the organization could consider as the base figure for an overall POC-/woman-owned business target.

b. Considering an adjustment. In setting an overall POC-/woman-owned business target, the state could also examine various factors to determine whether an adjustment to its base figure is warranted, to account for any characteristics of the Oregon marketplace that might affect the ability of POC- and woman-owned businesses to participate in state work. For example, the Federal DBE Program sets forth several factors the state could consider when assessing whether to adjust its base figure:

- Past participation of POC- and woman-owned businesses in its work;
- Information related to employment, business ownership, education, training, and unions;
- Information related to financing, bonding, and insurance; and
- Other relevant information.

If the state decides to make an adjustment to its base figure, it would have to decide which factors it would consider in making an adjustment, the direction of the adjustment, and the magnitude of the adjustment based on its quantification of relevant factors.

i. Past participation of POC- and woman-owned businesses in its work. The state could consider making an adjustment to its base figure based on the degree to which POC- and woman-owned businesses have participated in its work in recent years, which could be interpreted as the functional capacity of those businesses to participate in state contracts and procurements. Results from the utilization analysis indicate that the state awarded 10.9 percent (or 8.8 percent after taking outliers into account) of its work to Oregon POC- and woman-owned businesses during the study period. Thus, information about the past participation of POC- and woman-owned businesses in state work indicates that a downward adjustment to the state's base figure might be warranted.

ii. Information related to employment, business ownership, education, training, and unions. Chapters 5 and 6 summarize information about conditions in the Oregon marketplace for POCs, women, and POC- and woman-owned businesses. We present additional quantitative and qualitative information about marketplace conditions in Appendices B and C. Those analyses indicate that POCs and women face various barriers related to education, employment, and business ownership in Oregon. For example:

- Black Americans, Hispanic Americans, and Native Americans are less likely than white Americans to earn college degrees in Oregon.
- Black Americans, Asian Americans, Hispanic Americans, and Native Americans are less likely than white Americans, and women are less likely than men, to work as managers in relevant industries in Oregon.
- Various groups of POCs are less likely than white Americans, and women are less likely than men, to own businesses in relevant industries in Oregon, even after accounting for various other factors.

Such barriers could also impact the availability of POC- and woman-owned businesses for state work, supporting an *upward adjustment* to the state's base figure to help account for those barriers.

iii. Information related to financing, bonding, and insurance. BBC's analyses of access to financing, bonding, and insurance also revealed quantitative and qualitative evidence that POCs, women, and POC- and woman-owned businesses in Oregon do not have the same access to those business inputs as white men and businesses owned by white men. For example:

- Black Americans, Hispanic Americans, and Native Americans earn less in wages than white Americans in the region, and women earn less in wages than men.
- All relevant groups of POCs are less likely than white Americans to own homes in Oregon, which can make it more difficult for them to obtain financing and build wealth to establish businesses.

- Anecdotal evidence we collected through stakeholder engagement sessions, surveys, in-depth interviews, and other efforts with local businesses indicated that POC- and woman-owned businesses often have difficulties securing business loans, bonds, and insurance.

Any barriers to obtaining financing, bonding, or insurance might limit opportunities for POCs and women to successfully form and operate businesses in Oregon, impacting the availability of POC- and woman-owned businesses for state work. Taken together, that information also supports an *upward adjustment* to the state's base figure to help account for those barriers.

iv. Other relevant information. The state could also examine “other relevant information” when determining whether to adjust its base figure. For example, there is quantitative evidence that businesses owned by POCs and women earn less in revenue than businesses owned by white men and face greater barriers in the Oregon marketplace, even after accounting for other business characteristics. We summarize that evidence in Chapter 5 and present additional, corresponding results in Appendix B. There is also qualitative evidence of barriers to the success of POC- and woman-owned businesses, which we present in Chapter 6 and Appendix C. For example, as part of the anecdotal evidence process, many stakeholders reported experiencing stereotyping, double standards, and business networks that are closed to POC- and woman-owned businesses. Some of that information suggests that discrimination on the basis of race and gender adversely affects POC- and woman-owned businesses in Oregon, again supporting an upward adjustment to the state's base figure to account for such barriers.

c. Target updates. If the state decides to establish an overall POC-/woman-owned business target for the participation of those businesses in its work, then it should also determine how frequently it will update the target. Organizations that have established overall POC-/woman-owned business targets often update them every time they commission new availability or disparity studies, typically every three to five years. The state should also review its target-setting processes regularly to ensure it provides adequate flexibility to respond to any changes to barriers in the marketplace, anticipated contract and procurement opportunities, and other information.

2. POC-/woman-owned business contract goals. Currently, the state only uses race- and gender-neutral measures as part of its contract and procurement processes, which are designed to encourage the participation of small businesses and SDV-owned businesses in the state's work, regardless of the race/ethnicity or gender of business owners. However, the disparity study shows substantial disparities for most relevant race/ethnic and gender groups across key sets of contracts and procurements the state awards (for details, see Chapter 9, Appendix E, and Figures 11-3 and 11-4). Based on that evidence and the barriers we observed for POCs, women, and POC- and woman-owned businesses throughout Oregon, BBC recommends that the state should consider whether a race- and gender-conscious contract goals program would help address the disparities POC- and woman-owned businesses face as part of its contract and procurement processes. (The state could also consider developing an analogous goals program for SDV-owned businesses, which, by definition, would be race- and gender-neutral in nature.)

There are many considerations an organization must make in developing a race- and gender-conscious goals program to ensure it is effective and meets the requirements of the strict scrutiny and intermediate standards of constitutional review, respectively. We present many of those considerations below, but they should not be considered exhaustive of all the considerations the state would have to make in developing and implementing such a program. Furthermore, the following discussion should not be construed as BBC providing the state with a legal opinion regarding a race- and gender-conscious

program. The state should consult closely with its DOJ in developing a race- and gender-conscious goals program if it determines that such a program is appropriate.

a. Setting and meeting contract goals. As part of a POC-/woman-owned business contract goals program, the state would set percentage goals for the participation of POC- and woman-owned businesses on individual contracts and procurements it awards. Those goals would be based on the availability of eligible POC- and woman-owned businesses for the types of work involved in the project as well as on other relevant factors (e.g., other contracting demands in the marketplace, recent business closures or changes, and the size of the contract or procurement opportunity). Based on that information, goals would vary from project to project, and sometimes they might be 0 percent. Moreover, the state would not have to set goals on every contract and procurement it awards. For example, it could decide only to do so on relatively large projects or on projects in a particular industry (e.g., construction; professional services; or non-professional services, goods, and supplies).

As a condition of contract or procurement award, prime contractors would have to meet contract goals as part of their bids, quotes, or proposals by making participation commitments with eligible, certified POC- and woman-owned subcontractors, or, if they fail to do so, by demonstrating they made genuine and sufficient good faith efforts (GFEs) to do so. The state could also allow prime contractors certified as eligible POC- or woman-owned businesses to count their own work toward meeting contract goals or allow joint ventures where the majority partners are certified as eligible POC- or woman-owned businesses to count their portions of the work toward meeting contract goals. In addition, for the participation of POC- and woman-owned businesses to count toward meeting a contract goal, they would have to demonstrate that they will perform *commercially useful functions* on the project, which refers to businesses performing real and distinct work for which they have demonstrable skills, experience, and responsibilities. Prime contractors that fail to meet POC-/woman-owned business contract goals—either through commitments of the actual participation of eligible POC- or woman-owned businesses on the project or by demonstrating GFEs—would be considered non-responsive and their bids, quotes, or proposals would be considered ineligible for contract award.

b. Eligibility of specific groups to participate in the program. Because the use of POC-/woman-owned business contract goals is a race- and gender-conscious measure, the state would have to ensure its use of such goals meets the requirements of the strict scrutiny and intermediate standards of constitutional review, respectively. In order to meet strict scrutiny in particular, the state must demonstrate a compelling government interest for the use of race-conscious measures and ensure their use is narrowly tailored (for details, see Chapter 2). Among several factors, one key factor of narrow tailoring is that eligibility for participation in race-conscious measures must be limited to those race/ethnic groups for which inferences of discrimination exist in an organization's contracting and procurement processes. Only the participation of businesses whose owners identify with eligible race/ethnic groups would count toward meeting contract goals the state establishes on individual project opportunities.

One of the primary reasons for conducting a disparity study is to assess whether any relevant POC- or woman-owned business groups exhibit substantial disparities (i.e., disparity indices of 80 or less) between participation and availability for state work, which many courts have considered inferences of

discrimination against particular business groups in the marketplace.⁴ In the disparity analysis, BBC found all relevant business groups exhibited substantial disparities across different sets of state projects. If the state decides to develop a POC-/woman-owned business contract goals program, it should review those results carefully to ensure its program accounts for them properly.

c. Race-neutral measures. Another factor courts consider when assessing whether an organizations' use of race-conscious measures is narrowly tailored is whether the use of such measures is necessary and whether race-neutral measures could sufficiently address existing barriers for POC-owned businesses. Organizations are not required to exhaust all race-neutral measures, but they are required to maximize the use of those measures before considering the use of race-conscious measures. There are no hard and fast rules around what it means to "maximize" race-neutral measures. As presented in Chapter 10, the state implements various race- and gender-neutral measures, including:

- Hosting and attending other organizations' outreach events;
- Posting a directory of certified businesses on the Certification Office for Business Inclusion and Diversity (COBID) website;
- Notifying all certified businesses about active project opportunities worth more than \$10,000;
- Offering finance programs to help businesses access loans and grants; and
- Offering business development and technical assistance programs to help businesses compete successfully for government work.

In aggregate, the state's use of race- and gender-neutral efforts have indirectly encouraged the participation of POC- and woman-owned businesses in its work. However, substantial disparities still exist for all relevant race/ethnic groups. That evidence suggests it might be warranted for the state to also consider the use of race- and gender-conscious measures.

3. Other guidance. Disparity study results indicate that there are refinements the state could make to further encourage the participation of POC-, woman-, and SDV-owned businesses in its contracts and procurements. All the measures discussed below are race- or gender-neutral but may nonetheless be effective in indirectly encouraging POC- and woman-owned business participation in state work. We offer guidance related to:

- Procurement policies;
- Contract and procurement administration; and
- Supportive services and capacity building.

a. Procurement policies. Based on our review of the state's contract and procurement policies and insights we collected from stakeholders as part of the anecdotal evidence process, BBC identified several

⁴ For example, see *Rothe Development Corp v. U.S. Dept of Defense*, 545 F.3d 1023, 1041; *Engineering Contractors Association of South Florida, Inc. v. Metropolitan Dade County*, 122 F.3d at 914, 923 (11th Circuit 1997); and *Concrete Works of Colo., Inc. v. City and County of Denver*, 36 F.3d 1513, 1524 (10th Cir. 1994).

ways the state could consider refining or augmenting its policies to help encourage the participation of small businesses, including many POC-, woman-, and SDV-owned businesses, in its work.

i. Program manual. The state should consider developing a comprehensive program plan and manual to communicate COBID's supplier diversity objectives and requirements for state departments and divisions. At a minimum, the plan and manual should include information about:

- Program objectives and justification;
- Overall aspirational POC-/woman-owned and SDV-owned business targets;
- Monitoring and reporting requirements;
- Race- and gender-neutral measures; and
- POC-/woman- and SDV-owned business and small business contract goals (if applicable).

ii. Advertising upcoming projects. Qualitative data suggest that many business owners experience difficulties learning about upcoming opportunities with the state. Currently, state procurement law requires the Department of Administrative Services (DAS) to post invitations to bid (ITBs) for at least seven calendar days before closing and requests for proposals (RFPs) for at least 30 calendar days before closing. Multiple business representatives indicated that the time frame to submit responses to solicitations is insufficient, particularly for small businesses. The state could consider increasing the minimum posting time for ITBs and RFPs in its procurement code to allow for more response time.

iii. Solicitation information. Some business owners find the solicitation language and submission instructions for state work to be confusing. In addition, some business owners commented on the difficulty of navigating OregonBuys to find relevant work. The state could consider conducting regular "How to Do Business with the State" or "How to Navigate OregonBuys" trainings to support businesses in competing for and winning work with the state. In addition, the state should review how it communicates about project opportunities through OregonBuys to help address any areas that might be particularly confusing for businesses potentially interested in competing for them. In addition, targeted outreach with small businesses could help improve the visibility of project opportunities. The state could consider hosting regular forecasting meetings or setting up mailing lists of interested vendors to facilitate such efforts. The state could also consider implementing two-step solicitation processes for relatively large, complex projects. For example, the Commonwealth of Pennsylvania solicits subject matter experts for assistance drafting RFPs and ITBs for relatively large, complex projects. That process gives additional notice to the contracting community about upcoming opportunities and integrates insights and expertise from the local contracting community.

iv. Bonding. State law requires the submission of bid bonds, performance bonds, and payment bonds on all projects state representatives consider to be public improvements. However, qualitative data indicate that bonding is a barrier for many small businesses, including many POC-, woman-, and SDV-owned businesses. The state could consider establishing bonding requirements only for relatively large projects and developing a bonding program to help small businesses access bonding at equitable rates.

v. Insurance requirements. Business representatives who shared qualitative information with the project team discussed difficulties they have encountered with insurance requirements on many state projects. Interviewees noted that insurance requirements have recently increased and are not always in line with

the types of work they are performing on projects. The state could consider reviewing its insurance requirements on projects to ensure that they are proportional to the work and risk involved.

vi. Contract and procurement types. The state uses price agreement, master agreement, or prequalified vendor pools to award many contracts and procurements. Business owners and representatives noted that they lack information on how to become vendors for such project types. Other business owners noted that although they have entered into such agreements with the state, they have not gotten any work out of those agreements. The state could consider posting more information on how to become a vendor for price agreements, master agreements, or prequalified vendor pools; hosting trainings related to them; or targeting outreach to businesses in appropriate industries to share information on how to successfully compete for and receive work from such agreements.

vii. Unbundling contracts and procurements. In general, POC-, woman-, and SDV-owned businesses exhibited reduced availability for relatively large projects the state awarded during the study period. In addition, as part of in-depth interviews, several business owners reported that size of work is sometimes a barrier to their success. To further encourage the participation of small businesses in state work, the organization should consider making efforts to unbundle relatively large prime contracts, and even subcontracts, into many, smaller pieces. Such initiatives might increase opportunities for all small businesses, including many POC-, woman-, and SDV-owned businesses. Breaking up large prime contracts into multiple projects could also benefit small- to medium-sized businesses that typically perform work as subcontractors, giving them more opportunities to perform work as prime contractors while easing some of the burdens associated with prime contract work, such as financing, bonding, insurance, and workforce development.

viii. New businesses. Disparity study results indicate that a substantial portion of the contract and procurement dollars the state awarded to POC-, woman-, and SDV-owned businesses during the study period went to a small number of relatively large businesses, each of which were awarded multiple, contracts and procurements during the study period. Moreover, additional analyses indicated that the state is not maximizing the existing availability of POC-, woman-, and SDV-owned businesses in the Oregon marketplace. To expand the number of different small- to medium-sized businesses—including many POC-, woman-, and SDV-owned businesses—that participate in state work, the organization could consider using bid, quote, or RFP requirements to encourage prime contractors to partner with subcontractors and suppliers with which they have never worked in the past. For example, as part of the bid process, the state could ask prime contractors to submit information about the efforts they made to identify and team with businesses with which they have not worked in the past. The state could award evaluation points or price preferences based on the degree to which prime contractors partner or attempt to partner with new subcontractors with which they have not previously worked. The organization could also consider setting aside certain small projects for exclusive competition among businesses that have never worked with the state before, which would introduce new businesses to the organization's work. Finally, the state could consider efforts to expand its base of small businesses and POC-, woman-, and SDV-owned businesses through additional outreach, including by using vendor information BBC collected and compiled as part of the utilization and availability analyses.

ix. Competitive bidding thresholds. The state uses competitive bidding processes set forth in Oregon Revised Statute (ORS) 279B to award contracts and procurements worth more than \$150,000. Moreover, SB 1047, effective January 1, 2024, will raise the threshold for competitive bidding for

project opportunities worth \$250,000 or more. The state should consider lowering the dollar thresholds at which it uses formal, competitive bidding procedures, because formalized, competitive bidding processes often results in a larger pool of businesses that compete for government work, potentially including more POC-, woman-, and SDV-owned businesses. For example, Hamilton County in Ohio and the City of Boston require competitive processes for work worth more than \$50,000 and the City of Lexington, Kentucky requires competitive processes for work worth more than \$30,000.

x. *Alternative teaming arrangements.* As part of the anecdotal evidence process, many participants reported interest in working as prime contractors but are often only able to work as subcontractors due to capacity limitations and lack of opportunities. Interviewees discussed various barriers to obtaining prime contract work, including their inability to gain the experience or capital to bid on prime contract opportunities. The state could better support business growth by identifying alternative acquisition strategies and structuring procurements to facilitate the ability of consortia or alternative teaming arrangements—such as joint ventures or co-prime relationships—to compete for and perform prime contracts. Encouraging alternative teaming arrangements could allow small businesses, including many POC-, woman-, and SDV-owned businesses, to build their capacities for larger projects and gain experience working as prime contractors while mitigating some of the difficulties and costs of doing so.

xi. *Subcontracting minimums.* Subcontracts often represent accessible opportunities for small businesses to become involved in an organization’s contracting and procurement. To increase subcontract opportunities, the state could consider implementing a program that requires prime contractors to subcontract a minimum amount of project work. For specific projects where subcontracting opportunities might exist, the state could set minimum percentages of work to be subcontracted. Prime contractors would have to meet or exceed those minimums in order for their bids or proposals to be considered responsive. If the state were to implement such a program, it should include GFE provisions that would require prime contractors to document their efforts to identify and include potential subcontractors in their bids or proposals if they fail to make subcontract commitments.

xii. *Small business contract goals.* The state currently does not use contract goals to encourage the participation of small businesses in its work, although it encourages the participation of COBID-certified businesses through various executive orders and policies. The state could consider establishing contract goals for certified Emerging Small Businesses on certain contracts and procurements in a manner similar to the one outlined for POC-, woman-, and SDV-owned businesses earlier in this section but for which the race/ethnicity, gender, or veteran status of business owners would not be a factor.

xiii. *Small business set-asides.* The state might consider reserving certain, small prime contracts exclusively for small business bidding to encourage the participation of those businesses—including many POC-, woman-, and SDV-owned businesses—as prime contractors. As part of the anecdotal evidence process, several business representatives identified various advantages of set-aside programs for small businesses such as fostering familiarity with an organization’s contracting and bidding processes; experience working as prime contractors; and growth through winning larger, steadier projects. In addition to setting aside projects for small business competition, the state could consider encouraging at least one quote from small businesses for certain projects. It could also consider reviewing procurements state representatives make using the State P-card of Oregon Transaction System—which are typically used to make purchases through informal processes—to identify any potential opportunities that it could instead procure through more formal competitive bid processes.

b. Contract and procurement administration. BBC also recommends that the state should consider additional measures designed to support its contract and procurement diversity efforts as part of its project administration and management practices.

i. Subcontractor data collection. Although some state executive branch agencies, such as the Oregon Department of Transportation, maintain data on subcontracts related to federally-funded projects, the state does not collect information on subcontractors that participate in state-funded projects. The state should consider collecting comprehensive subcontract data on all projects, including:

- Associated prime contract numbers (e.g., purchase order or contract numbers);
- Subcontractor names, addresses, phone numbers, and email addresses;
- Types of associated work; and
- Award and paid-to-date amounts.

The state should consider collecting those data at the time of award and requiring prime contractors to submit data on the payments they make to subcontractors as part of monthly invoicing. Doing so will improve the organization's monitoring of the participation of POC-, woman-, and SDV-owned businesses—regardless of certification—in its work and could also help the state identify future subcontracting opportunities for those businesses as part of its projects. Collecting comprehensive subcontract data might require upgrading to a different data management system that allows the state to collect and maintain that information efficiently and effectively.

ii. Prompt payment. Oregon state law requires executive branch agencies to pay vendors within 30 days of receiving invoices, or if they make payments after 30 days, to include interest, at least on public works projects. Qualitative data indicate that delayed payments are an issue for many businesses, and it disproportionately affects small businesses, including many POC-, woman-, and SDV-owned businesses. In addition, businesses that perform work as subcontractors highlighted difficulties obtaining payments from prime contractors, with some noting that delays associated with prime contractors receiving payments trickle down to subcontractors and others indicating that prime contractors sometimes withhold payment entirely. The state could consider inserting prompt payment language in its contracts and solicitations and implementing a system to track payments to subcontractors to ensure prompt payment. The state could also consider offering mediation between prime contractors and subcontractors to help subcontractors recoup payments that prime contractors withhold. Finally, personal insights shared by various stakeholders indicate that the state does not pay electronically without certain requirements that are not available to all businesses, instead issuing paper checks, further delaying payments to businesses. The state could consider reviewing its requirements for electronic payment to improve accessibility to more businesses.

iii. Subcontractor commitments. Qualitative evidence suggests that prime contractors often do not use subcontractors to the full extent of their subcontracts. The state should consider implementing a system to track subcontract participation on an invoice-by-invoice basis to ensure prime contractors use subcontractors to the full extent of their committed amounts on projects. In addition to tracking payments, establishing points of contact between subcontractors and the state to address any underutilization or substitutions of their firms on projects may help ensure small businesses, including many POC-, woman-, and SDV-owned businesses, receive the work prime contractors committed to

them at the time of bid. Several business representatives who participated in the anecdotal interview process made several additional suggestions to maximize work on subcontracts, including inviting subcontractors to contract negotiation meetings to discuss their expected portions of projects, notifying the entire team when projects have been awarded, and considering prime contractors' past use of subcontractors relative to subcontract commitments as a factor during bid evaluations.

c. Supportive services and capacity building. The state should also consider efforts to help build capacity among small businesses, including many POC-, woman-, and SDV-owned businesses, to further encourage their participation in agency work.

i. Bonding assistance. As part of the anecdotal evidence process, several business representatives reported that bonding requirements were a barrier for small businesses, particularly POC-, woman-, and SDV-owned businesses. Small businesses typically obtain bonds at higher rates than other businesses, making it more difficult for them to get bonds and compete for relatively large projects. ORS 279C requires bid bonds and payment bonds for all public improvement and public works construction projects. The state could consider partnering with local, regional, or statewide financial institutions to encourage standardized bonding rates at more equitable levels. Some examples of bonding assistance programs include the United States Small Business Association (SBA) bonding program, the Los Angeles Contractor Development and Bonding Program, the Maryland Department of Transportation (DOT)'s and the Maryland Small Business Development Financing Authority Management Group's Bonding and Contract Financing Program, and the Ohio Development Services Agency's Minority Business Bonding Program.

ii. Financing assistance. As part of the anecdotal evidence process, many business representatives noted difficulties obtaining financing to start, grow, or expand their businesses. Many businesses also commented that having access to capital is crucial to business success, but obtaining financing can be challenging for small businesses. The state could consider providing guarantees for loans, encouraging contract-backed loans with lenders, or facilitating lender fairs. It could develop such programs with the support of local, regional, or statewide financial institutions or other business assistance organizations. For example, the City of Los Angeles, the SBA, and the Maryland DOT have programs providing loan guarantees. The Mississippi Development Authority, the Arkansas Economic Development Commission, and the City of Philadelphia host contract-backed loan programs. In addition, the Maryland DOT provides term loans, lines of credit, and equity investments, which could serve as another model for the state's consideration.

iii. Training and technical assistance. The state currently conducts various trainings and technical assistance programs (for more information, see Chapter 10) and should continue conducting those programs while also considering additional programs focused on bonding, bookkeeping, business plan development and refinement, financial literacy, and other topics. It could host those programs on its own or in conjunction with local partners throughout the region. Qualitative evidence highlighted many programs throughout the state that business representatives have found to be particularly helpful, such as Prosper Portland and the Government Contract Assistance Program. The state could also consider implementing a program to help individual businesses develop and grow. As part of such a program, the state could have an application and interview process to select businesses with which to work closely to provide tailored support and resources necessary for their growth. Qualitative evidence indicated that business representatives find training and technical assistance programs—when implemented well—to

be valuable in helping them build their capacities for larger projects and learn the necessary skills required to compete in their industries.

iv. Workforce development. As part of the anecdotal evidence process, many business representatives noted difficulty finding and hiring qualified personnel, especially in the construction industry. The state could consider providing workforce development training funding to more businesses in the area and might give special attention to training for skilled trades.

v. Tracking business growth. The state should consider efforts to help build capacity among small businesses—including many POC-, woman-, and SDV-owned businesses—and further encourage their participation in organization work. To assess the effectiveness of its efforts in building business capacity, the state might consider collecting data on the impact its business development efforts have on the growth of businesses over time. Doing so would require the state to collect baseline information on small businesses—such as revenue, number of locations, number of employees, and business ownership information—and then continue to collect that information from each business on a semi-annual or annual basis. Such metrics would allow the agency to assess whether its programs are helping businesses grow and be successful, even outside of its own contract and procurement processes.

d. Outreach. Many subcontractors rely on existing relationships to obtain work, and strong relationships with the state allow businesses to anticipate upcoming projects. The state hosts and participates in many outreach and networking events throughout the year (for more information, see Chapter 10). Businesses generally view those events as valuable, especially when they are designed to bring together similar vendors, are aimed at fostering relationships between the state and vendors or between prime contractors and subcontractors, and are reasonably priced. The state should consider continuing its current networking and outreach efforts and broadening them to include more partnerships with trade and other government organizations. The state might consider tailoring some events to specific industries or business groups to maximize their value and provide opportunities to foster connections among participants. In addition, the state could consider conducting more pre-bid and pre-proposal meetings to increase networking among prime contractors and subcontractors in the context of specific projects. The state might also consider hosting meet-and-greets or public meetings on a quarterly basis or well in advance of relatively large contracting opportunities. Department, procurement, and COBID staff could attend those meetings to help businesses understand what opportunities will be available and how to successfully compete for those opportunities.

e. Mentor/protégé relationships. Many business representatives that participated in the anecdotal evidence process spoke highly of mentor/protégé relationships, noting the benefits of working with and learning from larger, more successful companies in similar industries. Multiple businesses interviewed for the disparity study favorably discussed the Port of Portland's mentor/protégé program, especially as it relates to business development and capacity building. The state should consider developing a mentor/protégé program or work with other business assistance agencies to facilitate similar efforts.

f. Disparity studies. The state should consider conducting disparity studies on a regular basis, particularly if it decides to implement race- or gender-conscious measures. Many organizations conduct studies every three to five years to understand changes in their marketplaces, refine program measures, and ensure up-to-date information on the participation and availability of small and disadvantaged businesses in their work, including identifying which groups are substantially underutilized in their contracts and procurements. Codifying the intervals at which it commissions disparity studies will help

ensure the state has up-to-date information about outcomes for POC-, woman-, and SDV-owned businesses in its work, regardless of changes in the political climate or the individuals in leadership positions. In addition, the state should establish provisions that limit the use of any race- or gender-conscious measures contingent on disparity study results. For example, the state could set sunset provisions on race- or gender-conscious contract goals program to expire after five years if disparity study results do not show substantial disparities for relevant business groups after that time.

APPENDICES.

APPENDIX A.

Definitions of Terms

Appendix A defines terms useful to understanding the 2023 State of Oregon Disparity Study report.

Business

A business is a for-profit enterprise, including sole proprietorships, corporations, professional corporations, limited liability companies, limited partnerships, limited liability partnerships, and any other business structures. The definition includes the headquarters of the entity as well as all its other locations, if applicable. It does not include nonprofit, government, or other organizations not engaged in profit-generating commerce.

Certification Office for Business Inclusion and Diversity (COBID)

COBID is the Oregon state agency responsible for certifying businesses eligible to participate in state and federal contracting programs the state of Oregon (the state) operates, including the Federal Disadvantaged Business Enterprise Program, the Federal Airport Concessions Disadvantaged Business Enterprise Program, the Minority Business Enterprise Program, the Women Business Enterprise Program, the Service-Disabled Veteran Business Enterprise Program, and the Emerging Small Business Enterprise Program.

Compelling Governmental Interest

As part of the strict scrutiny standard of constitutional review, government organizations must demonstrate a compelling governmental interest in remedying past, identified discrimination in their marketplaces by providing evidence that remedial action is necessary. That is, organizations that use race-conscious measures as part of their contracting programs have the initial burden of showing evidence of discrimination in their relevant geographic market area (RGMA)—including statistical and anecdotal evidence—that supports the use of such measures.

Consultant

A consultant is a business that performs professional services work.

Contract

A contract is a legally binding relationship between the seller of goods or services and a buyer. The study team sometimes uses the term contract interchangeably with *procurement* or *project*.

Contract Element

A contract element is either a prime contract or subcontract.

Contractor

A contractor is a business that performs construction work.

Control

Control means exercising management and executive authority of a business.

Custom Census Availability Analysis

A custom census availability analysis is one in which researchers attempt surveys with potentially available businesses working in the RGMA to collect information about key business characteristics. Researchers then take survey information about potentially available businesses and match them to the characteristics of contracts and procurements an organization actually awarded during the study period to assess the percentage of dollars one might expect the organization to award to specific groups of businesses. A custom census availability approach is accepted in the industry as the preferred method for conducting availability analyses, because it takes myriad factors into account, including businesses' primary lines of work and their capacities to perform work on an organization's contracts and procurements.

Disparity

A disparity is an appreciable difference between an actual outcome and some benchmark where the actual outcome is less than the benchmark. In this report, the term disparity refers specifically to a difference between the participation of a specific group of businesses in an organization's contracting and procurement and the estimated availability of the group for that work.

Disparity Analysis

A disparity analysis examines whether there are any differences between the participation of a specific group of businesses in an organization's work and the estimated availability of the group for that work.

Disparity Index

A disparity index is computed by dividing the actual participation of a specific group of businesses in an organization's work by the estimated availability of the group for that work and multiplying the result by 100. Smaller disparity indices indicate larger disparities.

Dun & Bradstreet (D&B)

D&B is the leading global provider of lists of business establishments and other business information for specific industries within specific geographical areas (for details, see www.dnb.com).

Executive Branch Agencies

Executive branch agencies refer to the 105 different agencies, departments, and offices that make up the executive branch of Oregon's state government. Contract and procurement data from executive branch agencies were included as part of the disparity study.

Industry

An industry is a broad classification of businesses providing related goods or services (e.g., construction or professional services).

Inference of Discrimination

An inference of discrimination is the conclusion that businesses whose owners identify with particular race/ethnic or gender groups suffer from barriers or discrimination in the marketplace based on sufficient quantitative or qualitative evidence. When inferences of discrimination exist, government organizations sometimes use race- or gender-conscious measures to address the barriers affecting those businesses.

Intermediate Scrutiny

Intermediate scrutiny is the legal standard government organizations' use of gender-conscious measures must meet in order to be considered constitutional. It is more rigorous than the rational basis test, which applies to business measures unrelated to race/ethnicity or gender, but less rigorous than the strict scrutiny test, which applies to business measures related to race/ethnicity. In order for programs to pass intermediate scrutiny, they must serve important government objectives, and they must be substantially related to achieving those objectives.

Majority-owned Business

A majority-owned business is a for-profit business that is at least 51 percent owned and controlled by white men.

Marketplace Conditions

Marketplace conditions are factors that potentially affect outcomes for workers and businesses operating in that marketplace. The study team assessed conditions in the Oregon marketplace in four primary areas: human capital, financial capital, business ownership, and business success.

Narrow Tailoring

As part of the strict scrutiny standard of constitutional review, government organizations must demonstrate their use of race-conscious measures are narrowly tailored. There are several factors a court considers when determining whether the use of such measures are narrowly tailored, including:

- a) The necessity of such measures and the efficacy of alternative, race-neutral measures;
- b) The degree to which the use of such measures are limited to those groups that suffer discrimination in the RGMA;
- c) The degree to which the use of such measures are flexible and limited in duration, including the availability of waivers and sunset provisions;
- d) The relationship of any numerical goals to the RGMA; and
- e) The impact of such measures on the rights of third parties.

Overall Aspirational Target

Overall aspirational targets are percentage targets some organizations establish for the participation of person of color (POC)- and woman-owned businesses in their contracts and procurements, which they work towards achieving each year through various race- and gender-neutral, and if appropriate, race- and gender-conscious measures. Typically, organizations set overall aspirational targets for the

participation of POC- and woman-owned businesses in all their contracts and procurements considered together. They are distinct from POC- and woman-owned business *contract goals*, which is a race- and gender-based effort organizations could use to meet their overall aspirational targets.

Participation

See *utilization*.

Passive Participation

Passive participation in discrimination refers to government organizations perpetuating discrimination in their contract and procurement processes simply by operating in marketplaces where such discrimination exists.

Person of Color (POC)

POCs are individuals who identify with one of the following race/ethnic groups: Asian American, Black American, Hispanic American, or Native American, according to the following definitions:

- Black American: Persons whose origins are from any of the black racial groups of Africa.
- Asian American: Persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, Hong Kong, India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka;
- Hispanic or Latin American: Persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race; and
- Native American: Persons who identify as American Indians, Alaska Natives, Aleuts, or Native Hawaiians.

POC-owned Business

POC-owned businesses are businesses with at least 51 percent ownership and control by individuals who identify with one of the following race/ethnic groups: Asian American, Black American, Hispanic American, or Native American. BBC Research & Consulting (BBC) considered businesses owned by men and women of color as POC-owned businesses. Businesses do not have to be certified by COBID or any other organizations to be considered POC-owned businesses.

POC- and Woman-owned Business Contract Goals

POC- and woman-owned contract goals is a race- and gender-conscious measure whereby organizations set percentage goals for the participation of those businesses on individual contracts and procurements they award. As a condition of award, prime contractors have to meet contract goals as part of their bids, quotes, or proposals by making participation commitments with eligible, certified POC- and woman-owned businesses or, if they fail to do so, by demonstrating they made genuine and sufficient good faith efforts to do so (or prime contractors could be certified POC- and woman-owned businesses themselves). The use of POC- and woman-owned contract goals must meet the strict scrutiny and intermediate scrutiny standards of constitutional review, respectively.

Prime Consultant

Prime consultants are businesses that perform professional services work directly for end users, such as state agencies.

Prime Contract

Prime contracts are contracts between prime contractors or prime consultants and end users, such as state agencies

Prime Contractor

Prime contractors are construction businesses or non-professional services or goods vendors that perform work directly for end users, such as state agencies.

Procurement

See *contract*.

Project

Projects refer to construction, professional services, or non-professional services or goods endeavors state agencies bid out. Projects could include one or more prime contracts and corresponding subcontracts.

Qualitative Information

Qualitative information includes personal accounts of experiences—including any incidents of discrimination—and perceptions related to the marketplace that individual interviewees, public meeting participants, focus group participants, and other stakeholders shared with the study team.

Race- and Gender-conscious Measures

Race- and gender-conscious measures are contracting measures designed to increase the participation of POC- and woman-owned businesses, specifically, in government work. Businesses owned by individuals who identify with particular race/ethnic groups might be eligible for such measures whereas others would not. Similarly, businesses owned by individuals who identify as women might be eligible for such measures whereas businesses owned by individuals who identify as men would not. An example of race- and gender-conscious measures is organizations' use of POC- or woman-owned business contract goals on individual contracts or procurements they award.

Race- and Gender-neutral Measures

Race- and gender-neutral measures are measures designed to remove potential barriers for all businesses—or all small or emerging businesses—attempting to perform work with organizations, regardless of the race/ethnicity or gender of the owners. Race- and gender-neutral measures may include assistance in overcoming bonding and financing obstacles, simplifying bidding procedures, providing technical assistance, establishing programs to assist start-ups, and other efforts.

Rational Basis

Government organizations that implement contracting programs that rely solely on race- and gender-neutral measures to encourage the participation of businesses must show a rational basis for

their programs. Showing a rational basis requires organizations to demonstrate their contracting programs are rationally related to legitimate government interests.

Relevant Geographic Market Area (RGMA)

The RGMA is the geographic area in which the businesses to which organizations award most of their contracting dollars are located. Case law related to contracting programs and disparity studies requires analyses to focus on the RGMA. The RGMA for the disparity study is the entire state of Oregon.

Service-Disabled Veteran (SDV)

As SDV is an individual who is a veteran of the United States military, the United States National Guard, or the Oregon National Guard who suffers from a physical or mental disability as a result of his or her service.

SDV-owned Business

SDV-owned business are businesses with at least 51 percent ownership and control by veterans of the United States military, the United States National Guard, or the Oregon National Guard who suffer from physical or mental disabilities as a result of their service. Businesses do not have to be certified by COBID or any other organizations to be considered SDV-owned businesses.

Standard Deviations

Standard deviations are values researchers calculate to indicate the average deviation, or spread, of data points in a particular dataset relative to arithmetic mean, or average, of the dataset.

State-funded Project

State-funded projects are any contracts or procurements wholly funded by state or local sources. That is, they do not include any federal funds.

Statistical Outlier

Statistical outliers are data points that differ in statistically significant ways from all other data points in relevant data sets. BBC considered any data point that differed by more than two and a half standard deviations from the average of all data points in a data set as a statistical outlier.

Statistically Significant Difference

A statistically significant difference is a quantitative difference for which there is a 0.95 or 0.90 probability that chance can be correctly rejected as an explanation for the difference (that is, there is a 0.05 or 0.10 probability, respectively, that chance could correctly account for the difference).

Strict Scrutiny

Strict scrutiny is the legal standard government organizations use of race-conscious measures must meet to be considered constitutional. Strict scrutiny is the highest threshold for evaluating the legality of measures that might impinge on the rights of others, short of prohibiting them altogether. Under the strict scrutiny standard, organizations must:

- a) Have compelling governmental interests in remedying past identified discrimination or its present effects; and
- b) Establish the use of any such measures are narrowly tailored to remedy the identified discrimination.

Organizations' use of race-conscious measures must meet both the compelling governmental interest and the narrow tailoring components of the strict scrutiny standard for them to be considered constitutional.

Study Period

The study period is the time period on which BBC focused for the utilization, availability, and disparity analyses. State agencies had to have awarded contracts or procurements during the study period for them to be included in our analyses. The study period for the disparity study was July 1, 2017 to June 30, 2022.

Subcontract

Subcontracts are contracts between prime contractors or prime consultants and other businesses selling goods or services to the prime contractors or prime consultants as part of larger projects.

Subcontractor

Subcontractors are businesses that perform services for prime contractors as part of larger projects.

Subindustry

Subindustries are specific classifications for businesses providing related goods or services within particular industries (e.g., highway and street construction is a subindustry of construction).

Substantial Disparity

Substantial disparities are disparities of 80 or less, indicating that the actual participation of a specific business group in agency work is 80 percent or less of the group's estimated availability. Substantial disparities are considered inferences of discrimination in the RGMA against particular business groups. Government organizations sometimes use substantial disparities as justification for the use of race- or gender-conscious measures to address barriers affecting certain groups.

Utilization

Utilization refers to the percentage of total dollars associated with a particular set of contracts or procurements state agencies awarded to a specific group of businesses. The study team uses the term utilization synonymously with participation.

Vendor

Vendors are businesses that sell goods either to prime contractors or prime consultants or to end users, such as state agencies.

Woman-owned Business

Woman-owned businesses are businesses with at least 51 percent ownership and control by white women. Businesses do not have to be certified by COBID or any other organizations to be considered woman-owned businesses. (BBC considered businesses owned by women of color as POC-owned businesses.)

APPENDIX B.

Additional Econometric Analyses of Marketplace Conditions

BBC Research & Consulting (BBC) conducted quantitative analyses of marketplace conditions in Oregon to assess whether persons of color (POCs), women, and POC- and woman-owned businesses face any barriers in the Oregon construction; professional services; and non-professional services, goods, and supplies industries. We examined marketplace conditions in four primary areas:

- **Human capital**, to assess whether POCs and women face barriers related to education, employment, and gaining relevant work experience;
- **Financial capital**, to assess whether POCs and women face barriers related to wages, homeownership, personal wealth, and financing;
- **Business ownership**, to assess whether POCs and women own businesses at rates comparable to white Americans and men, respectively; and
- **Business success**, to assess whether POC- and woman-owned businesses have outcomes similar to those of other businesses.

Appendix B presents a series of figures and tables that show results from those analyses. We highlight statistically significant results and results that demonstrate marketplace barriers for relevant race/ethnic and gender groups. Key results and their implications are presented in Chapter 5.

Figure B-1.
Percentage of all workers
aged 25 and older with at
least a four-year college
degree, Oregon and the
United States, 2015-2019

Note:

**, ++ Denotes that the difference in proportions between the POC group and white Americans (or between women and men) is statistically significant at the 95% confidence level for Oregon and the United States respectively.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

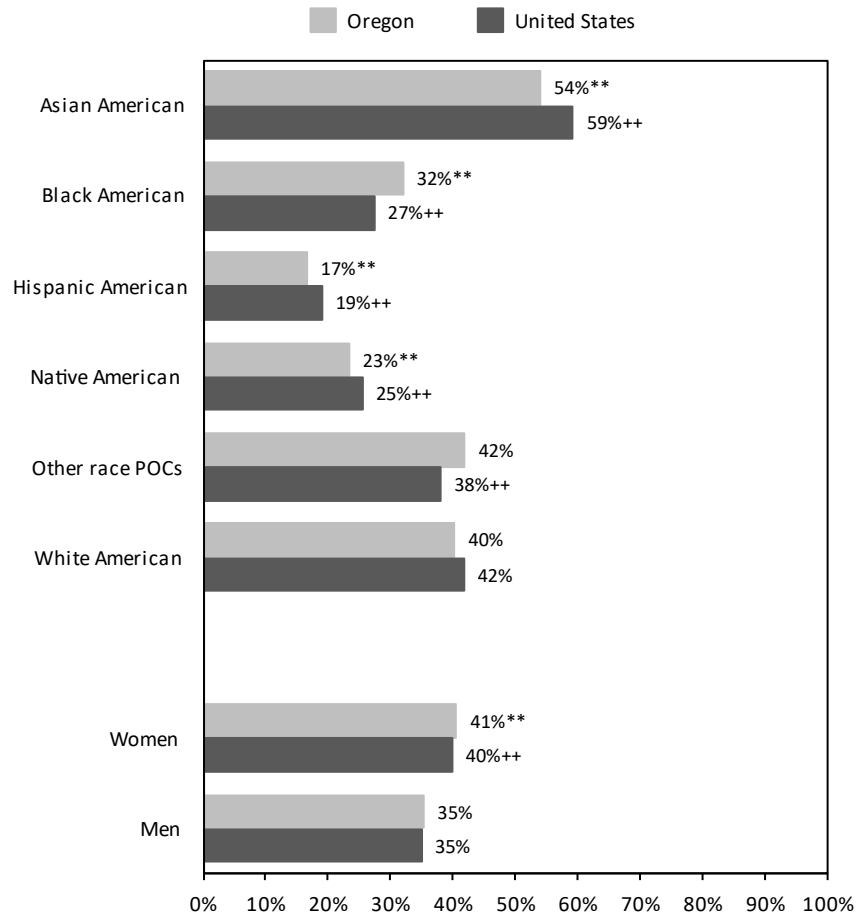


Figure B-1 indicates that, compared to white American workers (40%), Black American (32%), Hispanic American (17%), and Native American (23%) workers in Oregon are substantially less likely to have four-year college degrees.

Figure B-2.
Predictors of college completion
among Oregon workers, 2015-2019

Note:

The regression included 83,005 observations.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

The referent for each set of categorical variables is as follows: white Americans for the race variables.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

Variable	Coefficient
Age	-0.0027
Age-squared	0.0000
Disabled	-0.4475 **
Speaks English well	1.1165 **
Asian American	0.4110 **
Black American	-0.1973 **
Hispanic American	-0.6102 **
Native American	-0.4835 **
Other race POC	0.1224
Women	0.1257 **
Constant	-1.2529 **

Figure B-2 indicates that, in Oregon, Black Americans, Hispanic Americans, and Native Americans are less likely to complete college compared to white Americans, even after statistically accounting for other personal factors.

Figure B-3.
Demographic characteristics of workers in study-related
industries and all industries, Oregon and the United States, 2015-2019

	All Industries (n=100,371)	Construction (n=5,905)	Professional Services (n=5,989)	Non-prof. services, goods, and supplies (n=2,801)
Race/ethnicity				
Asian American	6.1 %	2.2 % **	8.9 % **	4.7 % **
Black American	2.5 %	1.5 % **	2.2 %	2.4 %
Hispanic American	12.7 %	16.5 % **	7.2 % **	11.5 %
Native American	2.3 %	2.6 %	1.6 % **	2.1 %
Other race POCs	0.2 %	0.1 % **	0.3 %	0.2 %
Total minority	23.7 %	22.8 %	20.3 %	20.9 %
White American	76.3 %	77.2 %	79.7 % **	79.1 % **
Total	100.0 %	100.0 %	100.0 %	100.0 %
Gender				
Women	47.2 %	11.2 % **	38.7 % **	31.6 % **
Men	52.8 %	88.8 % **	61.3 % **	68.4 % **
Total	100.0 %	100.0 %	100.0 %	100.0 %

Note: ** Denotes that the difference in proportions between workers in each study-related industry and workers in all industries is statistically significant at the 95% confidence level.

Source: BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

Figure B-3 indicates that compared to all industries considered together:

- Smaller percentages of Asian Americans (2.2%), Black Americans (1.5%), Hispanic Americans (16.5%), and other race POCs (0.1%) work in the Oregon construction industry. In addition, a smaller percentage of women (11.2%) work in the Oregon construction industry.
- Smaller percentages of Hispanic Americans (7.2%) and Native Americans (1.6%) work in the Oregon professional services industry, and a smaller percentage of women (38.7%) work in the Oregon professional services industry.
- A smaller percentage of Asian Americans (4.7%) work in the Oregon non-professional services, goods, and supplies industry, and a smaller percentage of women (31.6%) work in the Oregon non-professional services, goods, and supplies industry.

Figure B-4.
Unemployment rates
in Oregon, 2015-2019

Note:

*, ** Denotes that the difference in proportions between the POC group and White Americans (or between women and men) is statistically significant at the 90% and 95% confidence levels, respectively.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.

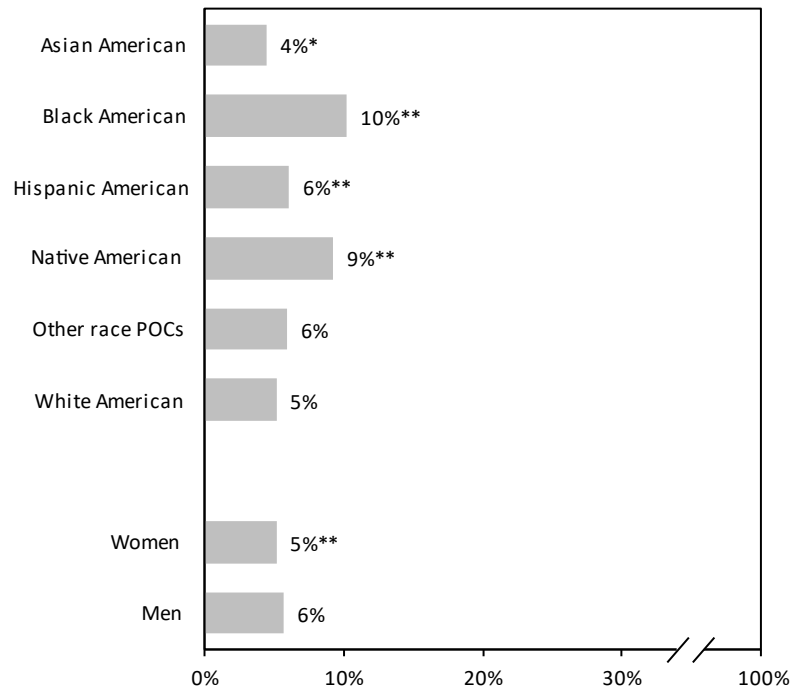


Figure B-4 indicates that Black Americans (10%), Hispanic Americans (6%), and Native Americans (9%) exhibit greater unemployment rates than white Americans (5%) in Oregon.

**Figure B-5.
Predictors of unemployment
in Oregon, 2015-2019**

Note:

The regression included 93,200 observations.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

The referent for each set of categorical variables is as follows: high school diploma for the education variables, white Americans for the race variables, manufacturing for the industry variables.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

Variable	Coefficient
Age	-0.0255 **
Age-squared	0.0002 **
Married	-0.3336 **
Disabled	0.4209 **
Number of children in household	-0.0081
Number of people over 65 in household	0.1112 **
Speaks English well	0.1746 **
Less than high school education	0.2048 **
Some college	-0.1202 **
Four-year degree	-0.2657 **
Advanced degree	-0.2601 **
Asian American	-0.0754 **
Black American	0.2832 **
Hispanic American	-0.0917 **
Native American	0.2083 **
Other race POC	-0.0004
Women	0.0467 **
Extraction and agriculture	-0.1885 **
Construction	-0.2729 **
Wholesale trade	-0.3977 **
Retail trade	-0.3532 **
Transportation, warehouse, & information	-0.3654 **
Professional services	-0.2837 **
Education	-0.4049 **
Health care	-0.5830 **
Other services	-0.3105 **
Public administration and social services	-0.4286 **
Constant	-0.6614 **

Figure B-5 indicates that Black Americans and Native Americans are more likely to be unemployed in Oregon compared to white Americans, even after statistically accounting for other personal factors. In addition, women are more likely to be unemployed relative to men, even after statistically accounting for other personal characteristics.

**Figure B-6.
Percentage of non-owner
workers who work as a
manager in each study-related
industry in Oregon**

Note:

*, ** Denotes that the difference in proportions between the POC group and white Americans (or between women and men) is statistically significant at the 90% and 95% confidence level, respectively.

† Denotes significant differences in proportions not reported due to small sample sizes.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.

	Construction	Professional Services	Non-prof. Services, Goods, and Supplies
Race/ethnicity			
Asian American	10.2 %	2.6 %	0.4 % **
Black American	3.6 % *	1.4 %	4.1 %
Hispanic American	2.5 % **	1.2 % **	1.3 % **
Native American	10.8 %	1.0 % *	3.2 %
Other race POCs	0.0 % †	0.0 % †	0.0 % †
White American	8.8 %	3.2 %	5.1 %
Gender			
Women	5.0 % **	1.6 % **	2.8 % **
Men	8.0 %	3.7 %	5.1 %
All individuals	7.6 %	2.9 %	4.4 %

Figure B-6 indicates that:

- Smaller percentages of Black Americans (3.6%) and Hispanic Americans (2.5%) than white Americans (8.8%) work as managers in the Oregon construction industry. In addition, a smaller percentage of women (5.0%) than men (8.0%) work as managers in the Oregon construction industry.
- Smaller percentages of Hispanic Americans (1.2%), and Native Americans (1.0%) than white Americans (3.2%) work as managers in the Oregon professional services industry. In addition, a smaller percentage of women (1.6%) than men (3.7%) work as managers in the Oregon professional services industry.
- Smaller percentages of Asian Americans (0.4%) and Hispanic Americans (1.3%) than white Americans (5.1%) work as managers in the Oregon non-professional services, goods, and supplies industry. In addition, a smaller percentage of women (2.8%) than men (5.1%) work as managers in the Oregon non-professional services, goods, and supplies industry.

**Figure B-7.
Predictors of management in
construction, Oregon, 2015-2019**

Note:

The regression included 3,837 observations.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

† Other race POC omitted due to perfect correspondence with dependent variable.

The referent for each set of categorical variables is as follows: high school diploma for the education variable and white American for the race variable.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa>.

Variable	Coefficient
Constant	-3.2725 **
Age	0.0610 **
Age-squared	-0.0006 **
Married	0.3364 **
Disabled	-0.3754 *
Number of children in household	-0.0520
Number of people over 65 in household	0.0910
Part time	-0.4472 **
Speaks English well	0.0757
Less than high school education	-0.0827
Some college	0.2472 **
Four-year degree	0.8834 **
Advanced degree	0.9571 **
Asian American	0.1089
Black American	-0.3473
Hispanic American	-0.4130 **
Native American	0.3521
Other race POC	0.0000 †
Women	-0.4885 **

Figure B-7 indicates that Hispanic Americans are less likely to work as managers in the Oregon construction industry compared to white Americans, even after statistically accounting for other personal characteristics. In addition, women are less likely to work as managers in the Oregon construction industry relative to men, even after statistically accounting for other personal characteristics.

Figure B-8.
Predictors of management in
professional services, Oregon, 2015-2019

Note:

The regression included 4,247 observations.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

† Speaks English well and other race POC omitted due to perfect correspondence with dependent variable.

The referent for each set of categorical variables is as follows: high school diploma for the education variable and white American for the race variable.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa>.

Variable	Coefficient
Constant	-3.2793 **
Age	0.0352
Age-squared	-0.0002
Married	0.3160 **
Disabled	-0.0127
Number of children in household	0.1086 **
Number of people over 65 in household	-0.1240
Part time	-0.6461 **
Speaks English well	0.0000 †
Less than high school education	0.6325
Some college	-0.2430
Four-year degree	0.1287
Advanced degree	0.2516
Asian American	-0.2026
Black American	-0.0915
Hispanic American	-0.3311
Native American	-0.2255
Other race POC	0.0000 †
Women	-0.2404 **

Figure B-8 indicates that women are less likely to work as managers in the Oregon professional services industry relative to men, even after statistically accounting for other personal characteristics.

**Figure B-9.
Predictors of management in non-
professional services, goods, and supplies
Oregon, 2015-2019**

Note:

The regression included 2,291 observations.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

† Speaks English well and other race POC omitted due to perfect correspondence with dependent variable.

The referent for each set of categorical variables is as follows: high school diploma for the education variable and white American for the race variable.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa>.

Variable	Coefficient
Constant	-2.6132 **
Age	0.0252
Age-squared	-0.0002
Married	0.2119
Disabled	-0.8139 *
Number of children in household	0.0339
Number of people over 65 in household	-0.1165
Part time	-0.4260 *
Speaks English well	0.0000 †
Less than high school education	-0.4263
Some college	0.1668
Four-year degree	0.6620 **
Advanced degree	0.5453 **
Asian American	-1.0604 **
Black American	0.0953
Hispanic American	-0.3460
Native American	-0.1582
Other race POC	0.0000 †
Women	-0.2373 *

Figure B-9 indicates that Asian Americans are less likely to work as managers in the Oregon non-professional services, goods, and supplies industry compared to white Americans, even after statistically accounting for other personal factors. In addition, women are less likely to work as managers in the Oregon non-professional services, goods, and supplies industry relative to men, even after statistically accounting for other personal characteristics.

Figure B-10.
Mean annual wages,
Oregon and the United
States, 2015-2019

Note:

The sample universe is all non-institutionalized, employed individuals aged 25-64 that are not in school, the military, or self-employed.

**/++ Denotes statistically significant differences from white Americans (for POC groups) and from men (for women) at the 95% confidence level for Oregon and the United States as a whole, respectively.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

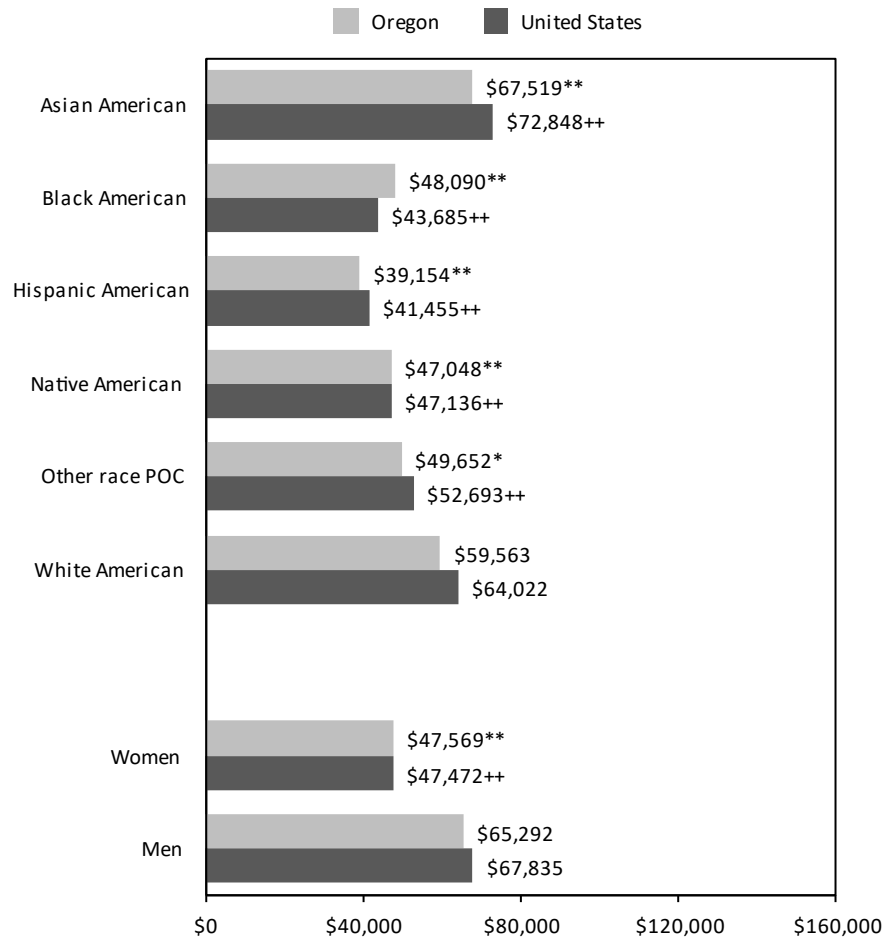


Figure B-10 indicates that Black American (\$48,090), Hispanic American (\$39,154), Native American (\$47,048), and other race POC (\$49,652) workers in Oregon earn substantially less in wages than white American workers (\$59,563). In addition, women (\$47,569) earn substantially less than men (\$65,292) in Oregon.

Figure B-11.
Predictors of annual wages,
Oregon, 2015-2019

Notes:

The regression includes 55,761 observations.

The sample universe is all non-institutionalized, employed individuals aged 25-64 that are not in school, the military, or self-employed.

For ease of interpretation, the exponentiated form of the coefficients is displayed in the figure.

*, ** Denotes statistical significance at the 90% and 95% confidence levels, respectively.

The referent for each set of categorical variables is as follows: white American for the race variable, high school diploma for the education variable, and manufacturing for the industry variable.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

Variable	Exponentiated Coefficient
Constant	9515.024 **
Asian American	0.979
Black American	0.874 **
Hispanic American	0.904 **
Native American	0.896 **
Other race POC	0.917
Women	0.802 **
Less than high school education	0.882 **
Some college	1.171 **
Four-year degree	1.593 **
Advanced degree	2.202 **
Disabled	0.755 **
Military experience	0.957 **
Speaks English well	1.278 **
Age	1.050 **
Age-squared	1.000 **
Married	1.151 **
Children	1.012 **
Number of people over 65 in household	0.885 **
Public sector worker	1.118 **
Manager	1.284 **
Part time worker	0.380 **
Extraction and agriculture	0.768 **
Construction	0.979
Wholesale trade	0.982
Retail trade	0.757 **
Transportation, warehouse, & information	0.996
Professional services	1.038 **
Education	0.611 **
Health care	1.091 **
Other services	0.719 **
Public administration and social services	0.766 **

Figure B-11 indicates that, compared to being white American in Oregon, Black Americans, Hispanic Americans, and Native Americans earn less in annual wages than white Americans, even after accounting for various other personal characteristics. (For example, the model indicates that being Black American is associated with making approximately \$0.87 for every dollar a white American makes, all else being equal.) In addition, compared to men in Oregon, women earn less in annual wages, even after accounting for various other personal characteristics.

Figure B-12.
Home ownership rates,
Oregon and the United
States, 2015-2019

Note:

The sample universe is all households.

******, **++** Denotes statistically significant differences from White Americans at the 95% confidence level for Oregon and the United States as a whole, respectively.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

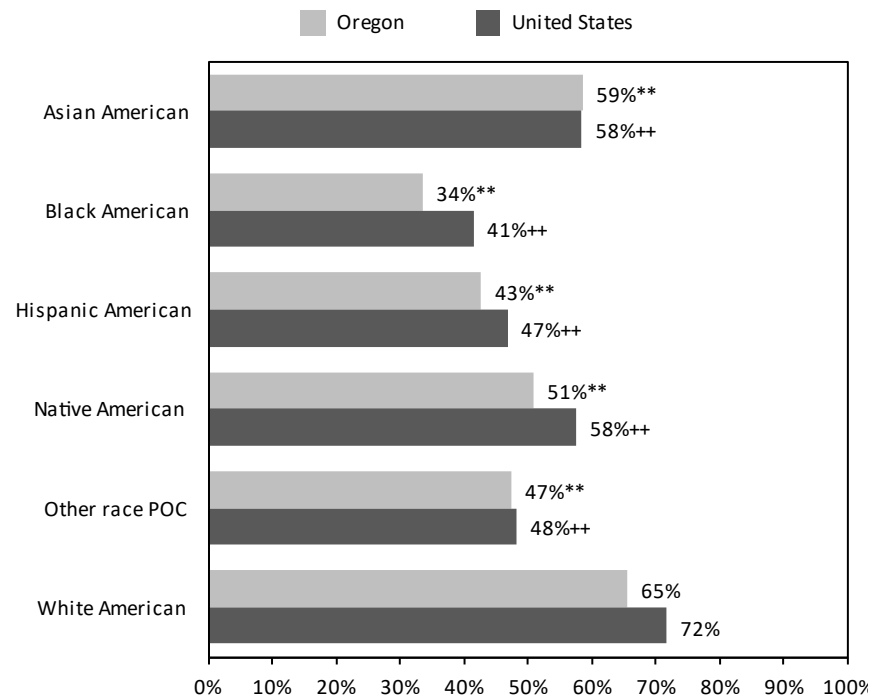


Figure B-12 indicates that Asian Americans (59%), Black Americans (34%), Hispanic Americans (43%), Native Americans (51%), and other race POCs (47%) in Oregon exhibit smaller homeownership rates than white Americans (65%).

Figure B-13.
Median home values,
Oregon and the United
States, 2015-2019

Note:

The sample universe is all owner-occupied housing units.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

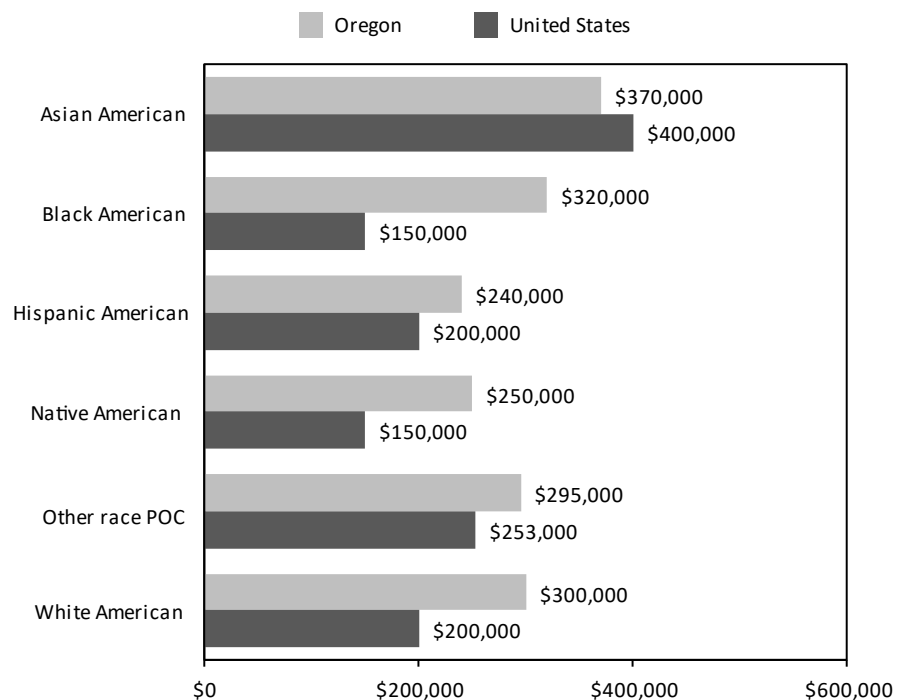


Figure B-13 indicates that, in Oregon, Hispanic American (\$240,000), Native American (\$250,000), and other race POC homeowners (\$295,000), own homes that, on average, are worth less than those of white American homeowners (\$300,000).

Figure B-14.
Denial rates of conventional
purchase loans for high-income
households, Oregon, 2021

Note:

High-income households are those with 120 percent or more of the relevant median family outcome specified by the Housing and Urban Development for the relevant area.

Source:

FFIEC HMDA data 2021. The 2021 raw data extract was obtained from the Federal Financial Institutions Examination Council's HMDA data tool: <https://ffiec.cfbp.gov/data-browser/>.

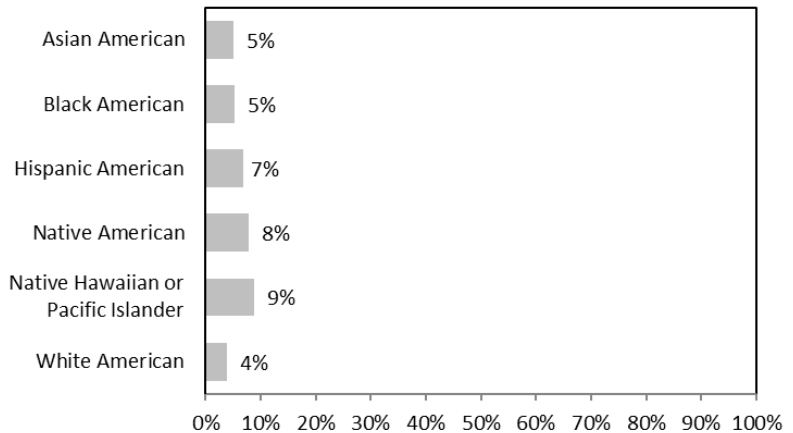


Figure B-14 indicates that all relevant POC groups in Oregon appear to be denied home loans at greater rates than white Americans (4%).

Figure B-15.
Demographic characteristics of business owners in
study-related industries and all industries in Oregon, 2018

Oregon	All Industries (394,493)	Construction (36,827)	Professional Services (64,013)	Non-prof. services, goods, and supplies (8,701)
Race/ethnicity				
POC	12.9 %	10.6 % **	9.9 % **	9.2 % **
White American	83.8 %	87.5 % **	88.3 % **	82.0 %
Equally POC/White American	0.8 %	S %	0.5 % *	S %
Gender				
Women	38.7 %	S %	41.7 % **	S %
Men	51.7 %	82.1 % **	53.9 % **	57.6 %
Equally Men/Women	6.8 %	8.1 %	2.8 % **	9.6 %

Note: *, ** Denotes that the difference in proportions between businesses in each study-related industry and businesses in all industries is statistically significant at the 90% and 95% confidence level, respectively.

S Denotes proportion not reported because data did not meet U.S. Census publication standards.

Source: BBC from 2018 Nonemployer Statistics by Demographics series: Statistics for Employer and Nonemployer Firms.

Figure B-15 indicates that, compared to all industries considered together:

- A smaller percentage of Oregon construction businesses are owned by POCs (10.6%).
- A smaller percentage of Oregon professional services businesses are owned by POCs (9.9%), and a smaller percentage of Oregon professional services businesses are owned by women (41.7%).
- A smaller percentage of Oregon non-professional services, goods, and supplies businesses are owned by POCs (9.2%).

Figure B-16.
Business ownership rates
in study-related industries,
Oregon and the United
States, 2015-2019

Note:

*, ** Denotes that the difference in proportions between the POC group and white Americans, or between women and men is statistically significant at the 90% and 95% confidence level, respectively.

† Denotes significant differences in proportions not reported due to small sample size.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center:
<http://usa.ipums.org/usa/>.

Oregon	Construction	Professional Services	Non-prof. Services, Goods, and Supplies
Race/ethnicity			
Asian American	24.3 %	11.4 % **	10.3 %
Black American	9.4 % **	10.2 % **	1.2 % **
Hispanic American	13.5 % **	11.8 % **	1.5 % **
Native American	17.5 % **	13.5 %	1.1 % **
Other race POC	35.3 % †	11.8 % †	0.0 % †
White American	25.7 %	21.2 %	6.5 %
Gender			
Women	18.4 % **	18.7 %	7.2 % *
Men	23.9 %	19.5 %	5.3 %
All individuals	23.2 %	19.2 %	5.9 %
United States	Construction	Professional Services	Non-prof. Services, Goods, and Supplies
Race/ethnicity			
Asian American	22.3 % **	8.0 % **	6.1 % **
Black American	16.4 % **	7.7 % **	2.2 % **
Hispanic American	17.8 % **	10.1 % **	4.0 % **
Native American	19.6 % **	12.8 % **	4.5 % **
Other race POC	26.3 %	10.4 % **	3.3 % **
White American	25.3 %	16.0 %	7.1 %
Gender			
Women	16.0 % **	11.8 % **	4.3 % **
Men	23.2 %	14.6 %	6.5 %
All individuals	22.5 %	13.5 %	5.8 %

Figure B-16 indicates that in Oregon:

- Black Americans (9.4%), Hispanic Americans (13.5%), and Native Americans (17.5%) own construction businesses at smaller rates than white Americans (25.7%), and women (18.4%) own construction businesses at a smaller rate than men (23.9%).
- Asian Americans (11.4%), Black Americans (10.2%), and Hispanic Americans (11.8%) own professional services businesses at smaller rates than white Americans (21.2%).
- Black Americans (1.2%), Hispanic Americans (1.5%), and Native Americans (1.1%) own non-professional services, goods, and supplies businesses at smaller rates than white Americans (6.5%).

Figure B-17.
Predictors of business ownership in
construction, Oregon, 2015-2019

Note:

The regression included 5,196 observations.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

The referent for each set of categorical variables is as follows: high school diploma for the education variable and white American for the race variable.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa>.

Variable	Coefficient
Constant	-3.3569 **
Age	0.0700 **
Age-squared	-0.0005 **
Married	0.1294 **
Disabled	0.1643
Number of children in household	0.0330
Number of people over 65 in household	0.1021 *
Owens home	0.1902 **
Home value (\$000s)	0.0003 **
Monthly mortgage payment (\$000s)	0.0179
Interest and dividend income (\$000s)	0.0027 **
Income of spouse or partner (\$000s)	0.0004
Speaks English well	0.3330
Less than high school education	0.1378
Some college	0.0018
Four-year degree	0.0896
Advanced degree	-0.1623
Asian American	-0.0227
Black American	-0.5484 *
Hispanic American	-0.1948 *
Native American	-0.2570
Other race POC	0.8828
Women	-0.3089 **

Figure B-17 indicates that Black Americans and Hispanic Americans are less likely to own construction businesses in Oregon compared to white Americans, even after statistically accounting for other personal factors. In addition, women are less likely to own construction businesses in Oregon relative to men, even after statistically accounting for other personal characteristics.

Figure B-18.
Predictors of business ownership in
professional services, Oregon, 2015-2019

Note:

The regression included 5,468 observations.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

The referent for each set of categorical variables is as follows: high school diploma for the education variable and white American for the race variable.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa>.

Variable	Coefficient
Constant	-0.9977 *
Age	-0.0131
Age-squared	0.0005 **
Married	0.0376
Disabled	0.0166
Number of children in household	0.0516 *
Number of people over 65 in household	0.0710
Owens home	-0.0925
Home value (\$000s)	0.0001
Monthly mortgage payment (\$000s)	0.0094
Interest and dividend income (\$000s)	0.0011
Income of spouse or partner (\$000s)	0.0017 **
Speaks English well	-0.6910
Less than high school education	-0.3582
Some college	0.2614 **
Four-year degree	0.3316 **
Advanced degree	0.3416 **
Asian American	-0.2742 **
Black American	-0.1730
Hispanic American	-0.1455
Native American	-0.2521
Other race POC	-0.5028
Women	0.0023

Figure B-18 indicates that indicates that Asian Americans are less likely to own professional services businesses in Oregon compared to white Americans, even after statistically accounting for other personal factors.

Figure B-19.
Predictors of business ownership in non-professional services, goods and supplies, Oregon, 2015-2019

Note:

The regression included 2,523 observations.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

† Denotes Other race POC omitted from the regression due to small sample size.

The referent for each set of categorical variables is as follows: high school diploma for the education variable and white Americans for the race variable.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa>.

Variable	Coefficient
Constant	-3.1021 **
Age	0.0224
Age-squared	-0.0001
Married	0.2609 **
Disabled	-0.0291
Number of children in household	0.0636
Number of people over 65 in household	0.0753
Owns home	-0.0909
Home value (\$000s)	0.0005 **
Monthly mortgage payment (\$000s)	0.0219
Interest and dividend income (\$000s)	0.0013
Income of spouse or partner (\$000s)	-0.0002
Speaks English well	0.2877
Less than high school education	-0.2431
Some college	0.1213
Four-year degree	-0.0173
Advanced degree	-0.3475 *
Asian American	0.4009 **
Black American	-0.4887
Hispanic American	-0.4191 *
Native American	-0.5848
Other race POC	0.0000 †
Women	0.1710 *

Figure B-19 indicates that Hispanic Americans are less likely to own non-professional services, goods, and supplies businesses in Oregon compared to white Americans, even after statistically accounting for other personal factors.

Figure B-20.
Disparities in business ownership rates for Oregon construction workers, 2015-2019

Note:

The benchmark figure can only be estimated for records with an observed (rather than imputed) dependent variable. Thus, the study team made comparisons between actual and benchmark business ownership rates only for the subset of the sample for which the dependent variable was observed.

Analyses are limited to those groups that showed negative coefficients that were statistically significant in the regression model.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

Group	Business Ownership Rate		Disparity Index (100 = Parity)
	Actual	Benchmark	
Black American	7.9%	18.5%	43
Hispanic American	13.5%	20.1%	67
Non-Hispanic white women	18.8%	28.9%	65

Figure B-20 indicates that Black Americans, Hispanic Americans, and non-Hispanic white women working in construction in Oregon own businesses at rates that are 43 percent, 67 percent, and 65 percent, respectively, that of similarly situated white men.

Figure B-21.
Disparities in business ownership rates for
Oregon professional services workers,
2015-2019

Note:

The benchmark figure can only be estimated for records with an observed (rather than imputed) dependent variable. Thus, the study team made comparisons between actual and benchmark business ownership rates only for the subset of the sample for which the dependent variable was observed.

Analyses are limited to those groups that showed negative coefficients that were statistically significant in the regression model.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

Group	Business Ownership Rate		Disparity Index (100 = Parity)
	Actual	Benchmark	
Asian American	11.6%	17.3%	67

Figure B-21 indicates that Asian Americans working in professional services in Oregon own businesses at a rate that is 67 percent that of similarly situated white men.

Figure B-22.
Disparities in business ownership rates for
Oregon non-professional services, goods,
and supplies workers, 2015-2019

Note:

The benchmark figure can only be estimated for records with an observed (rather than imputed) dependent variable. Thus, the study team made comparisons between actual and benchmark business ownership rates only for the subset of the sample for which the dependent variable was observed.

Analyses are limited to those groups that showed negative coefficients that were statistically significant in the regression model.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata samples. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

Group	Business Ownership Rate		Disparity Index (100 = Parity)
	Actual	Benchmark	
Hispanic American	1.6%	4.5%	36

Figure B-22 indicates that Hispanic Americans working in non-professional services, goods, and supplies in Oregon own businesses at a rate that is 36 percent that of similarly situated white men.

Figure B-23.
Businesses in poor financial condition in the United States, 2021

Source:
BBC from 2021 Small
Business Credit Survey.

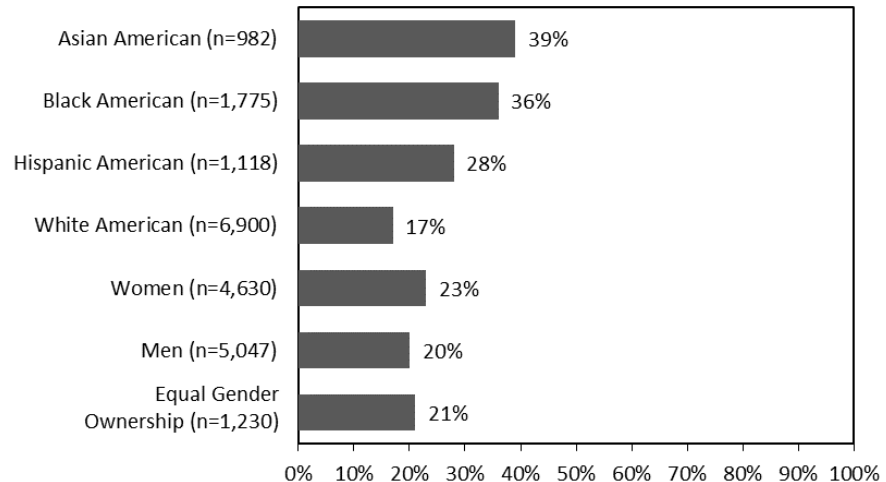


Figure B-23 indicates that Asian American- (39%), Black American- (36%), and Hispanic American-owned businesses (28%) are more likely than white American-owned businesses (17%) to report being in poor financial condition. In addition, woman-owned businesses (23%) are more likely to report being in poor financial condition than businesses owned by men (20%).

Figure B-24.
Mean annual business receipts (in thousands) in Oregon

Note:
Only includes employer firms.
Does not include publicly traded companies or other businesses not classifiable by race/ethnicity and gender.
Source:
BBC from 2018 Annual Business Survey.

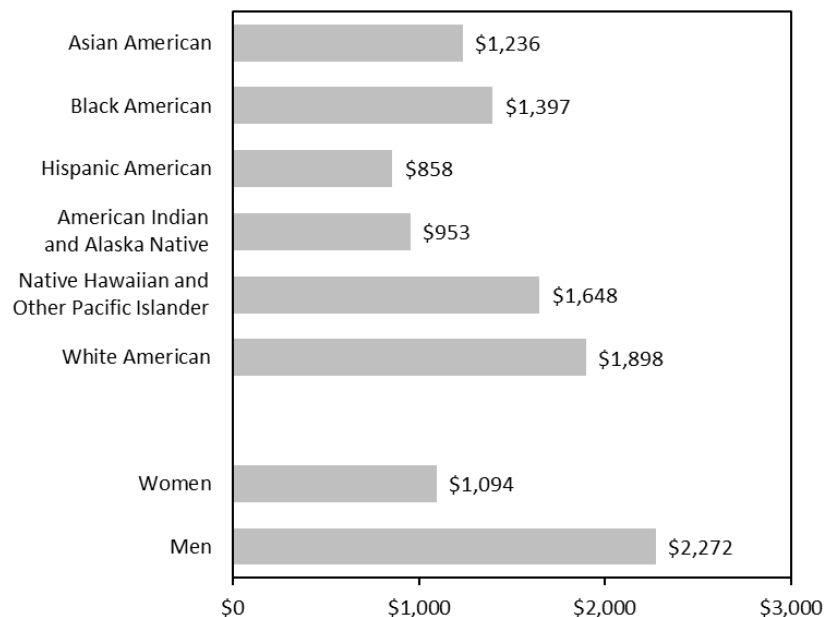


Figure B-24 indicates that Asian American-, Black American-, Hispanic American-, American Indian and Alaska Native American-, and Native Hawaiian and other Pacific Islander-owned businesses in Oregon have smaller mean annual business receipts than businesses owned by white Americans (\$1.9 million). In addition, woman-owned businesses (\$1.1 million) have smaller mean annual business receipts than businesses owned by men (\$2.3 million).

Figure B-25.
Mean annual business
owner earnings, Oregon
and United States, 2015-
2019

Note:

The sample universe is business owners aged 16 and over who reported positive earnings. All amounts in 2019 dollars.

**, ++ Denotes statistically significant differences from white Americans (for POC groups) and from men (for women) at the 95% confidence level for Oregon and the United States as a whole, respectively.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

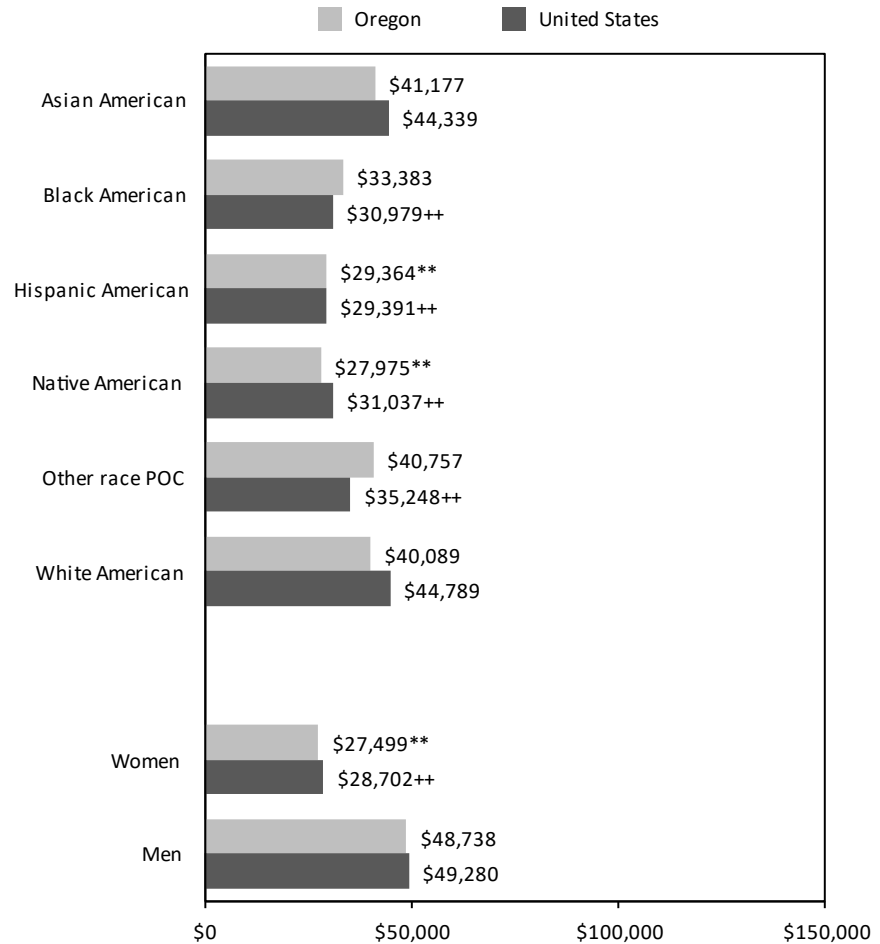


Figure B-25 indicates that, in Oregon, Hispanic American (\$29,364) and Native American (\$27,975) business owners earn less on average than white American business owners (\$40,089). In addition, woman business owners (\$27,499) earn less on average than male business owners (\$48,738).

Figure B-26.
Predictors of business owner
earnings, Oregon, 2015-2019

Notes:

The regression includes 7,529 observations.

For ease of interpretation, the exponentiated form of the coefficients is displayed in the figure.

The sample universe is business owners 16 years of age and older who reported positive earnings.

*, ** Denotes statistical significance at the 90% and 95% confidence level, respectively.

The referent for each set of categorical variables is as follows: high school diploma for the education variable and white American for the race variables.

Source:

BBC from 2015-2019 ACS 5% Public Use Microdata sample. The raw data extract was obtained through the IPUMS program of the MN Population Center: <http://usa.ipums.org/usa/>.

Variable	Exponentiated Coefficient
Constant	609.971 **
Age	1.161 **
Age-squared	0.999 **
Married	1.295 **
Speaks English well	0.961
Disabled	0.584 **
Less than high school	0.699 **
Some college	0.975
Four-year degree	1.067
Advanced degree	1.417 **
Asian American	1.027
Black American	0.748
Hispanic American	0.759 *
Native American	0.645
Other race POC	0.772
Women	0.526 **

Figure B-26 indicates that, compared to white business owners in Oregon, Hispanic American business owners earn less. In addition, compared to men business owners, women business owners earn less.

APPENDIX C.

Qualitative Information about Marketplace Conditions

Appendix C presents qualitative information BBC Research & Consulting (BBC) collected from business owners, trade association representatives, and other stakeholders throughout Oregon as part of the 2023 State of Oregon (the state) Disparity Study. We collected that information through public meetings, focus groups, in-depth interviews, and other efforts. Appendix C summarizes the key themes that emerged from those insights, organized into the following parts:

- A. **Marketplace conditions** presents information about business owners' current perceptions of economic conditions in Oregon and what it takes for businesses to be successful.
- B. **Certification** presents information about businesses' statuses as person of color- (POC-), woman-, or service-disabled veteran (SDV)-owned businesses; certification processes; and business owners' experiences with the state's certification program.
- C. **Experiences in the private and public sectors** presents business owners' experiences pursuing private and public sector work.
- D. **Doing business as a prime contractor or subcontractor** summarizes information about businesses' experiences working as prime contractors or subcontractors, how they obtain that work, and experiences working with POC-, woman-, or SDV-owned businesses.
- E. **Doing business with public agencies** describes business owners' experiences working with or attempting to work with state or local agencies and identifies potential barriers to doing work for them.
- F. **Potential barriers to business success** describes barriers and challenges businesses face in Oregon.
- G. **Effects of race and gender** presents information about any experiences business owners have with discrimination in Oregon and how it affects POC- or woman-owned businesses.
- H. **Business assistance programs** describes business owners' awareness of, and opinions about, business assistance programs and other measures designed to ease barriers for businesses in Oregon.
- I. **Insights regarding race- and gender-based measures** includes business owners' comments about current or potential race- or gender-based programs.
- J. **Other insights and recommendations** presents additional comments and recommendations for the state to consider.

In an effort to protect the anonymity of individuals and businesses, we coded the source of each quotation with a random number and prefix that represents the individual who submitted the comment and the data collection method:

- “AV” indicates availability survey comments;
- “FG” indicates focus group comments;
- “PT” indicates public forum comments;
- “WT” indicates written comments; and
- In-depth interview comments do not have a prefix.

We also preface each quotation with a brief description of the race and gender of the business owner and the business’ line of work. In addition, we indicate whether each participant represents a certified disadvantaged business enterprise (DBE), a certified minority-owned business enterprise (MBE), a certified woman-owned business enterprise (WBE), a certified small business enterprise (SBE), a certified emerging small business (ESB), a certified service-disabled veteran-owned business (SDV), a certified small woman-owned business enterprise (WOSB), or other relevant certification.

A. Marketplace Conditions

Part A summarizes business owners’ and managers’ perceptions of Oregon’s marketplace. It focuses on the following three topics:

1. Current marketplace conditions;
2. Effects of COVID-19 on businesses and industries; and
3. Keys to business success.

1. Current marketplace conditions. Eighty-seven interviewees offered thoughts on the marketplace across the public and private sectors. They also commented on changes in the Oregon marketplace that they have observed over time [#3, #7, #10, #13, #14, #17, #20, #24, #25, #34, #36, #38, #39, #42, #50, #51, #54, #57, #AV]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I have no scientific backing of this. But I have noticed that, depending on the political parties that are in power, especially at a federal level, of course, impacts what is being funded budget wise. And part of the reason why I think that has so much impact on my field is because a lot of things are grant driven, that grant money tends to be the bigger ones, the more impactful ones tend to be federal funding based. And then federal funding was given at the state level. And so political parties that are more favorable to increase budget for like arts and humanities, those years tend to be better for everyone in the field. Whereas if it's a different political party, and that's not a priority, like those are hard years, like the funding is not as much, there's not as much help available for everybody. That means they can't hire me as often. So, it's got that trickledown effect." [#3]
- The Hispanic American co-owner of a woman-owned professional services company stated, "The recessionary concerns right now are having people readdress their budgets. So, I know a lot of people are canceling trainings because they're firing people. And when people get fired, they don't have as many trainings." [#10]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "With the economy, we're seeing a little slowdown on the furniture side. As far as the furniture going down, I think a lot of people will just use what they have, you know, they're not

going to upgrade, they're not going to do any of that until things calm down in the democratic states. And I really think that Oregon was so slow, we were like the last people that come back, we still have a lot of businesses in the state that don't even have their employees back to work, or they're at half force out there in the field. So, they're not replacing stuff or not using supplies, like they did or furniture like they did. So, we've definitely had to go outside the state to get the business where people are back to work. ... I think the only reason we're in business is as Oregon is not our only state to do business. A lot of our competitors are no longer in business." [#13]

- The owner of a majority-owned goods and services company stated, "I think we're fortunate here in Oregon. Especially in like the Portland or more metropolitan areas that you've got a lot of people who are really enthusiastic about what small businesses have to offer and it's in that sense, it's a very supportive environment for small business, where we you're not really going up against the larger chains." [#14]
- The Asian American owner of a professional services company stated, "My market, specifically, is really filled with people that are kind of jaded with accounting services, and or have decided that they have to go out and do it on their own. ... My industry is going through quite a transformation right now, as many industries are. Our old guard of bookkeepers and accountants are retiring in droves. It's very difficult for small businesses to find bookkeeping services, quite frankly, most bookkeepers aren't accepting new clients. So, the demand outstrips the supply." [#24]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "[The company has] shrunk a little bit since the beginning of this year. Just been really struggling to find work. ... The big companies are all working. But it's been really tough on us since November." [#25]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "In Portland alone, I think it was like 10,000, 12,000 companies that are small businesses. And we have to compete amongst each other at the same time, trying to be the DBEs on the larger companies. ... We hired 30 people within the last three months, which has been really good because in 2022 with the great resignation, it didn't seem like anybody wanted to work. But once the word kind of got out about our company, and we do have a really good rating here in Portland, that we're a really good company, quality company, they're coming back." [#36]
- The owner of a majority-owned goods and services company stated, "We're having a rough go at it at this point. I think schools did a lot of shutting down in 2020 and 2021 for purchasing and doing things like that. ... So, we get affected quite a bit I guess financially." [#39]
- The non-Hispanic white woman owner of a professional services company stated, "I would say the change from buying mass media, buying newspapers, TV, radio, that kind of stuff [has affected my industry]. Now it's Google and so there's less pass-through money and there's no commission on that money." [#50]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "It's growing because there's a requirement for minority businesses, and they have to get additional work. So that's why it's starting to grow. There are larger projects that are happening, and so they by default have to give us larger pieces of it." [#51]
- A representative of a majority-owned construction company stated, "There was so much more opportunity in Oregon that they actually shifted the Seattle office to Portland." [#54]

- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We've actually had to adjust our working hours, based on congestion. And this is the cost of transit. So now most of our workers are working four tens instead of five eights. The extreme heat and climate change, fire problems have caused us to shut down early, ... adjust our schedules, adjust our timelines for projects to keep our workers safe when it's very hot." [#57]
- A representative of an Asian American woman-owned professional services company stated, "With the increase of costs of everything, it's a challenge with everyone's budget. I'm talking about inflation." [#AV9]
- A representative of a woman-owned professional services company stated, "Right up until three to four months ago, I couldn't find work at all, no matter what tree I barked up. Now, I have more than I know what to do with. The right clients, the right people. Things are working out quite well." [#AV27]
- A representative of a woman-owned professional services company stated, "The difficulty in the general marketplace is with violence, the tax structure, and policies. We work in Oregon City, which has a high homeless population. They are sleeping in our doorway, we don't feel safe coming in to work, and there is a lot of crime in our business park." [#AV28]
- A representative of a majority-owned professional services company stated, "Most of our business comes from California or other states, and Oregon does not have a lot of investor community to bolster technical entrepreneurship." [#AV42]
- A representative of a majority-owned goods and services company stated, "It is extremely difficult to work in Oregon. It is an extremely difficult state to work in. The taxes, the bureaucracy, and red tape make it very difficult. There are a lot of states that are more small business friendly." [#AV47]
- A representative of a majority-owned construction company stated, "I see a slowdown, interest rates [are] having negative impact on new construction." [#AV51]
- A representative of a woman-owned goods and services company stated, "Automotive industries are about [to] experience difficulties with all of the electric vehicles. A lot of automotive stores will [be] affected." [#AV55]
- A representative of a Hispanic American-owned professional services company stated, "Things have slowed down after the pandemic. There's not as much farm work as there should be." [#AV61]
- A representative of a majority-owned professional services company stated, "I think the marketplace is good for my type of business." [#AV92]
- A representative of a majority-owned goods and services company stated, "Things are starting to slow down due to the economy. There's nothing I can do; I'm trying hard not to close the doors. A lot of ag[ricultural] people are holding onto their money. Some of that is cyclical, many nurseries are busy with shipments and are not interested in talking to people with equipment." [#AV93]
- A representative of an Asian American-owned construction company stated, "My business depends on interest rates, and the weather as well. People are not moving because [they're] not buying homes as much." [#AV95]
- A representative of a woman-owned goods and services company stated, "Oregon is getting to be harder and harder to work for." [#AV101]

- A representative of a majority-owned goods and services company stated, "The state government is pushing small businesses out. The flat tax is one aspect. We are moving out of state. If we wanted to grow, the flat tax would hinder us, which is why we are leaving the Pacific Northwest." [#AV102]
- A representative of a majority-owned professional services company stated, "At least in Portland and the western part of the state, the market is robust. The state could keep pushing affordable housing, which is always something we are looking to be involved in." [#AV103]
- A representative of a majority-owned construction company stated, "Right now it's really slow and it's tough. I've been doing business for 45 years and it hasn't been this slow." [#AV113]
- A representative of a majority-owned construction company stated, "It's pretty tight. A lot of competition." [#AV115]
- A representative of a majority-owned professional services company stated, "I think landscape has gotten more difficult over the last few years. Portland [has] been on a decline over the last few years. Tough for businesses to make it. Rents go up, and there is not a lot [being done] by [the] state to help regarding crime and homeless[ness]." [#AV120]
- A representative of a service-disabled veteran and woman-owned goods and services company stated, "I just know that we are successful and keep growing." [#AV122]
- A representative of a woman-owned goods and services company stated, "Printing industry [is] a tenth of what it used to be. [We're] competing with online businesses and niche market was small business and now they have their own computers, electronics has taken off." [#AV123]
- A representative of a woman-owned professional services company stated, "I have never had any trouble in obtaining work and have always had work. Even during downturns, I am busy. I'm very grateful." [#AV130]
- A representative of a service-disabled veteran-owned goods and services company stated, "Recovered growth volume per pre-pandemic [levels]." [#AV135]
- A representative of a majority-owned professional services company stated, "Things look fairly dismal to me. Real estate costs—for ownership or renting—are just impossible. I couldn't afford to have an office. The rent is just absurd." [#AV137]
- A representative of a majority-owned goods and services company stated, "The industry is just picking up and doing great since the emission laws have changed this year." [#AV142]
- A representative of a majority-owned professional services company stated, "We are in tech, and [the] state loses more of tech than other states." [#AV148]
- A representative of a majority-owned construction company stated, "Concerned with interest rates going up. When they go up, things slow down." [#AV150]
- A representative of a majority-owned construction company stated, "I think it's starting to slow down. We're busy, however. But my suppliers are starting to slow down. They do residential and commercial work, and I think it's the higher interest rates that are hurting them. But we're buried in work." [#AV151]
- A representative of a majority-owned goods and services company stated, "At this point things are tighter than last year. We sell directly to stores. The customers aren't buying like they did." [#AV153]

- A representative of a majority-owned construction company stated, "Oregon is not extremely business-friendly in terms of rules and regulations. We've been able to survive here." [#AV157]
- A representative of a woman-owned professional services company stated, "Economy has been bad this year so far. People [are] scared to spend money. ... We work with many school districts and the Department of Education also. We're not doing that well now and are heading into a recession." [#AV168]
- A representative of a majority-owned professional services company stated, "The thing we do is the thing that companies invest in when the economy turns. So, we've had a few good years. Market conditions are good for us right now." [#AV171]
- A representative of a majority-owned professional services company stated, "Market [is] a little slow [and] fuel prices are high." [#AV184]
- A representative of an Asian American-owned construction company stated, "I think it is a good place to do work. It has lots of trees, [and] development and construction projects." [#AV201]
- A representative of a woman-owned professional services company stated, "There is plenty of work, more work than I can take on. It is a good place to work." [#AV204]
- A representative of a majority-owned construction company stated, "There are just too many new contractors and low pricing that's not suitable for this market. There's an oversaturation in terms of new contractors. They're offering services that are far below the average going rate. I have a feeling that some of them are either unlicensed contractors or licensed but [are] not paying their employees any workers' comp[ensation]. The rates should be higher than they are." [#AV234]
- A representative of a veteran-owned construction company stated, "The marketplace is fantastic. A lot [of] tourists and part-time homeowners. So that is the kind of market I have." [#AV238]
- A representative of a majority-owned professional services company stated, "The economy isn't especially good now, people have to spend money on things that aren't recreation-related." [#AV242]

2. Effects of COVID-19 on businesses and industries. One hundred and two interviewees offered a variety of thoughts about current marketplace conditions across the public and private sectors in light of the COVID-19 pandemic [#2, #3, #4, #6, #7, #8, #9, #10, #11, #12, #13, #14, #15, #16, #17, #18, #19, #2, #20, #21, #22, #23, #24, #27, #28, #29, #3, #30, #31, #33, #34, #35, #36, #37, #38, #39, #40, #41, #42, #43, #44, #45, #46, #47, #48, #49, #50, #51, #52, #53, #54, #55, #56, #57, #58, #60, #AV, #FG5, #FG6]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "There are during the COVID time when the government was willing to give you money to just keep people on your payroll, that was kind of almost like free money. But there was nothing in any of the state contracts where it says that, 'Hey, look, we are going to be spending close to a billion dollars ... with some big IT companies.' And the entire work was done in India. ... So, it's like the government is willing to give me money as a small business to stay on payroll, but they're not willing to work with the state government and say... 5 percent of the work will be done in by local businesses ... who are qualified to do the work. ... We do software as a service. ... So, what we did during the downtime is, the last couple of years, we put in a lot of effort and build our software as a service. ... I also worked on getting my better, latest certification because that takes a lot of time. ... We were saying that

‘Okay, as part of business development, what can we do? How can we expand our market? How can we increase our revenue streams?’ And that's where we got the federal certification, and then we build a software product also.” [#2]

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "With the experience of everyone going through COVID, I think people became more aware of just how much work could be done not on-site. ... We were able to do projects that, pre-COVID would have been ... on-site, we've been able to conduct remotely, and have just as much efficacy. So that has been very helpful with the COVID shift. ... It's made it easier to collaborate with people across the states.” [#3]
- A co-owner of a majority-owned construction company stated, "I think with people being home because of the pandemic, they were looking at their garage doors a lot more and that exploded, and we ended up doubling installation, supply, and installations on that stuff.” [#4]
- The non-Hispanic white owner of an ESB- certified construction company stated, "They were forging the false [positive] test for COVID. Everybody was using every excuse in the world, there was a lot of disruption within society during that time, especially in Portland. And some of that impacted the ability for people to work.” [#7]
- A representative of a majority-owned professional services company stated, "Like everyone, the first six months or so when everything kind of froze. ... After that, ... we weren't impacted from a revenue standpoint.” [#8]
- The non-Hispanic white owner of a WBE-certified construction company stated, "I would say that the biggest impact was the slowdown. All the municipalities in the area pretty much started working from home, and that created a slowdown of the project pipeline. ... There was more private work available. ... So, we started getting private [work].” [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "We got really big during COVID, because we're a virtual training company and the world needed that ... Ever since the peak of COVID ... we've come down, size-wise ... we might be down five or six people overall. Revenue-wise, we've definitely shrunk since [the pandemic].” [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "There was a lot of a lot of different feelings. ... A lot of it just came down to the [fact that] we didn't want to be forced to work if it wasn't safe. ... Especially for like your tiny, tiny business owners. We were we were probably getting most concerned about our health and safety. ... It's like, you know if I get really, really sick ... what if I have long term problems from this, and I'm a business owner, this is going to shut me down, I would rather temporarily not do any work and make sure that, you know, I'm safe. ... It was very dependent on each company, and how, what they kind of thought the risks were for their company's future.” [#11]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "Actually, no, [our business was not affected by the pandemic]. There was one point, for a couple of months ... I had some really good suppliers and I never ran out of [hand sanitizer] or gloves or toilet paper. ... There was a lot of growth during the pandemic.” [#12]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "My tribe gave the company [a grant worth] \$50,000 to continue to be able to work and use that for advertising dollars to get our name back out there.” [#13]

- The owner of a majority-owned goods and services company stated, "We went from about 165 employees in early 2020 to 25 employees in March of 2020. And we have steadily grown back up to about 165 over the last three years. ... We've been able to grow back. We did close one location permanently. But all the others have come back pretty strong." [#14]
- The co-owner of an ESB-certified goods and services company stated, "Everything that we did before the pandemic was live. ... So, when the pandemic hit, everything we did was over. And other than the one of the programs that the federal government puts forth ... we didn't qualify for anything, even though we did live stuff, even all of that we didn't fit in with the promoters or the entertainers or any of that. So, we had to rebuild everything. That took about 18 months. ... I think part of the organizations that are left in our particular segment of the business were really big organizations. ... They had more resources. They were able, of course, to get more funding from the government too, because they were bigger. ... Very few of us, little, small, tiny companies are [left]. ... Part of the other thing that happened with the pandemic is that people who were our contacts have left the business, have left agencies. And so even though we were in agencies, now we have to resell ourselves, because especially in government work, there's no crossover, there's no bridging that gap between the older person who was there and the person who's coming in. And so, you don't get that reputation piece transferred. You don't get what we've done for the business already transferred to the new person." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Because of COVID, many of my media contacts have retired or been forced out of their jobs size down. So, my network of connections has shrunk dramatically, as well. ... I have not gotten my business back to where it was pre-COVID at all. ... My business has shrunk dramatically due to COVID. ... I saw my business go from 100 percent down to about 5 percent revenue. ... Fortunately, I qualified for the federal unemployment. And that's what saved me. I also qualified for the PPP [paycheck protection program] loan and applied nine different times but did not get it. Many of my friends did from one-person businesses to 25-person businesses in that one seemed to be a luck of the draw or not. But how I adapted and survived was I drained a lot of personal reserves to stay in the black and the federal unemployment was a godsend." [#16]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "There's fewer people searching out career coaches to explore what they want to be when they grow up. ... I guess in that respect, that part of my business took a hit." [#17]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Things slowed down a little. It wasn't a huge burden, but there were some reductions in workload. We had to move a couple folks to part-time." [#18]
- The owner of a majority-owned goods and services company stated, "We still had customers coming in. They helped support us quite well. But it was within that two-year period that we had to get that small business loan. ... [We also relied on] our business credit card. So, the store is in debt now, which it wasn't when we first bought it." [#19]
- The Native American owner of a construction company stated, "Spring of 2020, there was almost an all-stop on project work. There was about two months where just none of my jobs took place. Everything was delayed. OSHA [the Occupational Safety and Health Administration] was scrambling to determine what was and [what] was not safe. ... 2021 was the worst year in the business's history. ... What contributed to 2021 being so brutal for revenue is almost half of the

work was delinquent. I think it's largely due to fuel costs. A lot of my clients will have a fuel bill of \$30,000 to \$40,000 a month. An electrician client that's got heavy equipment, trucks, cranes, excavators, all of that needs fuel in their fuel bill. And last year, when the fuel prices ballooned ... my clients had to pay their fuel bill. And they didn't have the line of credit enough, probably. ... Eventually, they do all pay ... but a lot of them were six to seven to eight months late." [#20]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "The [businesses] that were really relying on China for like, manufacturing, especially, they had to really dump a lot of their contracted services and ... internalize." [#21]
- The Black American woman owner of a professional services company stated, "I definitely could have gotten more work during the pandemic, if there was no pandemic. But I mean, it was a weird time because some businesses were actually blowing up, and others were not. So, I was able to get on with a few of those businesses that were blown up that needed [help]. And that helped a lot. But I can't say I made buku money the first year." [#22]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "The work was still there. But it cost me a lot of money because of all the delays and the extra overhead. ... I couldn't go out and do a full day's worth of work. I might only go out and do a partial day's worth of work. ... [We] were able to keep working, which is great. ... Profitability-wise, it was very, very difficult. I was one of the lucky people that could keep working, but yes, it did negatively affect me." [#23]
- The Asian American owner of a professional services company stated, "We'd already been ... digital virtual bookkeepers, so not much changed for us in that regard. Because we'd been delivering the services via that kind of channel, previous to the pandemic. So, really, it was just a matter of, continuing what we've always done." [#24]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "We had clients who turned their event from an in-person event to a virtual event, and they kept us on as event planners. There were clients who did cancel outright, so that was business that was lost. And in some respects, we were able to just reduce efforts and reduce workload in order to match the reduced client intake. So, through those methods and also through grants and loans, we were able to get through the pandemic." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "Nobody was doing trainings ... there was no work coming in. ... I applied for unemployment services or benefits." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Economically, it was completely devastating. I was just at the point where I was starting to carve out a little bit of a living making event photography. ... During the pandemic, I took that opportunity to try to do a lot of outdoor portraits, engage with people, figure out how to network with models, build my network of that sort of talent. And that's what led me to get the grant for the photo studio. So, in the long run, it pushed me in a direction that has totally, totally changed my business and made it much more robust than it would have [been] otherwise, because I learned those interpersonal skills. But from an economic standpoint, it was completely devastating." [#30]
- A representative of a majority-owned construction company stated, "It had a dramatic impact on profitability... it's tough to do things when people are not there, whether they're owners or ... were

trying to work remotely. [That] doesn't really work very well for us ... we wouldn't be able to have face-to-face meetings about the job site cuz people wouldn't be available. ... We still had a lot of problems with supply chain issues last year, but it mainly resulted in inflation, not so much scarcity." [#33]

- The Asian American owner of a construction company stated, "It affected my work mostly because of childcare, having had to stay home and negotiat[ing] different days off with my partner who [works in] the school district. ... I was able to just keep working. ... I felt like the clients I worked for were either already working from home [or] got that stimulus money [and] felt comfortable enough. ... They probably didn't see a reduction and I didn't see a reduction. ... COVID ... I think it reduces your possibilities of forming connections, you know, when people are changing how they do stuff, unless things are in person." [#34]
- The Black American owner of a construction company stated, "I scaled up pretty good in 2020. However, [one of] the people that were around me that helped me, unfortunately passed away and he was ... a field supervisor, and that's very hard to come by. He was very skilled. And so, his passing meant that as the owner, I had to go out there and start managing and doing everything from the field. And that affected me because you can't do it all. ... Not only did I have to manage work, but I had to actually hands-on do a lot of the work. And it's hard to do that. It's hard to get work and then do the back-office stuff for the work when you have to be out there doing the work and actively involved in the work. ... People wanted to give me more work, but I didn't have the capacity to do it." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "There was still a lot of building that was going on, and the retail, that's what really kind of kept us going. ... The police on the news announced that they would not be responding to calls from the stores for theft and ... that's when the stores started calling the security companies to get someone in the stores." [#36]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "When we started, ... I think we made \$300,000. ... Last year ... we're still recuperating from COVID, but we made \$1.8 million. ... We did lose about 30 percent of our business. ... We do security and crowd management for events, trade shows, concerts, festivals. And when COVID happened, all of that got shut down. So, then I had to reconfigure how we were going to retain those employees and make up for that income ... that revenue that was lost." [#36]
- The owner of a majority-owned goods and services company stated, "We were pretty much shut down for two months, ... 2020 was a rough year for us. ... I would say in general right now, COVID isn't affecting me, other than the supply chains still are difficult. And while this is a bigger-picture question, everything continues to skyrocket as far as cost, that has been just a nightmare to deal with, I feel like we're gonna have to raise our prices again. And I don't want to, but we have to." [#37]
- The owner of a majority-owned construction company stated, "It didn't affect me at all. ... It was right when Starlink was coming up and I had some options, and I was able to stay connected. Working on fires is the primary thing I worked on. And since everything was going remote, I was able to sort of piggyback on that and provide remote-access printing. I have a plotter in the back of my truck, so I could collect the data from the firefighter, print out the maps right there." [#38]

- The owner of a majority-owned goods and services company stated, "COVID was just difficult to just get work done, [with the] lead times and such. And the job sites themselves were having a difficult time getting laborers from other trades that go before us; we needed that work to get done. ... [We would] plan on doing work in September and we're not doing [it] until November, but we're having to hold on materials." [#39]
- The Hispanic American owner of a professional services company stated, "We kept working and I kept bidding. I managed to keep four people other than myself, employed two inspectors, an office, and another part-time guy, and we just had to tighten the waste belt. ... I never thought to take advantage of any of that stuff [COVID relief funds]. The past couple years, COVID really brought [small business programs] to light because we're watching ... your life flash before your eyes, you didn't know what was gonna happen." [#40]
- The co-owner of a WBE- and DBE-certified firm stated, "[It had] very little [impact on business]. The biggest impact it had was that we ... had to abide by a few rules - that OSHA wanted us to wear masks [inside]. ... Being in the construction business [we] were considered ... an essential business." [#42]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "When COVID happened, we all had to work from home. So, we had to ... buy new equipment. People needed new stuff, and we had to learn how to work remotely. We had a number of contracts and we didn't lose any work. ... The workload was high during COVID." [#43]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "Other than the fact that it was hard to manage staff and people through that timeframe and the uncertainty of all the different regulations and rules that were coming out through that, we actually remained fairly busy throughout that time." [#44]
- The owner of a majority-owned construction firm stated, "[COVID did] not [affect us], not really very much at all, to tell you the truth. We just kept running on and going mask up. ... It did not seem like it was any different than any other time. People were doing repaints and that kind of thing. If anything, it was a little bit harder to get work just because more people were doing it themselves because they had the time." [#45]
- The Hispanic American owner of an MBE-certified goods and services firm stated, "I would've [not] started [my company] without COVID." [#46]
- The owner of a woman-owned DBE-certified construction company. Stated, "COVID [restrictions were] not allowing home visits. Contractors really couldn't find you. And even though I was available during that time, contractors never called me. I never got a call during that time." [#47]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "[My business was affected by COVID] only in the sense that it kind of got the ... ball rolling while I was still working too. It also [gave me] more reason to not [have] an in-person job." [#49]
- The non-Hispanic white woman owner of a professional services company stated, "COVID encouraged me to depend more on freelance rather than [full-time employees]." [#50]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "The biggest impact is that contracts got stopped and slowed. Permits didn't happen. Then our work didn't happen. A lot of our projects got pushed. ... My husband got laid off during the pandemic. We had no money. We had nothing coming in." [#51]

- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "I think one of the limiting factors within the marketplace is just the uncertainty of procurement of materials. That was pretty heavy after COVID." [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "Other than the quality of workers and people wanting to come to work after COVID. ... It wasn't cuz of the actual illness. It was the mentality." [#53]
- A representative of a majority-owned construction company stated, "We've seen ebbs and flows, like everyone. I think that with everything closing down for COVID, we did lose some [employees]. My office is running with about seven full-time employees less than they had in the past. And it's just the nature of the beast. ... Those of us that had worked during COVID worked our tails off. ... So those that rose to the occasion, I think, actually benefited, [and] our levels of respect and meaningful relationships in the industry [benefitted]. I won't say that for smaller firms, it wasn't difficult. ... For those firms that weren't asked to rehire or replace those positions, when you have 20 [people on] your staff and seven positions get picked up and you're not asked to replace, that can be you making your books or not." [#54]
- The Black American owner of an MBE- certified professional services firm stated, "Everyone was hurting ... nobody had any dedicated dollars to help with anything. So, finding the right types of business was extremely difficult, but everybody wanted to help. They just didn't have the funds to pay for it cause everybody was bleeding cash." [#55]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We have not been significantly impacted by COVID. We're all essential workers, and the nature of the work, it's primarily welding. We're in a big open warehouse. Everyone's wearing a welding hood, so we were social distancing and masking before it was cool." [#57]
- The owner of a majority-owned goods and services company stated, "From [the lack of] economic activity from COVID and then just kind of the restrictions that were put in place, the business had to be altered. ... The inflation costs have been more detrimental ... and then just overall supply chain issues ... trying to get a new garbage truck or parts. I mean, just in two years, equipment costs are up 30 percent and you can't find parts anywhere. So that's been the biggest challenge." [#58]
- A representative of a majority-owned goods and services company stated, "We actually thrived through COVID. A lot of people were home doing a lot of home projects. They were actually two of our biggest and best years for our company. ... Everything around us and in this area definitely thrived." [#60]
- A representative of a majority-owned goods and services company stated, "We hope more people will go back to working in the office. ... Before the pandemic, we had about 1,000 people [come to us], now we get around 150." [#AV33]
- A representative of a Black American woman-owned goods and services company stated, "COVID came, and I was unable to work, as I work in customer service and with people. I didn't work for nine months. The economy doesn't have enough jobs, people don't have enough money, and we are not as full as far a clientele goes." [#AV43]
- A representative of a majority-owned construction company stated, "The requirement of the COVID vaccine for everyone was the only barrier we had. I don't know if that's a requirement anymore, though." [#AV46]

- A representative of a majority-owned goods and services company stated, "During COVID, when they gave money to keep people home, that affected us very badly. Nobody would come to work. They were getting paid to stay home so they wouldn't come to work, and we would see them in various places like bars." [#AV49]
- A representative of a Black American woman-owned professional services company stated, "I have noticed since [the] pandemic that a lot of people have wanted to start their own business and need websites." [#AV64]
- A representative of a majority-owned goods and services company stated, "We haven't gone after any projects because of mandates for COVID shots." [#AV68]
- A representative of a majority-owned professional services company stated, "Our biggest problem is the government is having people stay home and making it too expensive to go to work." [#AV78]
- A representative of a woman-owned professional services company stated, "We were in line for nice opportunities during COVID, but they demanded we needed COVID shots, and it stopped us from moving forward as not everyone was willing to do that." [#AV79]
- A representative of a majority-owned goods and services company stated, "The COVID vaccination requirements were pretty profound in our rural area, so staffing has been an issue." [#AV115]
- A representative of a woman-owned professional services company stated, "We have been pretty lucky given COVID because we've been able to provide our services remotely. That has actually gained us business." [#AV122]
- A representative of a veteran-owned-owned goods and services company stated, "They closed down a lot of the businesses because of the lockdown, so we lost those accounts. We deal mostly with small businesses and a lot of them went away and never came after the lockdown. We're hanging in there, though." [#AV154]
- A representative of a majority-owned construction company stated, "COVID set us way back compared where we wanted to be." [#AV154]
- A representative of a woman-owned construction company stated, "It's all of the COVID red tape that's annoying. It's like coming down with the flu." [#AV160]
- A representative of a majority-owned goods and services company stated, "The payroll protection grant was not for 50/50 [split]-owned businesses, which was [the] first phase. The second phase was for businesses with 500 or more employees, which I totally disagree with. I have only one employee, [so that criteria] excludes us. We are trying to survive and almost had to close our doors last year. If the state of Oregon is giving out grants, we should have first shot." [#AV172]
- A representative of a majority-owned goods and services company stated, "From 2017 up until March 2020, I was very successful. After COVID and the lockdown, my business has not been successful. My food cart was a stationary business in the beginning, but with the state shutdown, I was closed down for six weeks and then I was throwing away food for the first time. And by September of 2020, it was time for me to go, so I transferred the business to my house, and I lost 90 percent of my business because I used to cater to people who would come to my cart. So, the government mandate of the lockdown made me pretty much shut down." [#AV189]
- A representative of a majority-owned goods and services company stated, "We're still in the recovery stage of the pandemic. We're in downtown Portland. We were always the first to close and

the last to open by virtue of our business and because of the location of our business. We're a small business, and any grants we can apply for in the recovery process would be helpful." [#AV213]

- A representative of a woman-owned goods and services company stated, "Downtown Portland still hasn't bounced back from COVID." [#AV217]
- A representative of a woman-owned professional services company stated, "I live in a high-risk germ pod, and my husband is COVID-sensitive. ... All of my work since the second year of the pandemic has been online, and now everyone wants to do everything in person again. This is a major barrier to me securing work now." [#AV234]
- A representative of a majority-owned goods and services company stated, "COVID took out a lot of your mom-and-pop operations. It's probably the lockdown that did that. The smaller janitorial businesses are gone now. Before they went out of business, they were getting supplies from us. They were our customers. So, the market has shrunk because of the lockdown." [#AV238]
- A representative of a Asian American-owned professional services company stated, "COVID and delay of projects has dramatically affected our business. Big task to get back to levels of where we were at." [#AV270]
- A representative of a Hispanic American woman-owned professional services company stated, "In the consulting sector, the effects of COVID have been ongoing. There is a lag in the supply chain and employee availability that still impacts the scheduling of permitting and regulations projects." [#AV271]
- A representative of a business assistance organization stated, "I think it impacted every business, but I think we were able to sustain a lot of businesses that may have went under, that needed support with PPP loans and, other kind of grant recovery programs. Banks, thank God we had good relationships with banks that were willing to contribute during those times of uncertainty. ... I think we all bunkered down in the construction industry and said, 'We gotta take care of each other.' And thank God construction was not slowed down during COVID, it actually picked up. ... I don't think we had any businesses go under." [#FG5]
- A representative of a business assistance organization stated, "The cost of materials. So, for some companies that focus on certain trades, the cost just has go[ne] up, 30 percent, 35 percent, 40 percent." [#FG6]

3. Keys to business success. Sixty-four business owners and managers also discussed what it takes to be competitive in the Oregon marketplace, in their respective industries, and in general [#3, #4, #7, #8, #9, #10, #12, #13, #14, #15, #17, #18, #20, #21, #22, #23, #24, #25, #26, #28, #30, #33, #34, #35, #36, #37, #38, #39, #40, #41, #42, #44, #45, #46, #47, #48, #49, #50, #51, #52, #54, #56, #57, #59, #6, #60, #61, #AV, #FG1, #FG2, #FG4, #FG6]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "For this field, especially, since specialty knowledge is part of the requirement of our work, that is certainly a factor in terms of whether or not our reputation or myself is perceived as an expert. The more I am well-known and well-known as an expert, the more name brand recognition there tends to be in the field. So, when people think, 'Oh, we need a consultant,' if they already know of my name, then they'll usually reach out directly." [#3]

- A co-owner of a majority-owned construction company stated, "Our customer service, I want to say is better than average competition, I go out to what we call job checks a lot to look at jobs to bid. And I actually asked the question, when they make the comment that they've had other similar companies out there doing job checks, and what I'm finding out is ... customers will call these other places and either they never get a call back, or they'll show up the job to get the information, they need to give an estimate. And they never heard from that customer that that company again. Whereas I am adamant to get estimates out within 72 hours of the information given. So, we're very aggressive in that area as far as making sure the customer gets [estimates], because they're shopping. And so, my job is to get them off the market and into product that they need." [#4]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "The only way you can come out of that is by growing extremely slow, increasing your past capacity extremely slowly to get to the point where you can actually handle being a GC [general contractor]." [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "Never eat lunch alone. That's one of the biggest parts is just getting out meeting people." [#7]
- A representative of a majority-owned professional services company stated, "I think one is just really being very technically sound, being able to have just a real high level of a technical product. And then I think a lot in a lot of cases, its cost coming in at an appropriate price for the service we're providing." [#8]
- The non-Hispanic white owner of a WBE-certified construction company stated, "You have to be able to execute, get it done. And so competitive wages, keep retaining employees. And then expertise, you have to have some level of knowledge of and be able to execute what you're doing." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "I do know that it is a competitive space for costs. And I know we're not the cheapest, because we want to make sure that we can pay everybody the actual wages, and we're not nickel and diming everybody, or contract rates. Besides that, it really just seems to be quality of delivery and exposure. ... We have a very good track record that, if we can get in the door and do one session for someone on a program in any size of company, they tend to share our name inside the company, we get a lot more people. But we got to get in the door." [#10]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "[Our success in our business comes from] customer service. ... We self-financed, I've never taken a loan out for it at all. I just kept pounding the rock. I was part of the chamber. We had morning meetings at different businesses, I was able to introduce my business and what we do. And I contacted people through that. ... The new city manager was very open to getting supplies locally, because he couldn't get them from other places. ... I've taken classes on [bidding] and classes on trying to find the suppliers that some of the counties use ... to get their pricing because I know there's a corporate pricing that is different than what I can get." [#12]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "Having pricing that's competitive, being professional, knowing your products, and we're about the only [company] that actually gives the customer a personal approach. ... All of our competitors have been removing people from the field, and they remove all the reps for all the big

box stores. We still have people out in the street, we have our own drivers on the street locally, which gives people that personal touch that is so needed, I think, nowadays." [#13]

- The owner of a majority-owned goods and services company stated, "The hospitality industry in our region is very competitive. ... I would guess that it's more competitive here than it is in most other locations. The quality of the product offered by most places is pretty high. And ... if what you're offering isn't a pretty special product, it's especially challenging to make it in this environment. Because there are so many other options and so many quality options. I think it's important for people who want to get started in this industry to have a good idea of just how the economics of running a business of this type of work. The profit margin on a restaurant or in the food industry is really, really low. And a business that is very successful and run very efficiently generally has about a 5 percent to 10 percent profit margin, which is pretty different from a lot of other industries. So, you really have to know what you're doing and you have to keep a really tight grasp on it. It's really easy for things to get loose, and then completely fall apart really quickly. Besides just having a quality product, the factors you need to keep a really, really close eye on at all times are your labor costs and your ingredients costs ... [those are] really the only two things that you have control over. Rents, and your fixed goods, those kind of stay the same. ... [Other costs] scale as you go up and down as far as things like to-go boxes and stuff like that, but rent stays the same, your utilities pretty much stay the same. So really, the only things that you have control over are labor, and your ingredient costs, and you kind of always need to be making sure that you are running as tight on labor as you can. And that you are constantly paying attention to your food costs, because the cost of goods fluctuates over the course of the year anyway. So, you kind of need to have a good idea of how that kind of average out, but you need to be able to pivot if the cost of something goes up significantly, which it does. There's certain times a year things like lettuce, for example, would triple and quadruple in price, and it happens every single year. And so you just kind of have to know, just kind of keep an eye on your invoices. And if you need to switch to a less-expensive product, or raise your prices, or switch your menu up pretty quickly. It's a pretty important thing to say." [#14]
- The co-owner of an ESB-certified goods and services company stated, "It takes name, reputation and your history." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Really good marketing [makes a business like mine competitive]. Because it's marketing that gets people to pick up the phone or shoot off an email and reach out. ... You ask any coach, and they'll tell you that it's filling the pipeline. ... You got to make a commitment. And it takes developing a relationship with somebody before they are ready to make that kind of commitment. Which is that's the way it should be. The myth ... [is] a book that starts out: Sarah likes to bake pies, so she starts a pie baking business. Well, that's a stupid reason to start a business. Because you will have to be the janitor, you have to be the pie baker, you have to be the marketer. And [you have to know] how to be all those things and when to be them. And I think it probably just takes people not succeeding ... to realize, 'Oh, maybe I need some help.'" [#17]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Factors to success are primarily managing personnel and making sure that we're effective on the job and able to get a profit out of the jobs that we do get." [#18]
- The Native American owner of a construction company stated, "Time being a resource, right? I have to be able to deliver these certificates and submittals and to meet with the clients on-site and do

meetings, replying to emails, turning in any required contract documents after the work, timely billing, answering the phone, meeting on-site, all the things are communication. If you don't, it doesn't matter how cheap you are these days. If you can't be responsive, if you're not a responsible partner in the business, then it doesn't matter what your price is, you could be free, you could cost \$0. And, you know, there's a lot of value in just being responsive right now." [#20]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Project management is key. Understanding the technical requirements in our field is another key factor for success to compete. A lot of the times when firms struggle, they don't grasp what it is that the client is looking to do. ... Keeping our prices stable for a while, not trying to shark people, just being willing to do the work to say, 'Hey, you know what, we'll keep our prices stable for the next couple of years and help you guys work through whatever it is that you need to work through. So we'll just kind of be there for you.' And through that, kind of being there for the client, I still retain most of the clients. ... You've got to put the time in and a lot of these successful firms here in Oregon, I know several owners and they're great people, but they've been here for you know, 10 to 15 years doing this stuff and you know, we're just like on what, year five or six or something like that, you know, moving forward so they have a lot more experience and therefore they have a lot more trust in the marketplace. But we're getting there. So, it's just timing, you really have to just kind of show up and prove that you're not a fly by night, that you're going to disappear after the money's transferred." [#21]
- The Black American woman owner of a professional services company stated, "I'm just wanting to focus more on scaling the business. ... I did a lot of work in it, and I came to a realization that I can't really scale if freelancers aren't getting the work. So, it helped me to be able to focus more on the more important tasks. I think things are going well, but now I'm at a stage where I want to automate a few things. And I don't have the capital to do web development or hiring people to kind of make that process happen. ... A lot of stuff I do is manual labor. But I imagine if I did have a lot of those processes automated, that would really help me take off and do exceptionally well. ... I think brand awareness, just being able to be present and talk to the right people and get in front of the right people to get more contracts, which means more work for freelancers. And I'm just telling you about what we do. ... I'm really thirsty to get that web development, because that would really, really, really take me off." [#22]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I've been able to financially take on more work. I wasn't qualified. I couldn't bond ... I just slowly work over the years to get my bonding capacity up. So, I've got my bonding capacity where I could do more work. ... Number one, you have to have the experience to know what you're doing and be really good at what you do so that you don't make mistakes that cost you money. And then you also have to be able to manage your business in a way that you understand the finances cash flow projection, you know, all of those things so you can financially prepare for you know, paying for materials and paying your employees and you know, watching your profit margins. So, both the financial side of things, the business side of things that you need to be really good at and understand and also be experienced to have a good understanding of the work that you're doing so that you can do quality work." [#23]
- The Asian American owner of a professional services company stated, "We adjust our prices on a quarterly basis up and down, just based on if [the clients are] growing. Are they shrinking? Are ... they streamlining processes so that we can reduce our workload and reduce their pricing? We do

flat pricing. So, we don't do it by the hour, we like small businesses, that's kind of our niche market." [#24]

- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "We're trying to diversify our skill sets and you know, trying different market sectors, different services." [#25]
- The Asian American woman owner of a professional services company stated, "Just have like a constant flow of clients." [#26]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "You have to be responsive. You have to come in at a price point that is reasonable for the proposing or the requesting clients. You have to have social proof of your work and a presence in social media and marketing so that clients can find you and feel that you would be a trusted source of information and a trusted advisor just to get in the door to be competitive, I think. And then in terms of, once a sale has been made, the stakes can be very high, and people do expect close to flawless execution. People's expectations with respect to special events, fundraisers, high-level events with a lot of protocol can be very high. So, in order to remain competitive, you do have to execute at a very high level and have trained staff that are able to perform in excellent customer service, have a great deal of knowledge in terms of being able to relate with a client and respond to their questions in a timely manner. And then, of course, being on-site to have that ability to execute the entire run of show and make sure to troubleshoot or instantly fix any problem that may arise on-site." [#28]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Some of the best pieces of advice they gave me was like, 'Quadruple your prices, ... figure out what you have to charge in order to make a living and work backwards, figure out who has that money, then figure out how to find the people who have that money.' It took me five years to figure that out, and that was a huge, huge obstacle. And I do everything I can to try to tell other young artists, 'Value your own work.' But it's really like they say, if you don't put the value, if you don't position yourself and talk about your own work so that it has that value, no one's going to come along and suddenly pay you four times as much, you have to figure that out and do it yourself. ... People hire you because they like you and they want to work with you. They like the quality of your work, but it's the experience of working with you that they come back for. So that's been the biggest [thing]. And I worked really hard on that." [#30]
- A representative of a majority-owned construction company stated, "Gotta have good relationships with the people you do business with. And you have to be able to find those things that you have a competitive advantage on. And that could mean a good relationship with someone who sells you materials or you take waste to. We haul a lot of dirt to a dump and oftentimes that can be the whole difference between you and the next person. The other thing is that we're ... obviously trying to keep our people current on ... machine controls for GPS that make you more efficient. ... And GPS arrived just in time to help offset the lack of skill that some people have and running those machines. ... Even though you might have lesser-experienced people, machine controls can help that person still be productive because the machine, ... you reduce the band of performance to be like this as opposed to someone who's brand new, you know, it might be like this." [#33]
- The Asian American owner of a construction company stated, "I think you need to know what you're doing and be able to demonstrate that with people. Like, be able to sell yourself, ... sell the

work and sell why people would wanna work with you. ... And, as far as then really understanding how long it takes to do a job and pricing it right for your client, but also pricing it right based on what's competitive for the market. I'm not saying like, come in cheaper than the other bids, but like, be accurate as far as the time and how long it takes. And that's how I make my estimates, [they] are based on how long it takes at a certain rate, and I wanna be kind right in there, on budget, so good. But I think it's really having people that need work and then hopefully you built enough [of a] relationship with them that they just continue to work with me instead of shopping around for other people." [#34]

- The Black American owner of a construction company stated, "I guess the good thing that came out of it is, a lot of people around cared about me. They were providing me opportunities to work from home by doing some of the consulting I was telling you about. So, I was able to work with other small businesses who didn't have the project management or construction management or the technical background, because I'm an engineer by education. ... There were good things that came out of it to kind of sustain me. ... My value is in hiring people and treating 'em right in terms of construction, tradespeople, and not caring if they're women or they come from other underrepresented groups. I'm gonna take 'em on anyway. I know a lot of my counterparts don't, because when I would take 'em on and some of them would come and they'd be like, 'Man, you actually gave me a shot,' I felt like you took a chance on him. ... You have a passion and skill that might get overlooked. You have a place here, you have an opportunity here. So that's really what keeps me going through all those tough times and struggles. I knew that I could get back to doing that and providing that service to the community. ... Having access to good material suppliers and what you call fabricators. ... There are too many entrepreneurs out there that are putting the oxygen mask on somebody else and not themselves, and they're suffocating because they don't know that there's a certain amount of planning and education and knowledge that you have to have about entrepreneurship before you go into business. ... You just ... have to have a business plan, but it has to be a business plan specific to what you do. I would say that the number one way to do it is that people need to be encouraged to pursue what you call self-education." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "We've gotta have a competitive wage that we're paying our guards, because if you are not paying a competitive wage, you're not gonna get a very good employee. And then people just, at this day and age, right now, after COVID, everybody wants to make over \$20 an hour. ... Integrity is definitely one of the ways that we differentiate ourself. We take on only specific types of work. We take pride in what we do, and the majority of our employees are African American. ... The majority of our employees are BIPOC [Black, Indigenous, People of Color]. We definitely try to make sure our community and the people within our community stay employed and ... that they're able to care for their families. And that is definitely something that when I'm hiring, I let people know this." [#36]
- The owner of a majority-owned goods and services company stated, "We tried to be proactive as opposed to reactive. One of the ... major things that we had as an advantage for us was, while we're independently owned and operated, we are franchised. So, there was a community of franchise owners across the country discussing what they were dealing with. ... Oregon faced stricter [COVID]lockdowns than many other states. I was able to communicate with other owners. ... My ownership team at the time had a vacation for a month to Mexico off the grid ... after a month, just handed me the keys and said, 'Good luck.' So, it was a sink-or-swim moment. But I just tried to keep my head above water, tried to be honest with customers and just work hard. I was working 10 hours a day [and] working on weekends. I called upon the owner that I purchased it from now and

again, although I certainly do things quite a bit differently in learning from that process. But I would say probably 90 percent was me just figuring it out and learning from my mistakes." [#37]

- The owner of a majority-owned construction company stated, "I know what they need before they need it, because I've been in their shoes before. ... There's enough of demand when ... wildland fires ... are burning in one place, they're burning all over the west. ... They sort of need this, so there's a potential to grow. But for me, I'm able to still be [in] the game. ... I'm making enough money to reinvest in what I do. ... The bigger the company it is, especially sometimes in the government agencies, the slower they are to evolve. I was able to evolve pretty quickly, because if I saw a need for something, I would just do it and I'd train myself so I didn't have to purchase the equipment, get the training program in place, recruit the people, do the training, implement it, and all of a sudden that particular mode is obsolete. ... Each year I grow and I adjust my contract rates based on new technologies and what I'm doing. But, you know, some years I make money. Last year I lost money. I'm trying to stay engaged and have fun and provide a service that I think is valuable. I think the biggest thing is just following your passion of what you're interested in." [#38]
- The owner of a majority-owned goods and services company stated, "We're [a] small sub[contractor] on a job, but we rep[resent] different manufacturers, so we have really good product. And so, we're happy when we get it installed and it's in, it's all said and done. Good reputations, we're not selling on the cheap end. Not to diminish certain cars ... but we're not selling a Volkswagen Beetle, we're selling more like a BMW in our stuff. ... We might not be low bid all the time, but our products, they stand the test of time. Factory's been around for quite a while and they're all American-made." [#39]
- The Hispanic American owner of a professional services company stated, "So that's one thing that, I find isn't a necessity, but it's very nice when you can have somebody that, when it comes from a QA [quality assurance] standpoint that's well-rounded and they know both sides. ... So, I pay myself as an employee, just like my employees, so I can take advantage of that, you know. You learn the hard way, what to pay yourself and what not to pay yourself." [#40]
- The non-Hispanic white woman owner of a professional services firm stated, "Understanding what the client needs. Sometimes what the client thinks they need isn't what they need. ... I don't necessarily, I don't have to work. ... I'm in a very fortunate position. We aren't spenders, we were savers. ... I work because I enjoy it. I think that if I stopped working, that would be a detriment to my health." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "We also work with a lot of suppliers that are very informative and they've been great to work with. You know, they wanna sell their product and so they find themselves in a position of having to educate you in order to be able to use their products. ... Our community, being [in] the really rural area that it is, it tends to run with the economy of the nation. We're pretty much flat. We don't have a lot of these ups and downs. In '06 and '08 when the housing market fell out, and everybody was suffering, we didn't see huge upswings or downswings with that. ... Because we're so small and tiny, we haven't really had to worry a whole lot about competitiveness in the supply world. Again, because we're the only game in town, but then again, if we wanna do state work or specification work, we do have to be competitive. ... I've been fortunate enough to be able to run the company fiscally secure. I mean, I'm really good with money. I don't spend where I shouldn't be. I'm very frugal and you know ... we have an 850 credit score. ... I kind of credit that to the fact that I grew up really poor. ... So, I worked really hard for everything I did have, and I saved and I didn't overspend and I just ran my business

the same way. I would consider myself a rags [to] riches story, you know? I was definitely driven. I knew what I wanted, I knew what I didn't have, and I knew where I wanted to be. ... I had the drive, I had the aspirational goal from a very young age." [#42]

- The Native American owner of an MBE- and DBE-certified construction firm stated, "I had my own challenges being young, thinking I knew everything and I didn't learn some hard, hard lessons. I learned to surround myself with some smart people and listen and learn and just started to make better business decisions. It took me probably 15 years to really get comfortable with running the business. I read a lot of books. I tried to surround myself with mentors. When I would be a subcontractor on a job to a big bridge general contractor, I would ask questions if I had an issue with an item. [If the issue was] with the owner of the project, but I had to go through them, I would ask for their help facilitating my issue to the owner. ... [We learned] lot of hard lessons over the years and just kind of tried to build and not repeat those mistakes. ... My passion in my industry and my business is estimating, like math is my favorite subject. I've always been fairly good at it. And that's kind of what I gravitate towards to here, even though I have other responsibilities to do. And if I was to put together a topic, it would be: never take on work too cheap, understand the value of what you bring. Number one, start out small. I mean, there's obviously a reason you got in the business, right? You're probably a technician of some sort, right? Either you know how to do electrical wiring, or you know how to be a carpenter, or you know how to dig a ditch or you know how to pour concrete, right? That's generally why contractors start. And then one day they realize, well, I can do this for myself. So, realizing that there's a ... big difference between being a technician and being in business is the number one thing you have to realize. ... Early on in your career when you don't have a lot of capital, taking on a bad job can sink your ship really quick versus later on when you can afford the small mistakes. So never take work too cheap. ... Another area where I've seen a lot of people fail ... is understanding that as an owner, you have to be involved [and] ... know every aspect of your business, from the payroll to the accounting, to the estimating, to the physical work, you have to know it all. ... Contractors are always seeking their own level of incompetence, which is true because you know, you get so good at one thing, right? You do so well at it, you make money at it, and then all of a sudden you decide, 'Well I'm so good at this, I'm gonna go do something else.' ... Focus on your core business and never lose that focus. Stay in what works. ... I've seen so many sink their ship because they didn't focus on their core business of being an excavator and just getting better at that, because there's always something to get better at." [#44]
- The owner of a majority-owned construction firm stated, "[To be competitive in my business, it takes] obviously knowledge of the field that you're working in and equipment. We've got plenty of equipment. ... Get your contractor's license and start bidding. The hardest part for most people in contracting is trying to figure out how much time it's gonna take to do a project." [#45]
- The Hispanic American owner of an MBE-certified goods and services firm stated, "SAM.gov [the federal System for Award Management website] was how you register your government entity after you have an LLC and all that. It's just a very simple process of how to do business with the government. I mean, it's funny because a lot of the businesses that have been in business for like five, 10 years still aren't even ready to do business with the government. Whereas if you were to do everything right from the beginning, you know, like set up a strong foundation, you could do business with the government within a month or two of creating your LLC. You just gotta pick your niche, you know, something you can really do well." [#46]

- The owner of a woman-owned DBE-certified construction company stated, "You have to take a lot of drive and you have to build relationships. You build relationships, you build trust, you do what you say, and you follow through for your customers. Almost all of my business to this day has been based on referrals because I do a good job for my customers and I work really hard for them." [#47]
- The owner of a majority-owned professional services company. Stated, "I would say, for a firm like ours, relationships with executives and managers and other employees and the state system help us because we are a smaller firm. So, when they know us, that helps us overcome concerns about our size because the ones that have worked with us know that we can do the work. Folks in the state that are new to us are always concerned about our size versus some of our competitors." [#48]
- The Non-Hispanic white owner of a WBE-certified professional services company stated, "Networking." [#49]
- The non-Hispanic white woman owner of a professional services company stated, "Pretty much Google [helped us learn to do all the backend process of running a business]. My business partner's reputation in this town was really solid." [#50]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "It's growing because there's a requirement for minority businesses, and they have to get additional work. So that's why it's starting to grow. There are larger projects that are happening, and so they by default have to give us larger pieces of it. I think [we are winning more bids], it's just that there's more requirement." [#51]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "My first real project that wasn't family-based was just from networking. ... I think like factors that are out there that can assist you by others would be things like the ESB program through ODOT [the Oregon Department of Transportation], and the mentor/protégé program through COBID [the Certification Office for Business Inclusion and Diversity] and other government entities who are enforcing certified business participation." [#52]
- A representative of a majority-owned construction company stated, "If you don't have local experience, the likelihood of you scoring highly on a proposal is pretty slim. So, oftentimes us and any business that's trying to get a foothold anywhere has to start out as a sub[contractor], get some local experience, then you can go be a prime [contractor]." [#54]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "My day's not scheduled with running out to meetings, I have an easier time fitting in coaching that happens online. So, I think shifting to a virtual space has been a big part of that growth. ... Responding to RFPs [requests for proposals], or talking about being able to promote and market our work and build our work based on reputation and word of mouth." [#56]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We care about triple bottom line: people, planet, and profit. And that factors into our decision-making. I think just the, I'm gonna call it customer service, but really the trust that we have with the team we're working with at the subcontractor, so we can work well together." [#57]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I think [what] we [co-founders] both realized early on was, 'You're good at this and you're good at this. You keep those responsibilities and I will keep these responsibilities.' And we can both do

them all, but we know where our strengths are, right? The only time I really deal with stuff that he deals with is, if he's out on vacation or something needs to happen right now and I don't have time to wait for him. ... Importance is how do we build a team, a culture of people that want to take care of each other. ... If you've got someone disruptive on that team, it can disrupt the whole team. ... You've gotta have your hands in what your team is doing. Even though you can hire people that say they can do the job on a large project, one big mistake can sink your whole business on a small project. You may be able to make up for it on several other projects to keep floating. But ... you can't have a million-dollar project go sideways because somebody else ordered everything incorrectly, and think you can bounce back from that." [#59]

- A representative of a majority-owned goods and services company stated, "Price, service, quality, availability." [#60]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He believes diversifying the types of work a company performs and obtaining government contracts are keys to success." [#61]
- A representative of a woman-owned professional services company stated, "Did try to sign up online as a vendor. Difficult to navigate online. I think being aware of the markets and making sure we are networking and understanding social media. Strong online presence increased within last few years and as it has evolved." [#AV31]
- A representative of a majority-owned professional services company stated, "Being competitive and getting skilled employees is key. The economy is key." [#AV34]
- A representative of a majority-owned professional services company stated, "I don't advertise ... [I] primarily use word of mouth. I don't do business to make every penny count. I focus on good, large projects without a lot of feedback." [#AV45]
- A representative of a Hispanic American-owned goods and services company stated, "I have developed relationships and stuff, keeps me busy, what people are willing to spend, no budget for the stuff that I do." [#AV61]
- A representative of a majority-owned professional services company stated, "It's important to be accurate and on time with regards to our customers. We always strive to do that. We try to do everything the same day. You really need your computers these days." [#AV67]
- A representative of a Black American woman-owned professional services company stated, "Just knowing what services the state or Oregon requires. We have a robust, healthy, entrepreneur systems." [#AV74]
- A representative of a Black American service-disabled veteran-owned professional services company stated, "Starting a business in the state of Oregon is all about who you know. Just try harder." [#AV82]
- A representative of a majority-owned goods and services company stated, "Definitely interested in working with any DOTs [departments of transportation] or police departments. You have to make sure that you are serving your customers to [the] best of your ability and you shouldn't have any problems." [#AV95]
- A Native American representative of a non-profit organization stated, "Your business experiences, I think, is 50 percent of success." [#FG1]

- An Asian American representative of a trade organization stated, "For me, I think it's working with other contractors and consultants ... that share the same type of mission and values, and not just tokenizing us because we're COBID[-certified] and then treating us badly." [#FG1]
- A Black American representative of a trade organization stated, "What works in business is intentionality, the will and the intention to make sure that everybody wins. ... We should not take for granted that every business that comes online [is not] going to be successful." [#FG2]
- A Black American representative of a trade organization stated, "In Oregon, one of the biggest things in business that helps people succeed ... is the development of relationships. Relationship is huge. And the ability for people to have mechanisms, organizations, or partnerships really are extremely helpful for people to connect with others." [#FG2]
- A Black American representative of a trade organization stated, "It's really important that people have a good product, and that they stand behind their product. And they are accountable for what they do and [are] responsible in how they execute the work that they do." [#FG2]
- A Black American representative of a trade organization stated, "Recognize the value of working with diverse partners, and encouraging that. ... Personally, it still hurts that in 2023, we're not better. But I'm determined to stay in the game, to make sure it's better for those that come after us." [#FG2]
- The Hispanic American owner of an ESB-, MBE-, and WBE-certified construction company. Stated, "I started to look for programs in the construction industry, such as Learning Programs for Workers, Learning Programs for Employees. My inspiration and my dream was to say, 'I want my company to be one of those companies that offers Learning Programs, and all that,' so I educated myself. I have been educating myself to be able to do that and thank God, last year that came true and for me that was my biggest driving force to say this is a change that made me fall in love with construction. ... The chambers of commerce are practically like commercial relations, it is marketing your company and connecting with others, because they are not only for business, but also for other types of associations." [#FG4]
- A representative of a business assistance organization stated, "To be continuous into the services that we provide. We do not deviate. And we also have year by year a strategic plan that is presented [to] ... the board directors and supported by the advisory board and having good staff." [#FG6]

B. Certification

Business owners and managers discussed their experiences with the state's Certification Office of Business Inclusion and Diversity's (COBID's) and other agencies' certification programs. Part B captures their comments on the following topics:

1. Certification statuses;
2. Advantages of certification;
3. Disadvantages of certification;
4. Experiences with the certification process; and
5. Recommendations about certification.

1. Certification statuses. Business owners discussed their certification status with COBID and other certifying agencies and shared their thoughts about why they did or did not seek certification. Twenty-five firms interviewed confirmed they were certified as a DBE, MBE, or WBE [#2, #3, #5, #6, #7, #9, #11, #13, #15, #16, #18, #21, #23, #25, #29, #30, #31, #44, #47, #50, #51, #52, #57, #61, #FG1]. Five firms interviewed were in the process of applying for certification [#1, #32, #35, #37, #FG4]. Thirteen firms were not certified, and some explained why their firms had not pursued certification [#4, #8, #10, #12, #14, #19, #20, #22, #26, #34, #39, #40, #48]. For example:

- The Hispanic American co-owner of a woman-owned professional services company stated, "We have not certified yet this year, but we have in the past. ... We didn't get the renewal and in time this year, we're going to be recertified. Again, we have to do it with the SBA [Small Business Administration] as well." [#10]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "I've let [the WBE and ESB certification] lapse. ... I wasn't certified during the pandemic. So maybe five years. It was before the pandemic." [#12]
- The owner of a majority-owned goods and services company stated, "Between the four of us, we each own 25 percent of everything. ... It hasn't seemed necessary." [#14]
- The owner of a majority-owned goods and services company stated, "I don't know what you mean by the certified? Both [my wife] and I are 50/50 partners in business. So, it excludes us from a lot of different things. We can't be veteran[-owned], we can't be woman-owned. We can't. And so that really hurt us in the long run under the Payroll Protection Program. ... That hurt, we didn't even get a chance to get into that." [#19]
- The Native American owner of a construction company stated, "I'm not certified, just because when I took over the business, it's been so busy that I just haven't really even started to look at that." [#20]
- The Black American woman owner of a professional services company stated, "I don't know what I'm actually working on trying to get." [#22]
- The Asian American owner of a construction company stated, "I started it online and it took me too long and it eventually, they kicked me out of the online thing. I wish I could just get certified super easy." [#34]
- The Hispanic American owner of a professional services company stated, "I am a small business and they said you should get certified as a small business, having less than 10 employees. I check it on the questionnaire when they ask, but I am not certified. I look white and I didn't think, there was no way in hell, even though my dad [is] full Puerto Rican. ... It never crossed my mind to try to do it, but then my friend said, 'Man, legally you're born, you're half Puerto Rican. You are a minority in this country and you're competing with these giant companies. And a lot of these companies are women-owned, minor[ity], ex-military. So, you have to do it.' But I was just a little scared just for being a book being judged by its cover. I mean, I have my birth certificate with my last name. I have all my stuff. ... I just, I never thought to take advantage of any of that stuff." [#40]

2. Advantages of certification. Thirty-four interviewees discussed how certification is advantageous or has benefited their firms. Business owners and managers described the increased business opportunities brought by certification [#3, #9, #10, #11, #15, #16, #18, #2, #21, #28, #29, #30, #31,

#34, #36, #37, #40, #41, #42, #43, #50, #51, #52, #53, #54, #55, #56, #57, #61, #AV, #FG4, #FG6, #WT4, #WT24]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "In the scoring, at least for us, there's usually like an incentive for them to choose an emerging small business, veteran-owned, minority-owned kind of thing. We have also used it, even if we've not been applying for [work with the] state of Oregon by stating we've been certified as with the state of Oregon, and I have found that translates to both non-profits and outside of Oregon governments, even though there's not necessarily an equivalency or relationship. ... Whatever their systems are, they get some bonus points of some sort. In hiring a woman-owned business, it is a bit of a selling point, even when it's not required and outside of the state of Oregon. ... So, because the state of Oregon certifications have been of benefit to mention, even outside of the state of Oregon, there have been a couple of contracts where if we had had a national certification, they would have accepted it as in lieu of their own state certification. So, for example, I'm applying for something in New Jersey, and they would give bonus ... score points if I had a New Jersey woman-owned business, which would be silly, I can't do that 50 times. But in lieu of that, they would accept the national certification." [#3]
- The non-Hispanic white owner of a WBE-certified construction company stated, "There's a lot of technical assistance out there, if you look for it, right? You can't just wait for those opportunities to come to your lap. But technical assistance, if you need it and you want it and you're [a] certified firm, there's avenues to get it at a better price or for free. ... So, I think that's a big benefit. Also, if you get into the right programs, there are job opportunities for you that aren't for everyone because public works jobs have requirements for minority and woman participation. So, if you're a certified firm, you can have more access ... to work, if you choose to go that path." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "Our thought was set-asides, because there are woman-owned small business and small business set-asides and our NAICS [North American Industry Classification System] code, usually on federal contracts. So, the thought was that if those set-asides exist on state-level ones, too, then that would make us more competitive." [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "With these public projects that require [a] COBID-certified firm, you can push back on how much work you want to do, you're like, 'Well, I have way too much going on. And I would prefer to just do some office stuff of this, [or] that I don't want to do all the office stuff.' So, you kind of work out different tasks. ... There's a set-aside, so people are actively trying to seek you out. So, you don't have to try to work as hard to go out and get the work." [#11]
- The co-owner of an ESB-certified goods and services company stated, "We get to put it on our on all our proposals. One of the cities we work with, they didn't know we were [certified], even though they've known we're emerging small business, they had to turn over. And so, the person who was new in the department was thrilled to find out we are an emerging small business, because then, you know, we filter into the category that they have to be using businesses in providing that diverse look at businesses. So, they were thrilled." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I get to say so in some government proposal I'm going after." [#16]

- The Black American owner of an MBE- and DBE-certified construction company stated, "You're listed as a preferred sub with the prime over others." [#18]
- The Asian American owner of an MBE-certified professional services business stated, "With the state, [there are] zero [benefits]; with the federal, [it is] amazing, as a small business, as a federal 8(a) firm, I can get up to \$4.5 million in sole source contracts. ... With the state, there is nothing, zero. The good thing is, yes, if I work with the City of Portland, that is how, it was because I was a certified firm, that is the only time since 2003. That was the only time somebody reached out to us and said, 'Hey, we are trying to reach out to certified firms so that they can apply for our vendor pool.' And that was really helpful for the City of Portland, who had done an amazing job. ... That's the only place where I've seen that the certification has helped, is only once since 2003. Otherwise, I have not seen any, not even once have I seen an opportunity where I have seen something where somebody is reaching out to me saying that, 'Hey, you're a certified form, and we want to work with you.'" [#2]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "There's no cohesion with the group of businesses that could consider themselves COBID[-certified], like, we never talk. We never hear communications from the state except ... [to] match the paperwork from time to time." [#21]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "You do get more requests. So, there is the visibility. And depending on the contract, your contract may be weighted a certain way if you're able to make it through the response process." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I thought it would be helpful, but quite honestly, I haven't seen any benefits from it. I think people like it. People like to see that I'm certified, but ... it has never given me sort of a leg [up]. People will say, 'Oh, she's certified, I guess ... somebody has vetted her.' Particularly for new businesses, but ... it's never part of a requirement for me to apply for a job or a contract or anything like that." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "It got me in the OregonBuys system. It got me seeing those gigs. Sometimes private consumers, individuals see that, and they know a little bit about it, and they feel more comfortable with me as a result, but rarely. A lot of times people, especially in the private sector, they have no idea what I'm talking about. I have never heard of it before, but I think it just got me in the system. It got me in with GCAP [the Oregon Government Contract Assistance Program] and they taught me how to make sure I'm presenting myself and about NAICS codes, and all of that was the big advantage. It's knowing that that business is happening." [#30]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "Certification is a real strong point that gives a competitive advantage. ... We can help our prime when we team up together, we can with the project. The prime who come could team it up with us as their sub. We can say, 'Oh, we are certified. This is our certification number.' Help them gaining more points on their proposal evaluation. So [our certifications] haven't helped us directly yet. ... I don't see [it helping] for find[ing] a project on our own, but mostly [it] is helping the prime get a proposal of get award. And also ... for those public firms, they can hire us directly under a certain threshold and have to be under \$10,000. ... [That is] probably the only benefit because we're a minority firm and also they said they can just only have ... three minority firm

compete with each other. And we are the only minority firm in this area [that] provides [this] service. We have actually have no competitors on the minority firms provide a commissioning services. But for several of the projects we did, we did for public agents, we decided not to do any project under \$10,000 anymore." [#31]

- The Asian American owner of a construction company stated, "So when I see some of these development projects say they're putting in some affordable housing and you know, it's at X dollars, well 10 percent of that they want to have allocated for 20 percent. I don't know what the percentage might be for, for certified minority-owned businesses. Great. I see that as a way of ... capitalizing on that resource there. And knowing that once I worked with one construction company, whether it's [company name] or whatever, that they can say, 'Hey, oh, we have this arborist, this is the guy we work with,' you know, and they come on the next project." [#34]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "The advantages of being COBID-certified is the contracts, that's the advantage. ... [Without it] I wouldn't be at the Port [of Portland]. ... So, it's important to have that because that helps your company to be able to expand a lot more." [#36]
- The owner of a majority-owned goods and services company stated, "Winning more contracts and also being more competitive with businesses that are larger than me. My certification will be based on my small nature and that I'm emerging. So that's my hope there." [#37]
- The Hispanic American owner of a professional services company stated, "The one thing that I thought that would really help me out would be based on my ethnicity at birth would be the section [8(a)] program, which might allow me to get the opportunity to bid some work. ... From my understanding, from what I've read, they basically set aside a portion of work specifically for small, underprivileged companies or minority-owned, veteran-owned, woman-owned [businesses]. I started the company at 39 and I kind of just fell ass backwards, didn't [participate in small business programs], and it just started snowballing for a while. And so, it really hasn't been until this last year that I've really stopped to slow down to start thinking about all my eggs being in one basket, needing to diversify. That's when I started looking into the 8(a) program. ... I had never marked that I was a minority on any of the documents. ... I just never thought to take advantage of any of that stuff." [#40]
- The non-Hispanic white woman owner of a professional services firm stated, "It's a referral opportunity. Because as soon as you have more experience in that, then you're in the system. It's like you move up another notch in the database." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "[A] benefit from the WBE program is that their participation by using me would help the contract rather than me being a general contractor." [#42]
- A representative of an Asian American-owned, DBE-, and ESB-certified firm stated, "Another benefit to being a minority-owned firm is the city's been offering support, mentorship, and some of that mentorship includes learning those skills or pointing you towards resources. ... On a large engineering project where they have to have so many certified firms, we're a good fit because we can get a lot done efficiently. ... So that benefits us ... clients know us. They know us, and we help them meet their certification requirements. ... It gives us a competitive edge." [#43]

- The non-Hispanic white woman owner of a professional services company stated, "I feel like [having a COBID certification] gives you a bit of an advantage in consideration when you send in a proposal for an RFP." [#50]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "That's probably [why we] primarily do subcontract work, because we don't have to worry about bonding. Some of them, they do, but most of them they'll waive [bonding] if it's for an MBE contractor. ... There are some groups [of contractors] out there that make mandatory a certain percentage. There's some that make it aspirational." [#51]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "Benefits of being certified is that there's a better playing field for smaller contracting opportunities. Opportunities at least for me as a prime contractor to work directly with owners. Then, beyond that, it's the business development assistance through programs like the Port of Portland's mentor/protégé [program]." [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "Once I got certified by the state, that was just nothing exciting happened for me. ... It was just like, 'Oh great, that pain in the A is over now. I'll have to keep renewing every couple years and see what they can come up with next to bother me.' ... I'm certified in Washington and that has brought on some really lucrative projects for our company that we only I think got because I'm certified." [#53]
- A representative of a majority-owned construction company stated, "Sometimes you are really being reached out to, because you're helping them meet a goal. They might not reach out to you otherwise. They might not know you otherwise. They might only use the people that they know that are friends." [#54]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I had been in business a couple of years. I have to credit my assistant at the time [who] encouraged me to do the application for the woman-owned and emerging small business. ... It felt like a big lift doing that application process, but that's been beneficial. Even though it sort of took time ... for it to show any kind of benefit. ... It's part of their goal to reach out to minority-, woman-owned businesses. So, I have found organizations or agencies - even if it's not part of the requirement - they have part of their procurement process that they want to be reaching out." [#56]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We see that the DBE requirements for some of the larger projects are helping us find out about jobs. The primes, the GCs are reaching out to us directly, or our trade associations are aware of those projects because the agencies and the primes that are worried about meeting those requirements are coming to the association meetings or they're much more deliberate in seeking us out. I think the COBID program has been great." [#57]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The greatest advantage of certification is the ability to qualify for set-asides." [#61]
- A representative of a woman-owned professional services company stated, "The COBID certifications ... the ESB and WBE [certifications] have been super helpful for us. Without those certifications, we wouldn't be able to compete with the big guys." [#AV23]
- The Hispanic American owner of an ESB-, MBE-, and WBE-certified construction company stated, "I feel that because I am one of those percentages that large companies need to obtain to get a public

project, ... maybe for that reason I have been given several projects. And yes, it works, because we already have two big projects that I never thought of having before from big companies and I am almost sure that is why, because we have the COBID certification and it is not so much because [of] your experience. Obviously, it is something that matters to them but not the main thing." [#FG4]

- A representative of a business assistance organization stated, "They open the door for public work. Multnomah County is the same way, as another example. When they're building their bridges and their libraries and everything, they're always looking for certified firms to be part of the [project] ... Actually, they ask the prime contractor and they hold their feet to the fire, and they have meetings, and they'd look at how many certified firms they've got in there, you know? Then they also go into the apprentice and the journeyman areas for ... getting people trained, but they want certified firms. Certification gives us nothing, you see, but you can lose an opportunity [without it]. ... Just being certified, you're staying ready to be ready when the opportunity comes to not miss out on something. ... It may not bring you anything, but if something comes up, you're ready for it by having that certification." [#FG6]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "It has opened doors for us to bid projects that we wouldn't have if it were not for your help to get us certified as a MWBE/DBE. To be clear, we don't want any special treatment, we just want an opportunity to bid projects." [#WT4]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "COBID has had no impact with the exception of NGOs [non-governmental organizations] who seem to respect it, but [I] can't really find info because that site is very difficult to navigate." [#WT24]

3. Disadvantages of certification. Twenty-three interviewees discussed the downsides to certification [#2, #9, #10, #18, #24, #25, #28, #30, #35, #40, #44, #46, #51, #52, #55, #56, #57, #FG1, #PT5, #PT8, #WT14, #WT23]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "My personal experiences if you are a small business, good luck, don't even try to waste your time working with the state government. ... You're just wasting your time, you're spending hours and hours on that certification, and then every year you have to renew it. As a small business, those are all non-billable hours." [#2]
- The non-Hispanic white owner of a WBE-certified construction company stated, "With the paperwork piece of it, like there's just requirements that you have to keep up on, ... [and] if you forget to do that, then you're not certified anymore. You let that expire. ... I think that the state of Oregon's pretty behind on getting those applicants process[ed] ... it's going to be under review for the next 90 days. So, if you're trying to get a job with a general contractor that's looking to add a certified firm. Yes, you're still certified, but they're kind of taking a risk on you because you didn't get your paperwork to the agency in time. And then the agency processing is taking two to three months to get to give you your certification letter." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "The only one that would be, again, that I'm a co-owner of women on small business, but I myself am not a woman. [It's] just that the risk of perception that it's in name only is something that horrifies me." [#10]

- The Black American owner of an MBE- and DBE-certified construction company stated, "Some individuals tend to have resentment because of that preference or requirements surrounding the contracts that are for minority-owned companies." [#18]
- The Asian American owner of a professional services company stated, "In the accounting industry, the only form of racism I really experienced is the state-run government, your government-run programs that say, 'Well, if you're not, Black or Indigenous, you cannot apply for this,' or, ... 'The only reason we're allowing you to apply for this is because you're Chinese' And that reason, it's just not interesting to me." [#24]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "One of my biggest frustrations about just or minority or diversity is [that] they're always diversity goals, not requirements. ... The attempt to be fair and equitable is actually backfiring on them. And it's coercing them to go with the same organizations over and over again because they can just copy and paste from a long history of stuff." [#25]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "The only disadvantage is that being labeled as, like, a small business, you may not be seen as an equal to businesses who do not have that label." [#28]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I know other BIPOC entrepreneurs who don't like it. They don't like the idea of verifying your racial identity with the state, which I can understand." [#30]
- The Black American owner of a construction company stated, "You might not be allowed to [rent equipment] with some of these certifications cuz they'll be like, 'Oh well, ... you're getting help and you're not this and you're not that.' ... If you put a different level of scrutiny, it's gonna further restrict you and not allow you to do things that would allow you to scale and to grow." [#35]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "Being in the DBE program, there's a lot of barriers. Just having that certification, it's assumed that you can't take on certain work and it's assumed that you're incapable of learning certain things. I've noticed kind of being put in that box, it took a lot to break out of that. ... The bigger vertical primes out there, ... generally, it's a preconceived notion that since this person is a minority contractor, they don't even solicit you for the job because they've already assumed that it's over your capabilities. ... And for me, that has been one of my number one motivation, is to prove 'em wrong." [#44]
- The Hispanic owner of an MBE-certified goods and services firm stated, "Sometimes I think the big stress here is to work with COBID-certified firms. What I'm starting to realize is that I don't really think COBID certification really does all that much for you. If anything, I think it's just another barrier for small businesses to get these contracts." [#46]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "You show up on the job site and everybody thinks you're just there because you're certified. It's like, no, I still had to win this project. I still had to estimate it. I still had to bid it. I still have to perform the work. Then, the individual site superintendents have an attitude because they [say,] 'You're only here because you're a minority.' It can create a hostile work environment, and antagonistic, [because] our crew is very diverse." [#51]
- The Asian Pacific owner of an MBE-, DBE-, and VBE-certified construction company stated, "Absolutely, [there are disadvantages of being certified]. Tons of them. Everybody looks at you like

you're nothing. That you're incompetent. Or that you're more or less a check in the box. I have found through the years that when I get solicitations for participation of certified businesses. It's really nothing. It's a check in the box. We don't go after or even participate in many of those contracts because you're just treated unfairly." [#52]

- The Black American owner of an MBE-certified professional services firm stated, "Unless they're specifically looking for a COBID-certified firm ... we haven't seen any advantage." [#55]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We've had to pay external CPAs [certified public accountants] and accountants to help us with our taxes to make sure that they're reviewed and that we can use those for submitting for application purposes. I think there's a stigma also that's associated with it ... we've heard from other non-DBE firms." [#57]
- A Native American representative of a non-profit organization stated, "For Black and Brown folks going through the insurance claim process, they often end up in SIU - special investigations unit - where they're looking for fraud, and so it takes several more months to get the claim adjusted and get money back in their pockets. [Meanwhile], ... they're delayed on performance of a contract, potentially breaching it. So, it would be nice if there [was] a fund that could be accessed that didn't require 20 pages of paperwork and folks who did not have a social security number could still access." [#FG1]
- The non-Hispanic white woman owner of a company stated, "Municipalities don't follow COBID, and that to me just doesn't seem helpful. It was really difficult to go through the COBID process. I had multiple onsite interviews. I don't know if it was because I'm a young woman or what, but then after I jumped through all those hoops and did all the time, Portland doesn't think that that's good enough. So that's just been very frustrating for me to try to figure out what other hoops I could jump through to prove that I'm a business owner." [#PT8]
- The non-Hispanic white woman owner of a company stated, "When the goalpost keeps getting moved, it seems like I'm going to spend more of my time just trying to prove myself than to just go get the work. It would be great if Oregon would be the one setting the bar for the municipalities to follow. It seems the opposite way, which is probably a municipalities' problem, not your guys' problem. But that's where I'm at with it." [#PT8]
- A representative of a construction company stated, "Washington State's DBE program has been in effect for decades now and in our field of work it has not resulted in new business emerging into the fray. Instead, it has funneled millions of dollars into a few well-established companies. The blunt nature of governance cannot provide the kind of precision this sort of social experiment requires to produce good results. And we have struggled many years because of it. ... 100 percent of our employees are minority men and women. Again, purely by accident. And we have very good employee retention, some having worked here for up to 15 years. Our employees are making a good living and [are] able to provide for their families. Contract requirements that eliminate our ability to compete is detrimental to healthy competition (which ensures that taxpayers get a good deal), and also detrimental to the women and minorities that are employed by 'advantaged' companies." [#WT14]
- A representative of a WBE- and DBE-certified goods and services company stated, "The low bidder is a huge vendor on the East Coast, and not certified. What good does it do to maintain my COBID

registration when state agencies don't seem to care? Is any preference given to certified small businesses within the state?" [#WT23]

4. Experiences with the certification process. Sixty-three businesses owners shared their experiences with COBID's certification processes [#1, #2, #3, #6, #7, #9, #10, #11, #12, #15, #16, #17, #18, #28, #29, #30, #33, #34, #35, #37, #47, #48, #49, #50, #51, #52, #53, #57, #59, #61, #AV, #FG1, #FG3, #FG4, #FG5, #FG6, #PT10, #PT3, #PT4, #PT5, #PT6, #PT13, #WT12, #WT13, #WT20]. For example:

- The Black American owner of a construction company stated, "I have started an application for the women/minority business [certification], to qualify for getting government projects. And the amount of paperwork is just tremendous. I've spent part of the weekend trying to amass all of the documents and it's just crazy. ... I was caught off-guard by the amount of paperwork that it would take to become a contractor to the government, so to speak, how much paperwork that it requires. And I understand you know, they [have] to vet you, so I understand that process, but I was pretty much taken off-guard by the massive amount of paperwork." [#1]
- The Asian American owner of an MBE-certified professional services business stated, "You're just wasting your time; you're spending hours and hours on that certification, and then every year you have to renew it. And as a small business, those are all non-billable hours. ... There's absolutely no benefit for being COBID-certified." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "When I first started, the system was a little hard to navigate. But I've noticed they've upgraded in the last year. ... Once I did get it, it's been very easy to renew. I would just say the three-year renewal process, like trying to gather that documentation again, is a little bit of drudge work." [#3]
- A representative of a majority-owned goods and services company stated, "I have a love and hate for COBID certifications. Why? Because the intention was well placed with trying to be able to give people of color the ability to have this leg up in this industry, right. But it's been 20 years. And the number of people that actually qualify for COBID that actually receive COBID certifications is extremely low. And so, what does the government do? Certain government agencies say, 'We're not going to ask for COBID certifications, because we know that it's a broken system. So now we're not going to ask for it. So that way everybody can apply.' One wrong doesn't make another wrong right. So, for the people that actually went through the process, now, they're not getting credit for that. And so, to be equitable, we're giving the power back to the dominant culture, again, to say, 'Now we're being equitable, because now we're giving everybody an opportunity.' Well, that's there's a difference between equity and equality." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "This is gonna sound very cynical. The benefits of it are that you're supposed to be able to get more work. The reality of the situation is that's not actually the case. It just doesn't work out that way." [#6]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "The ESB and MBE [certification] was definitely an easier process than the DBE [certification] ... the DBE [certification] took quite a quite a long time to get done." [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "I did submit for DBE certification. One of the individuals that I had met was very good. Unfortunately, she was just

phasing out. The next person came in. And she was pretty angry at anybody, Caucasian male, and so that DBE certification got cancelled.” [#7]

- The non-Hispanic white owner of an ESB- certified construction company stated, “Certifications underneath the American Disabilities Act was not recognized by the state, so I did not pursue it.” [#7]
- The non-Hispanic white owner of a WBE-certified construction company stated, “They just seem very skeptical that I was actually a legit business. You know, they wanted to see me on a piece of equipment. ... That’s fine. But just seems like kind of a waste of time for the certification person to come out to my job site to watch me do it. ... I’m a fourth-generation excavation contractor. My dad was an excavation contractor, my uncle is an excavation contractor. My grandpa was, his dad was, so I’m the fourth generation, but I’m just a woman doing it. And people just don’t believe that I did it all by myself and that I’m capable, I suppose. So, there was a lot of at the beginning to get certified with the state of Oregon. It just felt like they were not on my side To get certified. It felt like if I said the wrong thing, or provided the wrong document, or wasn’t perfect, that they just were gonna not certify me. ... Not all business owners are the operators of their business, you know, it takes more than just being able to physically do the work, you have to have the business acumen to do it, too. ... It felt like they didn’t believe me the whole way through. ... Another barrier, I would say would be the speed at which people can get certified, it takes a long time. And there’s a lot of documents. And I think that that’s discouraging to people. I mean, I get it, I understand why. And if you want to take it all the way to the finish line, it’s completely worth it. But I can see how that can be a discouragement to somebody that’s like, ‘Well, I don’t have time to do that, I barely have time, I need to make time to get work and go do the work, I don’t have time to provide 1,000 documents to the state of Oregon to get certified’ or whatever.” [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, “It seemed like it was pretty straightforward. I know that there’s ... always a big information requirement, when you go to sign up, and you have to submit all the various documents. ... It seems like a lot of that stuff is stuff that the state has on file somewhere or somewhere else. So why do I have to put it all here? ... You have all my tax returns, and you have all my address stuff, and you have my driver’s licenses. So, what specifically do you need from me again? It would be way easier if you didn’t have to do all that.” [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, “I feel like it’s pretty hard to get a hold of people there. If you have a question about something, it feels like ‘Oh, just go to this portal, fill out this thing. And then we’ll get back to you.’ ... I’ve gotten these very generic answers back. And I’m like, ‘Well, you didn’t actually help me. You didn’t actually answer the question or give me any additional information, you basically just told me exactly what was there.’ So, it kind of just comes down to like a communication thing, I guess. Like, how do you get somebody on the phone to have a conversation? Because it’s like a lot of these things, they only want to talk to you via email. And that’s very slow. And you [are] maybe not doing a great job of conveying what your actual question is, [compared to] on the phone explaining what the answer is.” [#11]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, “I never ran into any benefits of [WBE and ESB certifications]. I know that certain entities have some money that is supposedly set aside for women-owned business. But it didn’t help me in my case. ...

Oh, it's a great screening process. It really is. I don't really know how they can improve it because they know that they need to verify certain things." [#12]

- The co-owner of an ESB-certified goods and services company stated, "They're really good at communicating when it's time for you to recertify, you know, you have to redo it every year and then every three years you have to recertify, and they're really good at communicating all of that. ... The website for certification and recertification is probably the most non-user-friendly website I've ever used, ever. It's difficult to understand what they're asking for, and where to go to find it. ... I'm sure they understand what the words mean. But to somebody on the outside, it's just like, 'Is here, here? What are they asking for? Where do I go? 'All of that, and literally when you when you access it, you look at it and go, 'This is archaic.'" [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "The WBE process is a barrier. That's a gauntlet. Every year there's nuisance renewal something and every three years it's this huge gauntlet of, 'We need three years of tax returns and all nine documents and sign this and do that.' And do they make it easy to find get any contracts? Do they have any email system of, 'Hey, here's a bid you should go after because of fit?' You're getting [a] hell to the no. ... It's way too long and cumbersome and archaic system. ... I'm in the WBE system, which is a nightmare to renew. ... I was seven hours on hold with the state health department two days ago trying to move forward with that recertification or to get kicked off of process." [#16]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I still find it a pain to recertify go and find this and that. ... What do you need to know about my car? What difference does it make? It just doesn't really make a lot of sense. ... And [the certification requirements] just seem like a lot. Maybe I'd be more excited if it did something for me. But it doesn't. ... I mean, probably the people that wrote the instructions think they're clear, but you know, I'm fairly intelligent, highly educated, and still, there's times that I don't know what in the world they're asking for. I got to rummage through my papers and look at old papers and see if maybe this is what they're looking for." [#17]
- The Black American owner of an MBE- and DBE-certified construction company stated, "The yearly reporting and the three-year reporting can be cumbersome." [#18]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "Once I dedicated a great deal of time to it, I would say it's quote unquote easy. It is not like rocket science to fill out the form. But again, it is a lengthy form that needs to be filled out and a lot of paperwork collected. ... It's time-consuming. With everything associated with the state, there's this huge time commitment. So, outside of your normal workload for your normal clients, a typical small business owner is spending time outside the workday to get all this stuff filled out. Once you have the certification, you do need to renew and recertify every year. I would say that process can sometimes be confusing, because depending on the notification you received, it can be unclear. There were automated letters being generated from the state that honestly seem very threatening. If I were not somebody who can read English very well and understands how the system works, they honestly did look like legal notices that were worded in a very unfriendly way regarding just filling out your annual or your three-year renewal form. I found that to be sort of off-putting as a business owner. I mean, I did just fill them out because obviously they're required. But that process was, again, when you have so many things on your plate as a business owner with your own employees, taxes, payroll, operations, and then you're just getting mean letters from the state on

top of everything else, it's just, as a business owner, you're just kind of like, 'Why?' So, like, your interaction with the state ... it's like a negative." [#28]

- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "It was really, it's very confusing. I just kept calling, and once you get them on the phone, people are really helpful, but it's not intuitive to do it online, you have to call and have people walk you through it. ... Once I figured out that, they're really helpful." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "It was arduous, but I could understand why. One thing that was kind of weird about it that I'll mention is, they had an expectation that I was going to produce a birth certificate that had my ethnic identity listed on it. I don't have that. I have a New York State birth certificate that says nothing about race or nationality whatsoever, so I ended up doing something that I'm not even sure is, per the law, something they're supposed to do, but I just sent them pictures of my brown relatives. I was just like, here's my dad and my grandmother. What do you want from me? ... They really seemed to think that I was going to have a producible document that was like, 'Here's your race.' I've never been given one of those, ever, in my whole life. I have no documents that say I'm Latino. I have a document that says my dad's last name." [#30]
- The Asian American owner of a construction company stated, "I started it online and it took me too long and it eventually, they kicked me out of the online thing. ... I started before, but just couldn't follow through." [#34]
- The owner of a majority-owned goods and services company stated, "An employee of the state of Oregon suggested that I try to obtain that certification to be more competitive in government contracts. It's a bit cumbersome, no doubt. But nothing I haven't gone through before, so, it's gonna take me a bit of time." [#37]
- The owner of a woman-owned DBE-certified construction company. Stated, "In 2020 they wouldn't do any home interviews, which was the barrier for becoming a DBE." [#47]
- The owner of a woman-owned DBE-certified construction company stated, "I'm trying to ... finish my DBE [certification] currently with COBID. I can't get on the website because COBID keeps telling me that they told me I had to do my three-year renewal, which I did. [Then] they keep asking you to sign into the web to finish for COBID. ... I have only had one contractor find me through the DBE system. And that's because they specifically went looking for a DBE and they found me. But these other contractors are not finding me." [#47]
- The owner of a majority-owned professional services company. Stated, "Working through the emerging small business process was very straightforward. It's been a few years now since we worked because I think our certification ended in 2019, 2020. Last time we went out for recertification was probably 2016, somewhere in there." [#48]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "It is a no-brainer to want to be involved in the COBID process. I didn't find it to be particularly difficult to do." [#49]
- The non-Hispanic white woman owner of a professional services company stated, "For some reason in ORPIN [Oregon Procurement Information Network], which was connected to the procurement process, they had my business partner's name and not mine. It was hard to say [that] we're a female-owned business. ... [The certification] was hard to get. Then, when it came up for renewal I

think [our employee who worked on the certification process] wasn't working here anymore and I kind of was just like, 'I'm not gonna deal with that [process].'" [#50]

- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "The MBE/ESB [intake form] part was easy for me because it was just putting in information and I'm pretty computer literate. ... Now, once you get your information in there, you get assigned to an auditor who then has to ask you questions to determine if you're actually in that business and working that business. The number one thing you have to prove is, first, that you're a minority, and two, that you have the ability in your ownership team to complete the job. They didn't want to give it to us because they said only three out of the five of us at the time had any experience in concrete. I didn't. And I was listed as the CEO, and I had no experience in concrete. I'm running the business, we're all running [it]. The auditor asked, 'Who's going to install the concrete?' I said, 'We're gonna hire employees.' [The auditor said,] 'You can't do that. You guys have to actually be the ones out there working.' ... I said, 'So what if there's one owner, you're telling me that one owner has to install all the concrete that that company ever puts down? Like, that's ridiculous.' I got through all of that. ... We waited for about a year and then finally they said, 'As long as we have 75 percent of ownership you can move forward [with the MBE certification].' You couldn't have told me that a year and a half ago. That was because I got somebody [from a trade organization to help me solve this issue, and they contacted the person in charge].'" [#51]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "The process is a little daunting, but it makes sense. It's checks and balances, right? It's really trying to understand, is the information that we're getting true and how do you document that everything was good there. It was a little daunting, but when it got to really understanding the details of it. Initially, I was denied my application and I had to fight for it in order to get it. What happened is to say that you are an Asian Pacific Islander. That's ultimately what I am, a Pacific Islander, son of an immigrant. My dad's lineage comes from Indonesia. ... [But] because Indonesia was a French colony, it's not considered to be not prosperous. ... I took a DNA test ... You can tell me that you're not gonna give me a certificate, but I believe that now what you're telling me is everything that's adverse to what you're trying to do, you're being un-inclusive when you should be inclusive because I'm giving you the facts. It just doesn't line up with the theories that you go off of. ... Ultimately, they came back and said, 'You're right.'" [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "It was an extensive process, I had to stop running my company to provide all the information that they wanted to look me over. ... It took me weeks to prepare and then they showed up, two people showed up here, and I was talking to them, and it was like they had a checklist of things and they didn't know what anything that they were asking me actually meant. They denied me my first time off of something that, if they would've understood better, then they wouldn't have [denied me]. ... It's much harder to get certified in Oregon for no reason [except] the hoops they make you jump through. I mean, I had three onsite interviews before they would certify me." [#53]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "[COBID certification] is a lot of paperwork. You have to share your full tax statements. I remember it feeling like a pretty big lift at first, and then there's annual reporting that happens with it. The website is horrendous, it's so hard. So, I'll be up for renewal, and I have started a renewal and it's been the wrong form, and then it's late." [#56]

- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, “I think Oregon has definitely been the easiest [certification process]. It’s been the most accessible and the analysts have been very responsive and helpful. I cannot say the same for the SBA and the Washington process.” [#57]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, “You gotta wait for some state person to look through all of your paperwork that you filled out, right? You can’t go somewhere and have someone help you fill this paperwork out. So, you’ve gotta fill out your three years previous tax filings, all of your info, all of your personal history, go through their background check. It goes into a portal. You don’t have anyone to communicate with. And then you wait for someone to reach out and contact you to set up a meeting to come meet with you to verify that you meet that minority requirement. ... All of the information you send is not sufficient enough to say that you’re a person of color. They’ve gotta come physically see you, and then they’ve almost gotta interrogate you to make sure that you actually know the information about what you submitted for a business, that’s what you’re gonna do.” [#59]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, “There is no cost to register with SAM and takes about a week for approval, whereas COBID certification can take three to six months to process. The COBID has a high rate of disapprovals for certifications.” [#61]
- A representative of a woman-owned professional services company stated, “I think getting the certification as a small business and female [business] is a bit of a burden.” [#AV25]
- A representative of a woman-owned professional services company stated, “It is kind of a lengthy application to apply to be COBID-certified, and we were too busy to register.” [#AV76]
- A representative of a Black American-owned professional services company stated, “It has been pretty difficult to get COBID certification. Other than that, pretty good.” [#AV77]
- A representative of a majority-owned professional services company stated, “When it comes to engineering, the state of Oregon is not small business-oriented. They’re more large business-oriented and they really should be more small business-friendly. We used to be an emerging small business and that seems to be worthless. We’re registered as a HUBZone company. But, unless you’re in the top-seven engineering firms in the state, you don’t get the work from the state of Oregon. And those large firms will list you on a project but never give you any work. They’re required to have smaller companies listed on their proposals, but they never give the work to the smaller firms; they keep the work for themselves.” [#AV84]
- An Asian American representative of a trade organization stated, “The COBID office had some change where they started actually doing like, more work certifying folks and scrutinizing us. And so, they said, because I had a full-time job and I was doing this also on the side, that they were going to deny my renewal, even though I’d had it for six or seven years, because it was not my primary business. ... Folks like me have to work two jobs to make a living, to support my family. And you’re just penalizing me. And so, I ended up going up the ladder ... luckily, they were flexible in that, but I was shocked.” [#FG1]
- A representative of a trade organization stated, “I found [the DBE certification] challenging because I wanted to know so much personal financial information. ... But for the most part, I haven’t had any

really direct interaction with anybody. I go online, I fill out the form. It gets submitted, I get an email, it says I got it. A month later, I get an email that says I'm approved." [#FG3]

- A Hispanic American representative of a non-profit organization stated, "COBID is the most inequitable and discriminatory thing there is. ... They ask for such a quantity of things, ... everything they ask for is absurd. ... They say that they are certifications so that minorities can earn an additional percentage in the contracts ... but that certification is like telling you, well, 'Do you want to be a skydiver? Well, then in order to be a skydiver, you are going to get certified, then you have to first show that you can jump 7,000 meters high without a parachute and then from there we can see if you are going to be able to be within the contracts.' COBID doesn't really work, it doesn't ... support minority businesses." [#FG3]
- A representative of a business assistance organization stated, "It's strenuous. It's stressful, it's alienating, it's discriminatory, it's a long process that should be way more streamlined and it's open to too much interpretation. The Oregon side interprets it a little different, so they scrutinize the process a lot deeper than Washington State does. ... [One of our members] went in as an Indigenous man with the long hair, clearly looks Native, they were telling him he had to trace down his quantum blood to find out exactly what tribe he was from before they could identify him as an Indigenous-owned company. I mean he's been in sundown dances. ... The COBID system has turned from a merit-based program to a fraud-based program. And it's because people get leery about all the fraud that is still in the system, ... people are kind of trying to protect their jobs and doubling down on now scrutinizing more the minorities than even the white counterparts, and the white counterparts are typically the ones doing all the fraud. ... This discriminatory practice that is probably, unconscious bias, if I'm being honest. I don't think anybody's intuitively trying to say, 'Let me figure out how to just make sure you don't get in this.' I think it's the unconscious bias that catches them off-guard when they asked these kind of questions. ... This lady's the owner of a business, [a] little small Latina, and they'd have a rebar company. ... The husband's been doing this at a big company for forever and then decided to start their own business and they wanted to get certified and the husband I think for some reason can't get certified because [of] a green card or something like that. But she's a US citizen and has been working in the family business ever since they started it. They wanted her to become the woman-owned business with COBID and they told her she couldn't because she didn't herself, as the owner, know how to do the work. ... Most people in owner's positions may know how to run a little bit of equipment, but ... [if] the people he relies on doing the work left, he wouldn't then get into the cab and start operating equipment. He would hire somebody else. And so, they're like challenging people on like literally having to have the expertise themselves to where, if everybody walked away, your business could still survive, because you could jump in whatever piece of equipment and do the work. ... Latinos typically own the landscape business sector, but this Black man bought a white-owned business that had a lot of Latino employees and then wanted to become COBID-certified. Mind you, he was [in] the landscape association of contractors for the state of Oregon. And when he applied, they told him, as the business owner, if he didn't know how to run the lawnmowers and cut the grass, he couldn't have a business. How does that not legitimize him as knowing landscape industry? Like, why does he have to master doing the work if he's the owner? That's why we keep finding a lot of people who don't know COBID or have heard the horror stories and just don't even wanna mess with it. ... [COBID] had one Black guy. ... He's the only Black person they ever had. ... It's basically all white people who get to justify if we get in or not. And that's a problem. You're basically on a glorified yellow page directory. I mean that's literally it, being recognized as a COBID participant that people can call up

and try to get a bid for a public related project. So, the benefit is that you get to be on that list and you don't have to go always out on your own trying to jazz up business. People call you, but the trap is they call you really just trying to shop a bid and probably not ever really trying to put you to work. Cuz you gotta get like three bids under public law. ... They'll go get two COBID firms even though they know they want to give it to their boy Billy and Billy's the third and as long as Billy comes in a little less than the other two, they're good." [#FG5]

- A representative of a business assistance organization stated, "They seem to want to be there. They want to be helpful and make it easier for people to get through the certification process." [#FG6]
- A participant in a stakeholder engagement session stated, "With COBID, there's been a lot of issues after COVID with staffing and just the delayed response time to actually get that paperwork done and actually have someone go and move through that process." [#PT3]
- A participant in a stakeholder engagement session stated, "COBID had helped us a lot in getting us certified." [#PT4]
- A participant in a stakeholder engagement session stated, "So, my experience as a small business owner in a small town in Eastern Oregon is, there are a lot of barriers. I don't mean physical. I mean paperwork and administrative to get in the system, which is recognized as a disabled veteran-owned business. ... I mean, for some reason there's a real guard dog mentality about making sure that the wrong guy doesn't get inside the fence. Now that I've been inside the fence for a couple years, I see no benefit. ... There's a lot more effort put into keeping the wrong person out than there is actually helping the people that are inside. ... I just finished paperwork a couple days ago to get re-certified. And what it boiled down to is just one little block on one page out of several that apparently I didn't check right. So, the benefit of being inside that fence, I just haven't seen now. I'm sure there's others who do. But I'm just saying that you've got a real good system to keep people out. But then do you have a real good system to help them once they're inside? Is it worth it? These numbers that we talked about of the type of businesses that fall under this study, is it worth it to them to get inside the fence? ... It took a lot of work to get onboarded, getting certified for the state, and everything. And after the certification process, I think I spent about the first two years basically specifically looking for staying in my lane. ... I would carefully look at the requirements, and apply for these things, and do all my research, and make sure I'm getting the best pricing. And getting the equipment, and on all the stuff. But when you do that for two years and you can't even land one single project, it almost all kind of just looks like a joke, for lack of better words." [#PT5]
- A participant in a stakeholder engagement session stated, "I've tried to participate in a program that the state has for veteran-owned businesses, what I've found is that I have spent a lot of time, given a lot of information, I'm up on my taxes, and I've got nothing in return but paperwork and questions and notices that I would be disenrolled from the program if I didn't provide more information." [#PT6]
- A participant in a stakeholder engagement session stated, "They made it so difficult and time-consuming even to renew, right? Because my color didn't change the next year when it was time to renew, or my gender didn't change, and ... I just said, 'Forget it.'" [#PT10]
- The Hispanic American owner of an ESB-, MBE-, and WBE-certified construction company stated, "[When I applied] they said, 'You are not going to qualify [for] it,' and I said 'Why?' He said, 'Because you are a woman and you can't ... know how to do the installation of those things that you apply for.' I said, 'What's that got to do with it?' If the people who own a company are a man, they don't

know how to do things either, they are the owners of the company and they get people who know how to work. ... I said, 'That means that just because I am a woman, you are going to say in your head that I don't know how to do the construction things and just because he is a man you are not going to ask him either or make sure that he knows how to do these things.' He said, 'Unfortunately, although I don't like to give you this answer, [but] yes.' ... Since I am the only owner of the company, the COBID department said that they could not give me the certificates if I did not know how to [do] siding, I did not know how to do roofing. I did not know how to do any of that. They told me that I had to do that and then I entered a program that teaches you how to do that, and then I was working on roofing, siding, putting up windows. With the program it was like four months, but I lasted the whole year to be able to show them that I knew how to do it and that is when I realized that construction is not only for men, it is also for women and it is also for people and we have to make a change with our Latino community. ... [To get a COBID certification] you must be a citizen." [#PT10]

- A participant at a stakeholder engagement session stated, "The first time I applied was during COVID and I was told that I should withdraw, because I didn't have enough experience. And I felt like they didn't believe that I was the operator also. So I just did what they said. I withdrew. I built my resume up and then a year later, which they had recommended to wait, I reapplied and was able to obtain the certifications." [#PT13]
- The owner of a WBE- and MBE-certified professional services company stated, "It was literally easier to apply for federal bids through SAM.gov than it was to renew my MBE/WBE certification. ... I really do not understand why this process was made more difficult for renewal applications when my race does not change nor my gender at renewal times. They created unnecessary barriers for POCs to compete for state contracting opportunities. I am hoping that the power structure will put an equity and inclusion lens on COBID's process for improvements." [#WT12]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "COBID certifications haven't meant anything in the state of Oregon, so much so that it prompted a discussion with the state's ombudsman, which was uneventful. ... Local, county, and state agencies don't have any legal requirement to recognize COBID [certifications] and unless there's something that forces them to treat you differently, nothing will change. ... Those certifications are good for marketing, nothing more." [#WT20]

5. Recommendations about certification. Seventy-five interviewees recommended a number of improvements to the certification process as well as recommendations to enhance the benefits of becoming certified [#2, #3, #5, #6, #7, #9, #11, #13, #15, #18, #21, #23, #24, #25, #28, #29, #30, #32, #36, #39, #44, #46, #47, #48, #51, #52, #53, #54, #55, #56, #57, #59, #61, #AV, #FG1, #FG2, #FG3, #FG4, #FG5, #FG6, #PT8, #WT12, #WT14, #WT20]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "If I had language with some teeth in it in the RFP process, then as a small business, if I see a contract [that] says 'Hey, 5 percent of the work is set aside [for certified firms],' ... then I will go and look further, saying that, 'Oh, how do I get certified?'" [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "Because I used to work in government, I was aware that those things existed. But many of the other fellow small business owners, ... the majority of the time they're not aware. So, I think part of it is somehow

either changing existing proactive measures or adding some proactive measures, like perhaps when they register with the state. ... Maybe it's worth when they first do [register] to be like 'Hey, we just want you to know like that these are available. And it can help you get business or something with the state of Oregon.' ... I think there could be some additions. And again, I'm thinking of like neurodivergent and physical accessibility differences." [#3]

- The non-Hispanic white owner of a WBE-certified construction company stated, "[It would help] having somebody like a support person from the state of Oregon that would come in and actually help you collect the documents and was like your advocate, not this person that was just looking for every reason to not certify you, they were actually looking for reasons to certify you and helping you with that process. It would be better if they can process applications and renewals more quickly. ... [The] COBID site though, it's hard to navigate, ... all the keywords, sometimes it doesn't pull all the firms that do that category of work. Well, when you do like a Craigslist search, or a Google search, and the person's website has all these keywords in it, so that person's website comes to the top. Well, COBID isn't like that, right. So, unless you have a specific thing that you know the name of the company, but I want to just be able to type in keywords, [like] asphalt paving. ... It's just not quite that user-friendly. ... It would be nice if there was that search engine was a little bit more robust. ... I guess having the search engine of COBID be more like a Google, so you can keyword search you're not just looking by the NAICS codes." [#9]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "I think that changing the name from like the MWESB certification to a COBID certification, I'm still confused. ... Hopefully when they go to look for corporations that [have] these designations, that they call us. And I mean, all they have to do is go in the state of Oregon and look us up. Again, it just goes back to the employees making the effort to do so instead of doing what they may be used to doing and then going on ordering from Office Depot, because that's what they've always done. I think the employees need to be made aware of this. ... They need to be held accountable to do it, to spend with [different] types of companies." [#13]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Reduce the timeframe that it takes to get certified being the response or once you submit the paperwork. ... And also, there is a requirement that I be a certified electrician in order to have an electrical company listed with the COBID system. So, bottom line is I can't be listed with the COBID system as an electrical contractor if I don't have the electrical credentials. [However,] in Oregon, I can do electrical work, as long as I'm hiring people with those certifications." [#18]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I know there's a couple [of certifications] that have a lot of administrative overhead to maintain them. And I think that might be a disadvantage, especially if you have a smaller team. ... We're working with an older contracting system that they're using to get these certifications done. So, it's not exceptionally clear and it looks like it made everything on this checklist. I submit it. And then a random state employee emails me, 'Hey, we have to kick this back because you're missing this.' ... I spoke with a state ombudsman about it. And he told me it just doesn't matter. ... He's like, 'I feel like it's an unfinished benefit [for] the small businesses.' They started off with the right intentions, but they just lost focus and just left it as is. ... There's nothing other than, you got a piece of paper and you hope that people recognize it. ... It feels very disjointed. ... There needs to be some sort of administrative rulings for public entities in the state to actually honor the processes they asked us to go through." [#21]

- The Asian American owner of a professional services company stated, "Certainly don't go by the SBA, the government [has] these crazy standards per location - 500 employees or less ... I think you're definitely probably a better definition via micro business. In the government's terms, [we are] not small business. We generally work with firms that are [making] \$5 million or less. Most of our small businesses are probably in the six-figure range." [#24]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "I understand that the reason they don't want billionaires claiming DBE [status], but at the same time, some of these DBE projects are \$30 million. I can't on one project already make myself DBE ineligible. ... So, what's the DBE, you know? ... I truthfully don't want DBE [certification, it] requires every year renewing. [For] MBE [certification, I] just fill out a few pieces of paper and it's done. [For] DBE [certification], I have to issue new financial statements and submit taxes and this and that and it takes substantially more effort and energy, and it's every year as opposed to every three years. ... When you have a goal with no consequences for not meeting it, [what is] the point, because ... it's always going to come back to, 'Well, it's not financially beneficial for us to do it. It's a loss for us.' And I run into that all over the place. I'll run into situations where I'll reach out to somebody and they're like, 'Yeah, you're too expensive' because we charge this much. Goals are great, but if there's nothing to back them up There needs to be a partnership approach, as opposed to just goal-based. It needs to be 'Listen, we have these partners, you are required to work with these partners. Whether it's a minority company or whatever.' ... Get them in the door." [#25]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "Whoever's making these forms, these RFPs, these letters of renewal, I mean, use some common sense, just look at like how it sounds. I would never send an email to a client worded that way, even if it was something that was needed on a deadline, even if it was something that I wanted quickly. So, I just don't understand why the state has to send a letter like that." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "Somebody told me that I should probably give that one up and get certified at the national level. ... There's got to be a benefit to it. And right now, I don't really see a benefit." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "It's almost the same thing as the size of the contract in the system thing, where not only are the contracts often larger than I'd go for, but the promises as I was getting into the system were larger than paid out, right? ... I wish there was more recognition in that system just for smaller businesses, ... because it's primarily designed for massive construction contracts that I'm never going to be a part of. I almost wish there's either a parallel system or some different onboarding or some different messaging for people who have a smaller business or have people who have businesses in industries where the contracts end up being smaller." [#30]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Part of the certification with Oregon COBID, what I hear from minority business, especially Latino business, is that they come [in to] make you feel uncomfortable and try to prove yourself. ... It's not really friendly. It's more like, 'Prove to me that you're legal,' and that's why many, many, many Latino business don't get certified. ... They asked for too much documentation in the first place. ... They asked for a lot of tax documentation for the last three years. ... I do believe in accountability, but I think it's too extensive in terms of the paperwork, in terms of approving of your tax or ... your financials. That creates a burden on a lot of small businesses. ... [And going back to] the way they're dealt with from a cultural perspective. Many minority firms have said, 'The way the talk to me or

treat me, it's a very condescending, [and] very not trusting, and not very conducive to a productive relationship." [#32]

- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "It's all the stuff you have to gather. You know, you gotta get your taxes from the last five years. And if you're a person like me that was going from city to city, state to state, you have these boxes. Like everything isn't always in one place, but if you've been pretty stable, it's just tedious." [#36]
- The owner of a majority-owned goods and services company stated, "If [Oregon's] goal is to get more people that participate, they probably do need to look at it like, 'Well, how do you make that happen?' I think that you've gotta go find somebody who's willing to start businesses. And I don't think that that's an easy thing to ask somebody, because you're probably looking at having to go quite a while without a paycheck in my industry, cuz a lot of times when we get a contract in the door, I'm not delivering anything for a year or two years depending on the project." [#39]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "I don't know how effective [aspirational goals] are. I've never been hired to fulfill an aspirational goal. Like, no one's ever hired my company as a minority business enterprise to fulfill an aspirational goal, but the ones that are condition of award-type of situations, we've been hired many a times for those." [#44]
- The owner of a majority-owned professional services company stated, "I don't know that we derived anything directly from it. At the time, ... prime contractors were encouraged to allot 10 percent of their contract to emerging small businesses. I didn't find that that was really done. ... My wife and I own the firm. We work on this together, but we're not a women-owned firm because it's a 50/50 split. Now, if we made her a 51 percent owner, all of a sudden, we're a women-owned firm, which is silly." [#48]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "I think that to improve the COBID system, the first step should be one of those people visiting businesses. ... A lot of times, guys have gone from the trades into starting their own company. They know how to do the work, they don't know how to do all of the paperwork and the back-end stuff." [#51]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "I think the best answer I can give you for that is that, in order for certified businesses to become assets to larger prime contractors or project owners, it needs to be a long-term mentorship where you pair prime contractors with certified firms with some sort of guidance or assistance for that prime contractor to develop that certified firm underneath of them." [#52]
- A representative of a majority-owned construction company stated, "It's like, as if I wanna run a McDonald's, I can make the worst hamburger on the face of the earth, all I have to do is hire somebody who's good at doing it. So, it's one of those odd industries where we have rules that, sometimes I wonder, does that affect the growth of a DBE, not necessarily the success in their home state, but their ability to also be a national firm. ... When I had to go to COBID to try to find firms, and I know that we all have to use the NAICS codes. I wish that there was a more organic search. I think sometimes we get so hung up on definitions within a governmental agency." [#54]

- The Black American owner of an MBE-certified professional services firm stated, "COBID is very intrusive. ... We've done it here in Oregon, ... we've done it in different states. It's by far the most intrusive. ... We think that people correct for COBID. So, we think that people who are grading the [proposal] correct for COBID already, that they look at it and say, 'Okay, well we already know this firm. ... They already have five points built in, so I'm really grading them on a scale from one to 95, not one to a hundred.' ... It kind of makes you mad as somebody who fights this all day ... docking of points, whether it's unconscious or not, and it kind of hits us twice." [#55]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "I think there's an expectation, or there's a misperception that the COBID program,. ... I think businesses think, 'There's no opportunities for me so I shouldn't bother. ' They're wrong. ... They don't know about what the opportunities are out there. And then vice versa, where just getting COBID-certified doesn't guarantee that you're gonna get work or contracts, or that you're the right fit for the program. I think just being really clear about when it makes sense to make the effort and what the expectations realistically should be once you get certified, that would be really helpful." [#57]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The benefit [of COBID certification] is people are gonna fulfill these aspirational goals or these mandated goals. ... Whether they're aspirational or mandates, there's no one to enforce this. ... You first wanna get certified right through the state, it's a 90-day process. I think that is unfair in itself, because it has to be your single source of income. ... The biggest key ... is that there needs to be a procedure ... that can validate when we're saying we're going to use these small businesses or obtain these aspirational goals. ... An independent company ... who gets to go through and check[s] that contractor's paperwork and make phone calls to these companies that they're checking boxes on and writing their names down saying that's who they reached out to, that's who they tried to go get solicit work from." [#59]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Although certification as a small business can be useful, the revenue caps for small businesses according to the SBA are too high and allow large, successful companies to compete for contracts intended for actual small businesses. A small business revenue cap of \$25 million is insane, most small businesses couldn't even dream of earning \$1 million!" [#61]
- A representative of a Native American-owned construction company stated, "It is the state's big agenda to hire construction female-owned business, I don't believe they are 51 percent, I see only men doing construction." [#AV6]
- A representative of an Asian American veteran-owned construction company stated, "Since COVID, I feel like there isn't enough due diligence to certify companies. For example, we lost a bid to an ODOT project to a company that is certified woman-owned. The company is woman-owned, but she is not capable of running construction projects, by definition of Oregon statutes. Her husband recently sold his shares in Oregon to a large civil construction company for tens of millions of dollars. They have financial resources that small businesses don't have." [#AV34]
- A representative of a Black American woman-owned professional services company stated, "A barrier would be the demographics, being required to be certified as a minority woman." [#AV52]
- A representative of a majority-owned professional services company stated, "[I was] encouraged to submit for COBID certification and was told that they answer their phones. I called [and] they don't

answer. I finished the application, tried to follow up to get clarification, see if I am missing anything. [The] website says submit if you have a problem, [but what if] I don't have a problem, I am only clarifying?" [#AV80]

- An Asian American representative of a trade organization stated, "COBID[-certified] white woman-owned businesses and emerging small businesses owned by white people should not be put in the same category for contracting targets." [#FG1]
- A Hispanic American representative of a non-profit organization stated, "We have cities where ... the growth of the Latino community in construction businesses is exponential, there is exponential growth, and the big problem is the certification. ... Anglo businesses receive 97 percent of contracts. By 2025 we have \$9 billion to invest in Portland, only in Portland. ... However, 97 percent are already destined or apparently would be destined for the Anglo community and 3 percent are destined for minorities - but a COBID barrier comes in. COBID can hire up to \$150,000 directly to minorities, but only if they are documented." [#FG3]
- A representative of a non-profit organization stated, "I know a lot of people who have had real challenges with a COBID certification. It's intrusive, it's personal. ... When you're asking for birth certificates of your grandparents, that's not acceptable. I know genuinely [eligible] minority-owned firms who do not have the certification because they were really offended and being asked for their grandmother's birth certificate. ... There is a slice of the population that really struggles with getting that certification, just because of the process itself. ... The certification is in and of itself exclusionary towards certain populations of people. ... Sure, getting the certification might be the goal, but maybe a certain percentage can still count towards that overall goal, even if they're not a certified firm. We need to kind of overhaul the thing, people shouldn't be having to provide their grandparents' birth certificates just to prove that they're Black enough to be certified as a minority. That's ridiculous." [#FG3]
- A representative of a business assistance organization stated, "[COBID] should give us certifications if we basically meet all the requirements, because if you have a business, if you put [up] capital, if you have employees, I mean, because for example for me, if I have all the requirements but because I have an ITIN [individual taxpayer identification number], they don't give me that certification. Well, I am a minority, right, I am part of the minority. There is no support for minorities." [#FG4]
- A representative of a business assistance organization stated, "We need more than one system that represents the state helping people get certified. ... Let the counties be responsible for bringing these contractors in. Either helping them go to the main COBID at the state level office or creating their own mini COBID so that they can really work with their communities that they understand, that they see, that they have existing relationships in. ... There's no way that the COBID office with no less than, five employees and no more than 10, can service the whole state when we have over 3,000 companies in the system." [#FG5]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "The COBID certifications here in Oregon, they haven't really meant anything. They're not respected by the local government organizations and even counties in the state directly have largely ignored them. We're typically marked down on scoring sheets [because we don't have a] traditional business format. In other words, [there is] a hierarchy [favoring businesses] with brick and mortar and traditional employees." [#PT8]

- The non-Hispanic white woman owner of a company stated, "It would be great if there was something that you guys could work with where, if you are a COBID[-certified] firm, that there's some help to actually get paid for your work." [#PT8]
- The owner of a WBE- and MBE-certified professional services company stated, "It was literally easier to apply for federal bids through SAM.gov than it was to renew my MBE/WBE certification. ... I really do not understand why this process was made more difficult for renewal applications when my race does not change nor my gender at renewal times. They created unnecessary barriers for POCs to compete for state contracting opportunities. I am hoping that the power structure will put an equity and inclusion lens on COBID's process for improvements." [#WT12]
- A representative of a construction company stated, "In my opinion, the focus should be granting women and minorities the tools needed to get started in business. Including education on the many government procurement markets out there and ready-made business plans to secure funding for their upstarts." [#WT14]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "The online directory where COBID[-certified] agencies are listed isn't transparent, you can't share your proof of being certified easily, it's a very outdated system." [#WT20]

C. Experiences in the Private and Public Sectors

Business owners and managers discussed their experiences with the pursuit of public- and private-sector work. Part C presents their comments on the following topics:

1. Trends toward or away from public-sector work;
2. Differences between public- and private- sector work; and
3. Profitability of public- and private-sector work.

1. Trends toward or away from public-sector work. Fifteen business owners or managers described the trends they have seen toward and away from public-sector work [#4, #9, #11, #12, #21, #24, #28, #31, #35, #36, #38, #39, #44, #56, #57]. For example:

- A co-owner of a majority-owned construction company stated, "It just depends on [what] the state is doing. I've done a lot of state work, a lot of schools, I consider that state ... but you have to win that stuff. ... They just don't call you up ... you're bidding against other companies." [#4]
- The non-Hispanic white owner of a WBE-certified construction company stated, "About 65 percent [of our work is] public work, and the remaining is private. And that fluctuates, depending on the economy." [#9]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "I would say historically, it was probably 80 percent private. ... This year, that's pretty different, because I'm doing more public work through having the COBID certification, especially being a DBE ... with just more of these people who are looking to hire contractors and putting out these requests for proposals, they're all looking to increase their percentages of disadvantaged groups, and they want certified groups. And so, more of these prime contractors are looking for subcontractors who have this certification. So, I just suddenly had more and more people reaching out to be like, 'Hey, are you certified? Can you do this work?'" [#11]

- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "I have a lot of private rental companies that order supplies from me." [#12]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "They seem to trust us and they liked the relationship that I established for them and that seems to work. The private sector stuff is mostly commercial work, I would say mostly manufacturers and those with retail chains needing support services for web applications. And we've had some service businesses as well. ... It was all private sector and now, the NGO stuff is really creeping in and a lot of it is word of mouth. ... And just the ability for us to be able to wait for payment, sometimes [it takes] up to 90 days to get reimbursed because some of these agencies really take a while. ... I've worked personally to make sure, as a solo owner, keep my credit clean and we've got some good capital behind us and cash flow is healthy, so I can do that. But I don't think that it would be large enough to do large state or large federal [projects], because that would be probably too much of a burden right now. ... Frequently, where there's a lot of politics that come into play that they have to adapt to, and therefore we need to adapt with them. We don't see that very often ... in the private sector. Even with our manufacturers, the private sector really is mainly concerned [about], 'Is Taiwan gonna get invaded or not?' That's all they really care about at this point. And they're being very conservative and cautious about their projects and doing it one quarter at a time for planning. [It] seems like when the economy is great, there's not a lot of NGO activity, but when the economy is not so great, there's a lot of NGO activity. If there's a decrease in commercial projects, we'll get more NGO. If there's a decrease in NGO, we'll get more commercial. It's weird that way, ... I could see the ebb and flow of the economy. ... The most bizarre requests and proposals that I've seen out of Portland and Metro. And so, I still see some of those come in for various things that we probably could do and I just, I hit the delete key. I'm not interested. I'm just looking real quick to see if there's anything else there." [#21]
- The Asian American owner of a professional services company stated, "For me, the low-hanging fruit is all those small businesses that ... [are] happy to talk to me for an hour and have me go back and spend an hour to doing a proposal. ... It's a two-hour process, generally doesn't require paragraphs ... [it] generally requires an hour [as] long as you can call, right? Government's not the same. ... I get these requests and there's a 35-page RFP with 30 bullet points that I have to answer. ... It's too much work." [#24]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "I would say it's not necessarily a trend, but it's just by default. ... The reason I'm on this call is because I feel like government contracts are very difficult to obtain." [#28]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "In [the] beginning years I tried to penetrate private owners. For example, there's all the private building owners association I attend there, but ... I didn't have the connection with them." [#31]
- The Black American owner of a construction company stated, "So at some point people have to transition from residential to commercial." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "[For private jobs,] it's usually a shorter-term security professional that they're asking for, or crowd management. Whereas usually the government jobs, there's more entailed ... because

those are longer-term contracts and it's a lot more that's required of the security professional." [#36]

- The owner of a majority-owned construction company stated, "When it comes to disaster[-related work], there's not very many private companies that have the resources to deal with large disasters." [#38]
- The owner of a majority-owned goods and services company stated, "If I had more work to do for private, it's much easier to navigate through a private job than as a public job." [#39]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "Right now we're seeing a pretty big decline in the private work, I think just cuz of the interest rates." [#44]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I'd say a general trend towards more private sector than public. ... I have been less willing to participate in the RFP process for public sector work." [#56]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "So sometimes it's really challenging for us working with the public sector to negotiate favorable contract terms. For example, we put out a lot of money upfront for materials, and typically if we can't have a schedule of values or we can have performance payments, that creates a huge burden for us. So, a lot of times, the contractual requirements for public sectors are a lot less favorable for a small business. We don't have the ability to negotiate a change order because of the contract we have with public sector customers. So, if we have an act of God or something like the war that really drives up material costs, there's not a lot we can do. So, the profitability of those jobs is very risky. And there's also a lot more competition, because a lot of times it's a public procurement, we're competing against much larger companies or companies that have access to a lot more resources than we do." [#57]

2. Differences between public- and private-sector work. Sixty-five business owners and managers commented on key differences between public- and private-sector work [#1, #2, #3, #4, #6, #7, #8, #9, #10, #11, #12, #13, #15, #16, #17, #18, #19, #20, #21, #23, #28, #29, #30, #32, #34, #35, #36, #37, #38, #39, #40, #41, #42, #44, #45, #46, #48, #50, #52, #53, #55, #56, #58, #59, #60, #AV, #PT4, #PT5, #PT7, #WT24, #WT4, #WT6, #WT8]. Their comments included:

- The Black American owner of a construction company stated, "I think the government contracts are ... more lucrative and I think they pay more, but it's an opportunity for me to expand and bring on board more folks of color. ... That's kind of the motivation to do it. But it's ... a mountain of paperwork. And I didn't expect all of that. But I think I'm up for the challenge." [#1]
- The Asian American owner of an MBE-certified professional services business stated, "[The] private sector ... it's much, much easier to get if you have the qualification, you have the experience, it's much easier because ... they have lots of outreach programs where they want to work with certified firms, minority-owned or woman-owned, or all different categories. With the state ... I don't see any movement happening, it's like, ... things are too slow. And not even comparing with just the private sector, comparing with the federal ... it's amazing, there's a difference between like, day and night working with the federal agency. I mean, as a certified firm, it's so transparent, I can go look at an opportunity which is posted, I can reach out to that agency and tell them, 'Hey, look, I'm a certified firm.' ... They have dedicated resources and dedicated targets for small businesses, which I don't see with that state government." [#2]

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "It is easier to be successful when doing proposals for the nonprofit sector. Those contracts tend to be smaller. ... For the government, there doesn't seem to be as many opportunities that are a match for us. ... The opportunities that are out there are bigger-size contracts. And our success rate, depending on project and level of government has been maybe 50 percent successful. Whereas with nonprofit clients, we're usually [a] majority of the time successful. ... Working with the government, it's ... harder to get your foot in the door, like you either win the contract or you don't. There's not a lot of relationship building. Whereas I experienced the opposite with nonprofits. There's usually a lot of good relationship building, but maybe you don't work with them right away. There tends to be repeat work with nonprofit clients, whereas [with the] government, it really seems to be just this specific project in this specific area of the government, and then we may never work with them again. ... By the time we finally get to a real person, versus like the procurement process ... it's usually a lot easier to be like, 'Okay, this is what we understand you need, here's our plan, make sure we're on the same page.'" [#3]
- A co-owner of a majority-owned construction company stated, "When I get awarded a contract for a school, [it] is four times more paperwork that has to be followed to the tee and filed in force in order for us to get paid. ... [Change order] approvals are easier to get in the private sector than the public because you can get you get to talk to the customer directly. ... You can explain to them and legitimize why this change needs to happen." [#4]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "[One of the] huge differences is the wages that you're paying. ... With most private deals, you can pay your standard company fee, versus if you go public, you're generally playing some type of prevailing wage. ... The specifications, obviously, are always different. And that goes different by city municipalities versus private. ... Private, ... you can kind of have ... free rein, they can decide what they choose to accept or not accept, essentially. ... So, it's kind of like comparing apples with oranges. ... You get a request from someone the to send over a number for doing a certain scope of work, and ... if your number works for him, then they use you. And if it doesn't, they don't. ... [With] private work, you can have a more verbal agreement type of a thing where it's like, 'Okay, we're going to use you on this, as long as you can match up.'" [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "Private sector, they're more persuaded by the larger firms. Because it doesn't matter when the larger firms screw up, because then the employees within those firms, they can say, 'Well, we hired the biggest company. So, it's not our fault.' ... It's a matter of putting more bodies on the project. On a public sector [job], it's more competitive. ... When we work directly for a public party, it's a larger contract. And that's why they're able to determine that it's in their best [interest] to direct hire. On smaller amounts of work, it becomes more paperwork and more challenging [to do work] for the public agency." [#7]
- A representative of a majority-owned professional services company stated, "The public sector is definitely a little bit more laid back. Private sector work is a little bit more high stress, I will say, deadlines, and ... everything is a 'We need it now.' Whereas in the public sector, ... schedules are a little bit more flexible. ... If you need to make a change, let's say you need additional money for a project, either because of being over budget, or ... the scope has slipped a bit or has expanded, with the private sector, typically, that's fairly easy ... that they can approve that. Whereas in the public sector ... it's difficult to change that. You're pretty well tied into what your contract is." [#8]

- The non-Hispanic white owner of a WBE-certified construction company stated, "There's a lot more paperwork working for the public sector. ... When I work for a private firm, they send me a contract, I sign it, then I just send them my monthly billings, right? Easy. They might have a few safety documents that they require. That kind of thing. When I work for the public sector, it's like, oh, I have to sign up for this website, so I can submit my certified payroll, my workforce plan, and I have to sign up for this other website so they can track all my subcontractor payments, and then I have to sign up for this other website. So, they can track all my equipment. ... There's like five different platforms that you have to submit information into. And it's not like that for the private side. There's a lot more documentation, a lot more things that you have to turn in, paperwork that you have to complete. ... For a small business, it's like, I'm the owner or the operator and the person that goes out in the field. When do they have time to do that? ... Too many processes and paperwork and that kind of stuff, I think that's a huge barrier." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "We'd like to do more public sector work. We [are] just navigating how to get into GSA [the General Services Administration]. ... Business acquisition and contracting is a lot more difficult in the public sector than it is in the private sector." [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "It's definitely been easier for me to work in that private sector. There's less layers of red tape, and bureaucracy around stuff. It's like, if I have trouble getting paid by a private client, it's pretty rare. Most of them pay me on time. And without question, the whole process is just more straightforward. From the from the beginning, there's not any of these hoops to jump through. ... I can invoice how I want to invoice, it doesn't have to be in a particular format, or contain certain things. ... These public ones, it's like there's a lot of communication problems, getting paid problems, ... the contracts are really long and complicated. And the project go[es] on for a lot longer." [#11]
- The co-owner of an ESB-certified goods and services company stated, "When you work for the public sector, ... because of what we do around soft skills and leadership, there's often a reticence by the people who run the programs we do internally; the organizations often don't make them mandatory." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "[In the] private sector, sometimes, many times, there's no end date, there's no contract, we do it on a handshake. And those have been my best and longest-term clients. ... [In the private sector] they're responsive. They return communication. They don't slow it down. They don't make you do reports of the reports. ... Government agency contracts are either for a period of time or a one-year or a three-year [period]. And so, it's very, very difficult to win those contracts again. So, they're short-term ... they come and they go. ... I wish that state employees had to reapply for their job every year or every three years as they expect us vendors to, I think they should walk their talk." [#16]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "[I became certified] because I thought it might help. ... I thought it would help for doing government contracts. But you know, [the] government doesn't really want my services. They're looking for people to lay bricks and come up with food stamp training programs or something." [#17]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Pricing, a lot of the private [clients] are stringent on what they're paying to have services done." [#18]

- The Native American owner of a construction company stated, "There's a lot more challenges with the state. The private sector is really simple. Because of the scale of my contracts, it's not as if I need to enter a big formal contract for most of these jobs. Most of my private works jobs are \$450 to \$1,500. It's like, when somebody's installing a power pole for their house hits [and] solid rock, right? They hit solid rock, they call me. And then I show up, and ... it takes me one hour. Nobody wants follow-up paperwork. If I give them the insurance certificate, and if it exceeds \$900, I give them a W-9. And they pay. They write me a check right on site. And it's done. [With] public work, ... I have to read through the specs. I prepare a bid. I don't win every bid, right? ... There's a quarter of those bids that I'm working on that are fruitless. ... In private sector work, people don't call me unless they know they want me." [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "[With] how [NGOs are] organized, the leadership can change frequently. I think there's a lot more instability with like boards and decision making, and somebody can be there one month and be gone the next. ... It makes it kind of unstable on budgets because they may change their mind in mid-project. ... With private ... of course you have to show results and ... they really want to be kept informed and they want to know what's going to happen and how it's going to impact their bottom line versus the NGO entities. ... It's a different aspect, like, they need transparency with the work that's done because they have to report the stuff and send invoices back to the state or back to the county or back to an agency or the feds, so ... I have to partner with them to make sure all that paperwork is in line. ... So that's the big difference. Private sector doesn't seem to care. They just want the job done. And if you trust the team, then they'll trust the team. We do get some xenophobic folks [in the private sector] from time to time, and I just don't choose to work with them." [#21]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "[In the] private [sector], it's way easier to get work on the products. There's a greater demand for what I do. And they don't have all the hoops that you have to jump through, you know, all the goals and other paperwork. Basically, you get a contract and you get paid as you complete the work ... and you're done. You're done. The cities in the state are a nightmare with the all the paperwork. [It's] very, very time-consuming, a lot more expensive to do work on the public side because of all the time and the overhead." [#23]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "When I think of a private corporation that needs an event planned, the chain of command is typically pretty clear. The person who is requesting information for me is the same person who ... I'm going to be working with. So, I can establish a rapport with that person early on. They will send me a scope of work to propose against and give an estimate for ... [and] if I'm able to get an interview with that person and an estimate in their hands, I would say we have probably a 50 percent chance of booking that business to a private corporation. Whereas in public sector or government work, we are typically receiving an RFP from a procurement department person who is not necessarily related to the person who's using the service. The scopes of work ... do not necessarily track to our description of how we would do things. And so, we have to rewrite our entire marketing and sales to fit an RFP in order to respond to someone who may or may not actually know what we do or be the person who needs our service." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "Early on in my business, I submitted a lot of RFPs, and I never got one [contract]. I've never,

I was spending a ton of time. And so, to me it's like a waste of time at this point. ... [In the private sector] there's just less things to navigate, less bureaucracy. The businesses that I have is word of mouth, ... executive directors know about me and they talk to other executive directors and ... that's how they find me. It's not because I'm submitting RFPs. And the times that I have submitted RFPs is not very successful. It feels like a waste of time. It's a lot of time to waste." [#29]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I think it's easier, it's way easier for me to do business with people who aren't spending their [own] money. So, the public sector is way easier. You know, I'm talking to a marketing manager at Metro who can see the quality of my work and it's not their kitchen table the money's coming off of. So that's a way easier sell. ... I think pretty soundly the public sector is easier to work [in]." [#30]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "It's really disheartening what small business has to suffer sometimes with dealing with bureaucracies. ... There's a cultural issue with government systems, government bureaucracy that sometimes doesn't want to change. And people [are] used to doing business a certain way. ... Government staff sometimes doesn't like to be told or doesn't like to be given advice or doesn't like to [receive] feedback [and] can get defensive. I think sometimes that culture in government can really create a big barrier in just trying to have a conversation about certain things. ... The other thing is, definitely when they have an approach toward minority business, they develop RFPs or contracts that come or have with a tone of not trusting. So, they add more requirements in terms of insurance, in terms of liability. ... That culture, it's a big, big issue. ... Talking to small businesses, they feel like they don't have a chance, in terms of connecting with government, it's just, it's an impossible journey that they don't see happening. That's why [the] majority don't apply for government contracts." [#32]
- The Black American owner of a construction company stated, "On governmental [contracts], you need your ... commercial contractor's license. You can't get away with a residential [license]. So yeah, I guess by definition it's gonna be a little bit harder to find people to do some of the work under these different state and government programs." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "You have to kinda look at it like this: the government jobs, ... they're going to be lengthy, it can be good job security for someone for a few years. [With] government [work], there's a lot more paperwork that's involved. And even if the site log may have two or three lines on it, you have to turn that in. Whereas on the private, they don't want that. They just wanna make sure that the person is gonna come there, show up on time, you know, do their foot patrol or ... their vehicle patrol, check the area, and that's it. ... Getting the contracts [for private clients], they're fairly easy. It's usually just someone calls you; we fill out a root client request form, they review it. Usually on the private side, they wanna quote first and then once they get it, if they like the price, they hire you. It's a lot easier." [#36]
- The owner of a majority-owned goods and services company stated, "It's much easier to navigate through a private job than a public job. There's a lot of front-end documents on just your normal school bid. Depends on the district. We're gonna be on that job site for five days. I've gotta fill out paperwork and navigate through a system as if I'm gonna be on that for 12, 14 months. I'm gonna have a job trailer on site. ... My bid might be \$80,000 something ... [but] I've gotta do paperwork as if I'm doing \$80 million. ... If I do private ... they work with me to get it done, and I'm out. ... For [a] ...

public type entity, there's a contractor involved, there's an architect involved, there's the district involved. ... I'm waiting to get submittals back, waiting to get approval back, jumping a lot of the hoops [for] a pretty easy project. I got [to] wait two months for somebody to approve something, worse [case] if it's a private [client, we] wait two days and it's approved and color selected and everything else." [#39]

- The Hispanic American owner of a professional services company stated, "There's all sorts of variables, what the economy's like, who's doing work. Private companies tend to tighten the belt during recessions as to where the government, if we're in a project, they're not stopping, they're taking our money. They're taxing us, they're moving on, which is nice in some respects for all of us that work in that sector. ... For the companies that I work with, most of them would say the private sector has been more profitable. ... The reason being is all the requirements by the federal government that mostly, if you don't know, it's gonna be hard to get into the SAM system, the CAGE [Commercial and Government Entity] code, all the ... requirements ... they make it very daunting." [#40]
- The non-Hispanic white woman owner of a professional services firm stated, "I found it really hard to get awarded jobs when I applied for jobs in the public sector because ... even though I've got tons of experience and references, I didn't finish my college degree. But I've got the work experience for letters of reference." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "Private [is easier], although I'll tell you, we adore spec work. We love specification work because if it's spelled out, 'This is what you have to have and this is how you have to do it,' there's really not a lot of room for error. ... Just tell me what I have to do, and I'll do it." [#42]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "From an administrative standpoint, the private side is a lot easier. But from a work standpoint, I would say there's a lot more ambiguity in the work because they don't have the set specifications and the guidelines. ... On the public side, a lot of it is unit price work. So, if you go over on quantity, they pay you more quantity. Or on the private side, they don't. So, you tend to have to be a lot more diligent in your tracking and communication with those owners, on that end of it." [#44]
- The owner of a majority-owned construction firm stated, "With public work, a lot of times, you'll have a contact that you work with for 15 or 20 years that stays at that job. When that person moves on, they don't necessarily turn their contact list of contractors they've been using over to the new guy. Then, you never hear from them again." [#45]
- The Hispanic American owner of an MBE-certified goods and services firm stated, "It's not the best [working with private entities]. Your price has to be a lot lower [than working with public agencies]. You have to be a lot more competitive with the bigger guys because [clients are] more likely to go with the bigger guys. But the bigger guys always don't do a good job. ... SAM.gov was how you register your government entity after you have an LLC and all that. It's just a very simple process of how to do business with the government. I mean, it's funny because a lot of the businesses that have been in business for like five, 10 years still aren't even ready to do business with the government. Whereas if you were to do everything right from the beginning, you know, like set up a strong foundation, you could do business with the government within a month or two of creating your LLC." [#46]

- The owner of a majority-owned professional services company stated, "[In the] private sector, you can be more proactive in your selling. There's not the public procurement laws that you have to go through. You can proactively sell a service and a company; [a] private company can decide whether they want to go with your service or not. They don't have to procure for it. They can just decide and negotiate a contract with you. I would say the biggest con of working with the private sector versus the public sector [is that] the private sector is much more affected by economic changes in the nation's economy. There are bigger swings in the amount of business that's out there in the private sector versus the public sector. The public sector seems to be less swayed by economic upturns and downturns. The business tends to be a little more stable." [#48]
- The non-Hispanic white woman owner of a professional services company stated, "[In the private sector,] I really value working with the kinds of people on the kinds of projects that I care about. ... We tend to work with government entities [because they] have money. They have money to spend, they have budgets, and I like doing qualitative research, and they are who has money to do that and answer things like, you know, 'What's the community's perception of the transit authority?'" [#50]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "The private side, it's just the wild west." [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "When you do work for a private contractor, the goal changes. They actually care about just getting the work done. ... That should be everyone's goal. But politics really take over [in the public sector]." [#53]
- The Black American owner of an MBE- certified professional services firm stated, "We find that we have to fight 10 times as hard for a public project and get half the dollars. A lot of times it's kind of not worth it, until we end up working. ... At one point, we were writing seven or eight proposals a week. ... We just had 'em going out constantly. We had a team of six writers just constantly going." [#55]
- The owner of a majority-owned goods and services company stated, "I think the public is increased documentation, paperwork. ... There's just slower processing times with public entities." [#58]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "[In] the private sector, it's not about low number, it's about quality. [In] the public sector, ... they've got a lot more systems to navigate. You've gotta be in their system directly. You've gotta bill the way they wanna bill. You've gotta deal with their payment schedules, their terms. ... The big difference to me is how to get paid, when to get paid, ... and how many systems you gotta jump through." [#59]
- A representative of a majority-owned construction company stated, "My experience has made me hesitant for doing business with government. Just a bit too much having to speak with multiple people even for questions." [#AV21]
- A representative of a majority-owned construction company stated, "The reason why we don't pursue government jobs is the paper loads." [#AV43]
- A representative of a majority-owned professional services company stated, "It's easier now in the private sector because you develop a relationship, whereas in the public sector there is more competition. There is extra work to pursue private sector." [#AV59]

- A representative of a majority-owned goods and services company stated, "It's very hard to get some government work. I looked online for the type of business that we do—we sell and service used cars—I think the state is more interested [in] new cars. I wish that the government would give more opportunities to smaller businesses like ours. I know that the state typically works with bigger companies like [major car companies]. I mean, they're big companies who are already making a lot of money, you know?" [#AV61]
- A representative of a majority-owned goods and services company stated, "Lots of additional steps to take to work with the [government] agencies." [#AV111]
- A representative of a veteran-owned-owned construction company stated, "We prefer not to work for the government. Bureaucrats are hard to work for. There is a lot of meetings and paperwork." [#AV114]
- A representative of a woman-owned goods and services company stated, "In the past I tried to get in contact with the county and they never did anything. The general marketplace in my county seems to be a bit harder to get into in that market because people say things like 'We want to work with you, but we have been doing things this way for so long we don't want to change.' My experience with government workers is they are lazy and don't want to do anything different." [#AV114]
- A representative of a veteran-owned-owned professional services company stated, "We don't get considered for [government] work, due to the fact that we are we involved cannabis and hemp staffing." [#AV144]
- A representative of a service-disabled veteran-owned professional services company stated, "My business is a niche product and service [and] that does hinder my ability to effectively sell the product to large governmental entities in Oregon or anywhere in the US. It's like trying to find a needle in a haystack." [#AV149]
- A representative of a majority-owned goods and services company stated, "The state of Oregon has, however, been very good to our company. The biggest thing that comes to mind is that Oregon signed on to the NASPO [National Association of State Procurement Officials] contract. It's like a co-op agreement. When a state jumps onto a contract like that, they have a choice to choose which vendors they want to work with and, in turn, they excluded our company to bid directly on that contract. But they allowed ... the larger national companies [to participate], but did not allow any local Oregon companies to bid on it like ours." [#AV160]
- A representative of an Asian American-owned construction company stated, "We've done a lot of federal work. There is a lot of red tape and regulations that make a few more hoops to jump through than what we do for a private company." [#AV241]
- A representative of a majority-owned construction company stated, "[The] complexity and communication is too difficult. Private is straight to the point. Mainly in high tech industry, things have been going well." [#AV247]
- A participant in a stakeholder engagement session stated, "ODOT came out with a RFQ for flares and I submitted all the data to have an alternative product considered. And the buyer came back and said, 'Well, I'm sorry there's no provision in the request for alternative products.' And I said, 'Well, yeah, I know that because the buyer, or the person that requested the flares doesn't know that we exist. How can I get that fixed?' He said, 'You can't.' So, I ran it up the flag pole and I got it

up, I don't know, two or three levels above them and so forth and so on, and nobody ever returned my calls. The missing link in state procurement systems in Oregon, Washington, California—and I've experienced this in all three—is that if you have a new mouse trap, it's really hard to get an audience to present your mouse trap. And unless the mouse trap gets into the bidding process with the right codes and everything, it doesn't matter whether it's a better mouse trap or not, because people aren't going to buy it.” [#PT4]

- A participant in a stakeholder engagement session stated, "It's [taken] me a couple years applying. And I could not land a single contract. I would even email, do follow-up, do all the things I need to do. I read the requirements, and make sure I check all the boxes, and everything, all my I and Ts dotted, and everything. And it's like, so after about two years, I just stopped. Because I was putting in a lot of time putting in those proposals, and all the work I was there. So, I just kind of stopped.” [#PT5]
- A participant in a stakeholder engagement session stated, "Some companies don't want to jump through all the hoops to do business with the state of Oregon, such as OregonBuys, when they have plenty of business that only require a quote. This could be a reason why smaller businesses don't want to participate but may also affect other businesses as well.” [#PT7]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "We're apparently good enough to handle NGOs with a \$500,000 multi-year contract, or good enough to completely rework software for manufacturers in [a city], but not good enough to handle state or local? We're just tired of the excuses and I'm honestly pretty hostile to those other entities at this point, as an owner, I could care less until there's a major change.” [#WT24]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "Currently these large GCs (usually union affiliates) are controlling who they invite and/or who they want to win the bids. All public projects should be published and open for all companies to bid as opposed to being invited to bid. A lot of the public projects that these GCs were awarded, we have never heard of because it was never published and/or we were not asked to bid. Our suggestion: MAKE IT MANDATORY THAT ALL PUBLIC BIDS ARE OPEN TO ALL CONTRACTORS (not just union contractors).” [#WT4]
- The Native American veteran owner of a construction company stated, "I have tried for over six months to be an Oregon government-approved business to work with them. I gave up. Too much time and not enough understanding of how to do it. For me, I would have to be full-time figuring out their system.” [#WT6]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "When we try to get information on the bid website half the time we never get our questions answered and are dismissed and not fully engaged.” [#WT8]

3. Profitability of public- and private-sector work. Business owners and managers shared their thoughts on and experiences with the profitability of public- and private-sector work. Eleven business owners perceived public-sector work as more profitable [#1, #11, #18, #21, #40, #42, #46, #50, #53, #60, #61]. Eight business owners and managers perceived private-sector work as more profitable [#8, #10, #13, #15, #16, #39, #40, #59]. Four business owners did not think profitability differed between sectors [#9, #12, #23, #29].

D. Doing Business as a Prime Contractor or Subcontractor

Part D summarizes business owners' and managers' comments related to the:

1. Prime contractors' decisions to subcontract work;
2. Prime contractors' preferences for working with certain subcontractors;
3. Subcontractors' experiences with and methods for obtaining work from prime contractors; and
4. Subcontractors' preferences for working with certain prime contractors.

1. Prime contractors' decisions to subcontract work. Business owners and managers discussed how they decide to subcontract out work when they are the prime contractor. Business owners and managers also shared their experiences soliciting and working with certified subcontractors.

a. Firms that serve as prime contractors explained why they do or do not hire subcontractors [#2, #4, #8, #9, #10, #14, #15, #23, #25, #26, #29, #30, #36, #38, #39, #43, #57]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "We usually don't prefer [to hire subcontractors] because we find that there are too many constraints with a subcontractor. When we work on a project, we make sure that we meet all the needs. I mean, our bottom line is, we want to save money to the state agencies we work directly with because we are helping them. And most of the agencies we are working with, they are basically helping people who are in need. So, if somebody's going to do the project for \$200,000, we'll do it for like at least 20 percent, 30 percent less, and we'll say use that rubber saved money to help people who are in need." [#2]
- A co-owner of a majority-owned construction company stated, "When I am involved in a job that needs an electrician or concrete work done, [I hire subcontractors]. I've also subbed out some framing work." [#4]
- A representative of a majority-owned professional services company stated, "A lot of times we'll hire subs if we need an engineer to help us to actually do engineering design. That's one example. ... Sometimes we'll hire subs from a regional standpoint, maybe there's some group, some people who are closer to the field project, and we will hire subs to help us out with the fieldwork." [#8]
- The non-Hispanic white owner of a WBE-certified construction company stated, "When we're the prime contractor for municipal job, we subcontract out socketing, trucking, concrete for paving plumbing, mechanical. We just do the excavation on the end of the pipe and slip in." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "We have our 1099s [if that counts as sub]contracting for this definition, and yeah, pretty much all of our production workers subcontract freelancers." [#10]
- The owner of a majority-owned goods and services company stated, "Hiring people to do the buildouts. That's the plumbers and the electricians and the contractors to do the building. But that's always been good." [#14]
- The co-owner of an ESB-certified goods and services company stated, "We act as a center for the client and for the contractor. So, the client needs this. We have these seven or eight contractors who do that, but which contractor is going to be the best answer for this client is where we fit and then

we build, we either bring in what the client the contractor has, or we build what the client needs with the contractor." [#15]

- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I don't normally do like, paving, concrete work, traffic control, trucking, socketing, things like that. I can do that work myself, but I usually subcontract those things out." [#23]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "A lot of these RFPs say they want a mechanical, electrical, [and] plumbing team as one unit. So, either I pass, which I've had to do, or I find a strategic partnership with another electrical engineer company who's interested in the same project. But I am now finding that sounds pretty easy." [#25]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "It depends on how big the contract is. If it's a contract that needs multiple people, then I'm going to need help. So, if it's just one or two people. ... If it's a group larger than 20, then I need, I need help." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I occasionally subcontract work out to other photographers for a particularly busy event or a big job, but it's mostly just me. ... The biggest place that I need to subcontract is when someone wants photo and video at the same time. I can do that myself, but if they have any budget basically above like, \$3,000, I'm going to find someone for \$500 to \$700 to hire, for sure." [#30]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "We have brought on subs under us to do work, but it's not work that we can do." [#43]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We do a lot of detailing that we subcontract out, freight we always subcontract. But for the most part, I think anything that is within our core capabilities we would do in-house." [#57]

b. Firms discussed their work with certified subcontractors and explained why they hire certified subcontractors [#4, #6, #9, #10, #11, #14, #15, #16, #18, #23, #28, #29, #30, #33, #43, #44, #54, #AV]. Their comments included:

- A co-owner of a majority-owned construction company stated, "If they're out there, and they do good work, absolutely. I'll specifically go after that. I just go after what I know in the industry that does great work. ... I never have thought about, 'This company is owned by a woman, this company is owned by an African American, yada, yada, yada.' That's not how I make my decisions. I make it based on availability [and] quality of work. And are they easy to work with?" [#4]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "We always are looking to partner with other minorit[ies] in small businesses. ... A passion of ours is trying to try to make sure that we're helping other companies grow and, you know, looking to build that Rolodex of companies to work with. It doesn't always work out." [#6]
- The non-Hispanic white owner of a WBE-certified construction company stated, "If there's goals involved, like, if we're working for a government agency and you have to have a certain percentage of minority or women or emerging small businesses, then we go to the COBID site. We have created our own internal database that says these are all the firms and we outreach to all of them. And then we make our selection of those firms based on basically price, but not always, like, if somebody has

a higher price that we've worked with in the past, and then somebody has a lower price that we know nothing about, we'll pick the person that has a little bit higher price, because we've actually worked with them. And we know that they can do the work. ... We have like a solicitation database that we use internally, that we'll just solicit out in any kind of category, we'll just reach out to everybody, even if there's no requirements. But if there is requirements, we're more mindful of making sure to bring on a certified firm." [#9]

- The Hispanic American co-owner of a woman-owned professional services company stated, "I think that the majority of our production team qualifies for at least one of those. They're either people of color, or they're women, or they're women of color, or they are like first-generation immigrants in the US, or they're people who qualify for any, and all of those. ... We don't ever sort of seek it out so much as, it's just always been who we bring to the show who we've worked with, and we love the referral thing. And so, people refer everyone they know." [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "I'm not usually looking for maybe like a new [subcontractor]. But I already know that there's other woman-owned businesses or DBEs out there." [#11]
- The owner of a majority-owned goods and services company stated, "It hasn't been a deciding factor. And what we've done in who we've chosen to work with, most of them seem to be owned by white guys." [#14]
- The co-owner of an ESB-certified goods and services company stated, "But oftentimes, in our business, you know, we'll get asked the question if we do an RFP, 'How many of these people are certified as a woman-owned business or a minority-owned business?' Because we're subcontracting with individual consultants who, that's their business to be themselves. They don't have those certifications because as individuals, they're not going to be certified. So yes, we do recruit most. I would have to say, probably 70 percent of our consultant pool is women. It's a lower percentage of people of color. It's probably 30 percent [people] of color, but that's something we're recruiting for now. ... There's lots of women who do this business, but it really is about people of color. It used to be that there weren't a lot of people of color who did the specific things that we do. So that's changing, and we're very happy about that." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I just have not had the opportunity." [#16]
- The Black American owner of an MBE- and DBE-certified construction company stated, "80 percent of the subs, we use are minority[-owned businesses]. Just make sure that they prosper along with other businesses. [I find them] through the agencies like PBDG [the Professional Business Development Group] and NAMC [the National Association of Minority Contractors]." [#18]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I use the COBID website. ... I always support my COBID friends and firms first. So, we have a pretty good network of people. ... It's really easy to get non-COBID firms, the larger firms to come in and do things and they're usually a little bit cheaper. Sometimes I have to look at that, if it's a low bid, but I think I've already built these relationships. ... I search [for] minority and women first and I try to do it within maybe a 50-mile radius of where we're doing the work because I found that ... they're not going to really want to show up or come too far." [#23]

- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "We have previous relationships. I mean, there's also the COBID directory. There's a Mercatus Directory, vendors of color. There are many directories out there." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I hold all those identities. It just depends on what the need is. I did a big restorative process for a big conflict and the executive director and one staff [member] was Black, and the manager who had the conflict was Latina and then there is a lot of white people. And because it was really racial, I had to bring in colleagues that represented [the parties]. ... I contracted my Black colleague, and I brought in a white colleague, so we all went in, in order to support. It really depends on the contract, what is the need of the contract. ... They're just my personal relationships, they're just people that I've worked with in the past." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I wouldn't say that I'm necessarily doing it in a structured way. It sort of ends up being more like ... if I'm going to a social event or like a social slash professional event that is about BIPOC entrepreneurship, I have my own hesitations about fitting in that room given that fair skin. ... I could invite my white friends, but they better be pretty cool. And I don't want to have to necessarily bet [on] that. ... My question tends to be, 'What room are we walking in together? How would it look to bring this person into this room?' That tends to be my thought process. ... I would like to be more conscious about it. But, if I'm being honest, usually, I'm thinking more about how to cover rent next month, and that would be a higher priority. Sometimes those things are in conflict and sometimes they're not." [#30]
- A representative of a majority-owned construction company stated, "Certain selected counties and some cities have their own requirements [as a condition of award]. And so, we definitely solicit for [certified subcontractors]. ... When we send an email solicitation, [sometimes] you feel good cuz you sent it, ... but there's a lot of people that are very hard to actually connect with. ... We had an example of someone who bid a job a week or so ago and he didn't bid it by the format that the owner wanted. ... And the guy who was in our office who was working on it, he was trying to work some magic. ... I'd never worked with this person before and his prices weren't that far outta line, but we didn't know that until after we had more time to look at his quotes. So, that's an example where it's a real barrier when somebody actually bids a job and then, you know, if it's a unit price job and you just give me totals, then I have to do all this extra math that I shouldn't have to because you used those unit prices to multiply by the quantity to come up with the total." [#33]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "Depending on what's available. But we do have a lot of good working relationships with a lot of COBID-certified firms." [#43]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "For the minority contractors, since I'm in the same boat, I tend to take more effort with them to call and reach out to 'em and let them know that there's this opportunity, versus the non-minority groups." [#44]
- A representative of a majority-owned construction company stated, "I go to OAME [the Oregon Association of Minority Entrepreneurs] or I look at the lists of people that have actually listed themselves as subcontractors sometimes. I was in a pickle a couple months ago, and I didn't know anybody that did sound mitigation for airports at all. I went to COBID and I started searching. ... Or

I'll reach out to people that I know and trust and say, who do you know? Again, it goes right back to the relationship, right? And that's why going to those networking events are so important." [#54]

2. Prime contractors' preferences for working with certain subcontractors. Prime contractors described how they select and decide to hire subcontractors, and if they prefer to work with certain subcontractors on projects.

a. Prime contractors described how they select and decide to hire subcontractors [#4, #6, #7, #8, #9, #10, #11, #12, #14, #15, #18, #20, #21, #22, #26, #28, #29, #30, #31, #33, #36, #44, #52, #56, #FG3]. Prime contractors shared the methods they use to find subcontractors and the factors they consider when selecting a subcontractor. For example:

- A co-owner of a majority-owned construction company stated, "History is very important." [#4]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "It depends on the industry that we're studying. So, there's some companies that might be a small business that we have built a rapport with, and that we know work well. And then there's other times where you might need something larger to be done ... [so] you're kind of shopping around to see who's going to do it. ... [We find subs] even just searching and calling around to people and talking to them, and ... getting a feel for [them]. Sometimes it's going out to lunch with somebody and meeting them. ... All primes usually have a sub board or sub pool that they that you essentially put your name into. So, whenever they're doing projects, they usually send you out a bid because you're a part of that sub pool. So, you're prequalified and all that stuff to work with them. ... [The other way is] direct through emails, phone calls. And then there's also various platforms, we use a Bluebook for a while, that's one that has a lot of private opportunities on it. And now we use more Building Connect than anything else. They have private and public stuff on there. It's just a spot where ... all the large players can essentially centralize all their bids. So anytime that ... they're gonna put out something, they're gonna put it through Building Connect, and you get an invite, you get all your documents, and everything's there." [#6]
- A representative of a majority-owned professional services company stated, "[Our subs are] usually relationships we have in the industry, just people we know, or someone is recommending them to us if we ask an acquaintance. ... The two things [we consider are] reliability and ... how good their work product is." [#8]
- The non-Hispanic white owner of a WBE-certified construction company stated, "It depends on what kind of project it is. If there's no requirement to who we need to use, or there's no goals on the job, we'll go with somebody that ... has the variability in their schedule, the lowest price, and somebody that we have a relationship with. ... We make our selection of those firms based on basically price, but not always, like, if somebody has a higher price that we've worked with in the past, and then somebody has a lower price that we know nothing about, we'll pick the person that has a little bit higher price, because we've actually worked with them. And we know that they can do the work." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "A lot of [our subs] refer each other. Whenever we need people for different language needs, or alternately, we just have people who say, 'Hey, I've got a friend who was looking for work. And I think they'd be really good for this.' ... We're less worried about assessing technical competence,

because we have a really good supportive team and upskilling program, if we need it. We're really just looking for good people who are personable and ... have the language [we] need." [#10]

- The owner of a majority-owned goods and services company stated, "We've kind of over the years, settled on a set of contractors that we tend to reuse over and over." [#14]
- The co-owner of an ESB-certified goods and services company stated, "Reputation, past experience with them, the resources they bring to the table." [#15]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Based on price and experience, and most heavily on the recommendations. ... I usually try and work with a particular sub if, for example, they're doing AC or they've done AC for me in the past, then I'll go to them first and see if they've got room in the schedule. ... [We find more subs] through other people in the industry or through one of the agencies." [#18]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "[I have] a private network, just the people that I know between LinkedIn and just having worked in the field for so long." [#21]
- The Black American woman owner of a professional services company stated, "I meet people out, like when I'm out, if I see them with the camera, I'll talk to him or ... [find people on] social media." [#22]
- The Asian American woman owner of a professional services company stated, "We belong to this group of marketers. And so, if I have something that's not on my league, I can talk [to] somebody that's an expert. ... I also belong to a Mercatus and Prosper Portland." [#26]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "It all depends on the client's request. So, depending on the services that the client needs, we might propose several different vendors and the client will ultimately make the final decision. ... They are typically people we have some kind of history with working with in the past. ... If it's somebody who's new to us, they are someone that we have met through networking, that we have vetted and verified through some sort of an interview and checking references and checking their other work. And there are all kinds of directories, there's all kinds of information out there." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "[I find them by] being in the same field. ... We have to know pretty much the same information, we have to align and knowledge of diversity, equity and inclusion, that kind of thing." [#29]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "They're either our previous boss or our previous employee. Before my husband started [our] business. We know them already. We know their capacity. We know their specialty. ... They are our competitors and they are our teaming partners. So, [on] some project[s], we team with them, sometimes we compete." [#31]
- A representative of a majority-owned construction company stated, "Price is the biggest factor [when choosing subcontractors]. And then capacity and character would be the other [factors]. ... We don't always pick the person who's low. ... 80 percent, 90 percent [of the time we chose the low bidder], but we also get into some situations where we know someone can't necessarily do it the way that we're gonna have to have it done, and we might have to pay more, or we allow for a contingency to do that work. ... It's kind of rare, but we get into situations sometimes where we'll

get low-ball numbers and you just know that it isn't gonna work out. So, we might hedge our bet or we might go to the next person in line. [To find subcontractors], you can use the plan holder's list. That's the old-school [method]. We solicit people. ... We pay attention to who's out there and who's the most competitive people, certainly for the state. And we solicit people. ... We'll go through the registry of DBEs and we'll isolate all the ones for each particular trade and then send out solicitations, make phone calls." [#33]

- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "I take a look at the listing for security companies that are in our area. I do a little background on 'em, little check to see what type of businesses they [are], what type of contracts they've maintained." [#36]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "Usually the phone call works better, because they feel the genuine interest that like, 'Hey, I want you to come bid this work, this job.' And I think it's a feeling of, 'Okay, this person's reaching out to me, they're gonna give me a serious look instead of just sending out a number that they're gonna throw the trash.'" [#44]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "We're a member of the National Association of Minority Contractors, the Oregon chapter. What they're doing over there has been phenomenal. ... The efforts that they put in are substantial and have had substantial impacts on the business that I own. To do well and not bring up the community around you, to me, is doing a disservice to yourself realistically." [#52]
- A representative of a trade organization stated, "If you're using your certification status to get projects, the people who are seeking you out are the ones who are trying to meet some sort of a DBE goal. And there's only so many firms out there who meet these requirements." [#FG3]

b. Three prime contractors discussed the effect working in the public or private sector has on their decision to hire subcontractors [#9, #16, #23]. For example:

- The non-Hispanic white owner of a WBE-certified construction company stated, "On both sides, public or private work, [we] will outreach to both certified and non-certified firms." [#9]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "On the private side? Yes, absolutely I've subcontracted out [but] not in the public sector." [#16]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "If the subcontractor only wanted prevailing wage work or didn't want to do private [work], that would make a difference." [#23]

c. Firms that work as prime contractors explained that they do not want to work with certain subcontractors. Preferred subcontractors usually have a long-standing relationship with the prime contractor and are responsive to the needs of the project [#4, #6, #14, #16, #18, #21, #22, #28, #44, #52, #54, #57]. For example:

- A co-owner of a majority-owned construction company stated, "They work on my jobs and things go good. And if they make a mistake, and [do] they back up their work? And you know, [if] they're committed and timely ... I'll use them again." [#4]

- The owner of a majority-owned goods and services company stated, "I would say reliability and quality of work is probably the most important. Cost isn't necessarily the primary factor. It's really just the quality [of] the work that they do, and getting it done when they say they're going to get it done. It's pretty valuable to find those people and keep working with them. And you know, after a while, you have a good working relationship, and it becomes easier and easier." [#14]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "On time, on target, on budget. There's plenty of creative minds in the business and not all of them are straight-ahead business heads and I find the ones that are a little bit the best of both." [#16]
- The Black American owner of an MBE- and DBE-certified construction company stated, "It's ... having contracted with them before and having their work be on time and in the right time or price range. There's one or two that I try [not to] work with unless I absolutely have to. ... I'm trying to think of a way to summarize it, but there. I'd say business practices, just the way they work towards business." [#18]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I try to find people that I know have a good reputation that have actually done the work and that I can trust that, you know, neither of our names are gonna get dragged through the mud at the end of the day. ... They do what they need to do without me having to hold their hand. I don't have to worry about them." [#21]
- The Black American woman owner of a professional services company stated, "I don't have to worry, or feel like, 'Oh, they're gonna be late.' ... They're gonna be on time. They're gonna do good work, and they're gonna return the work really quick. ... I've made it kind of a very personal process, like to talk to people before they even work and kind of like build a relationship. ... I have respect for them, and they have respect for me. And I try to like, give people things that they like." [#22]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "It's based on performance." [#28]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "A lot of [primary contractors] have their own prequal[ification] forms, but even today, we fill out these prequal forms and, they generally go off your financial qualifications and your bonding capabilities. All of those are, for us, really high. And then we still get overlooked for a lot of this stuff. ... I think they have their relationships too, what's comfortable with them, and that's what they like to stick with." [#44]
- A representative of a majority-owned construction company stated, "I like to work with people who work like I do. I'm an open book. I will share the work. If there is work to be shared. ... I wanna have some go-tos. Cause ... they do a good job. That's why we keep on winning. That's why they keep on winning. But I always wanna make sure I've also left space for somebody new so that when they're reviewing that proposal, they see the strength in the names of the companies that have proven themselves." [#54]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We definitely have a few ... trusted partners. ... Quality is a priority. Consistency, knowing that we're gonna get really high-quality product or that we can rely on them, when our name is on the line, that's huge. ... We have other considerations for our intentional purchasing that aren't just

based on quality and price that are more based on equity and general certified benefit corporations." [#57]

3. Subcontractors' experiences with and methods for obtaining work from prime

contractors. Interviewees who worked as subcontractors had varying methods of marketing their businesses to prime contractors and obtaining work from prime contractors [#1, #2, #3, #4, #9, #10, #11, #12, #16, #18, #20, #22, #23, #25, #29, #30, #31, #32, #33, #35, #36, #37, #39, #40, #43, #51, #53, #54, #56, #57, #59, #AV, #PT4, #WT4]. For example:

- The Black American owner of a construction company stated, "He'll submit a bid to us and say, 'Hey, we got this 6,000-square-foot building, we need this much electrical put in, and here's the drawings.' Then he'll shop those to all the other electrical shops around, and they will give him a bid. He will pick whatever bid he thinks would work. If it's a low bid, yeah, you kind of scar that guy. And if it's high bid, kind of scary, or that guy was someplace in the middle, they try to pick somebody that seems to be reasonable. If the general comes to you, whoever they are, architect or whatever comes to you, you are a combo shop, you [are] both electric and plumbing under the same roof, and say, 'Hey, maybe I can get a better bang for my buck.' If I hired this one company that has both of those subcontractors under the same roof, you might get a better getting a little more cost effective, and you end up making a little more money." [#1]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "For this field, especially, since specialty knowledge is part of the requirement of our work, that is certainly a factor in terms of whether or not our reputation or myself is perceived as an expert. The more I am well-known and well-known as an expert, the more name brand recognition there tends to be in the field. So, when people think, 'Oh, we need a consultant,' if they already know of my name, then they'll usually reach out directly. ... They have known of me, possibly because of like field adjacency and awareness. The ones where we've not agreed to enter into subcontracting, they've usually found us on some sort of directory or like, similar to like a NAICS code search. Who are the archivists offering digital collections management, for example. ... The ones I've agreed to work with, there's been a bit of a relationship established, like referring work to each other. ... They've typically came from larger firms, and [the] ones that tend to offer not just museums but archaeological sites, adjacent fields, but there was no way I could do one of those different types of field jobs. Bigger firms, broader services, and for several of them, it's been like a blanket purchase order. It's like we need a bid for five different types of services. But we may never actually have a contract for you." [#3]
- A co-owner of a majority-owned construction company stated, "There's a database out there, I don't know if they use it all the time. I noticed that we are doing more and more asking. I get a lot bigger contractors that are constantly asking us to bid this out, bid that out. I have a guy that does that full-time. That's all he does. We use [a website subscription services for businesses], which is a huge online software system that shows up for all the general [contractors]. We get an awful lot of good invites on that ... I have a huge online presence. ... I bid through general [contractors]. What happens is, if a state puts a job out there to bid, say it's a school, a general contractor ... that gets the whole project, we're considered a sub. If there's overhead doors or whatever, we do specialties, and then what I do is I throw a bid to them. It really depends on [whether] the contractor themselves wins that bid, and you get to have six or seven different contractors bidding on that one state job. And only one general contractor is going to win that. Not all. I don't get to bid. I don't get to throw

my bid out to all seven contractors. I wish I could. But the system is not set up that way. The contractors [must] know about you, first of all, and it's just it. It's a tough field when it comes to that." [#4]

- The non-Hispanic white owner of a WBE-certified construction company stated, "We're a certified firm. If a general contractor has a project that has goals, they reach out to us because we are certified, and we can count towards their goal on the project ... they typically find us. We do networking, and we market to private firms occasionally. ... We also have relationships that we've developed with general contractors. They know us. They've worked with us in the past, and they'll call us back to quote another project they have upcoming." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "We'd like to find more. We haven't really tried very hard." [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "Through having the COBID certification, especially being a DBE. ... They're all looking to increase their percentages of disadvantaged groups, and they want certified groups. More of these prime contractors are looking for subcontractors who have this certification. I just suddenly had more and more people reaching out to be like, 'Hey, are you certified? Can you do this work?' ... Word of mouth, I had somebody who wants to work with a woman-owned business, maybe not necessarily a certified woman-owned business, but they're looking for some level of minority contractor. ... In the fall, my business came from other people recommending me or saying, 'I've worked with her,' or, 'I know somebody who has worked with her.' That's a betting and some sort, that somebody had a good experience with me. If you just go into this database, you're looking for a Latino builder, out in my area. ... For the working relationship, the language barriers create big hurdles. When [another business owner I know] was talking about ... the Asian community hires other Asians and Latino community hires other Latinos, white people hire white people because we know that you understand the quality that I'm demanding. You understand the scheduling. You understand what I am willing to give up or sacrifice and what I'm not willing to give up or sacrifice. Culturally, you kind of are coming from the same background. And that's a really big hurdle for people to get over. If I'm in my community, if I want to hire somebody to go put a fence, and I want to hire somebody who's Latino, I'm going to call up [someone I know]. ... You need to find the cultural hubs and centers of the communities and sort of feed from them from the top down rather than trying to just find individual businesses and help those because that's essentially what people do. When they're looking to hire contractors, they're going to go to somebody else that they know. People come to me and ask me, 'Oh, I need to hire an architect. Do you know any that are women or minorities?' And I'm going to be like, 'Maybe, let me look.' And sometimes I don't, but they'll come to me. They don't go to Google. They don't go to the business center or whatever. They ask other people that they know. ... If you support those cultural centers with this business support to how to run a business and all that sort of stuff, they'll kind of feed into each other. If we feed these networks, social hubs, they will feed the business community, which will in turn circle, back up and around. In that way, they're sort of gutting themselves, which is getting out and spreading that network around as we all get better to each other. I will know more businesses to recommend that they get connections with other contractors that they wouldn't have otherwise had an end with, because I now know about them." [#11]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "I look for it, or sometimes they find me by word of mouth." [#12]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "It's just having a strong solid reputation in the market. ... We know each other. It's a reputation, we've all grown up in this business together. The strong survive, so I've got, you know, 35- to 40-year relationships out there. ... I just sort of think about my network. If I don't know, then I start asking around my peers and network, 'Who do you know? Who's got specific utility PR experience? Or High technological PR?'" [#16]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Low bid, usually bidding on those. ... More word of mouth and getting on bid lists." [#18]
- The Native American owner of a construction company stated, "About 10 percent of the work is me just making phone calls before the bids are submitted. My process is pretty simple. I can get on Oregon[Buys] [and] I could see what projects are going to bid. Like right now I can do it. Let's see what presents for bid next week, I go through the bid items of the projects, just looking for the two or three bid items I'm concerned with. If I see the bid items, then I look at the list of who went to the pre-bid meeting. I already know which general [contractor] views which electrician. From there, I could figure out who to call, who to reach out to. So yeah, I just call him a week ahead of time, 'Hey, are you bidding this project? I just want to give you my numbers for excavation services. Here it is. This is what I provide.' I do that over the phone. I've already got over the phone, if they [send] an email to us and I'll just send it in an email with an estimate to QuickBooks. ... Most of them, about 90 percent are established relationships from the previous owner. When I was working here, we worked together plenty of times that they set 100 percent confidence in my capability." [#20]
- The Black American woman owner of a professional services company stated, "I actually don't market. Most of my work comes from word of mouth. Just like, meeting people." [#22]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I'm proactive on the other side of that if I see them pulling plans or something and I see there's a scope of work I do. I let them know, 'Hey, I'm interested in bidding on this, if you want a quote.' ... Some of the larger prime contractors reach out to me, and I do give them quotes on stuff in manufacturing the question, but I think they also use the COBID website." [#23]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "[Prime contractors] all respect what we do. They know our value is more than just monetary to them. [We] are so expensive, but we don't have a choice. They know that. We bring a lot of supplemental value to a project and experience in that way because of our legacy relationships with them. ... I don't know how to find anybody, ... I'm scouring all these RFPs trying to find contacts and saying, 'Hey, I see you're interested in this RFP. Here. I can help you.' But they don't [respond]. There's no connection." [#25]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "We're connected that way. It depends on what the contract needs. Am I a fit for their contract or not? Maybe somebody else is a better fit." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I occasionally work as a second shooter for other photographers. Yeah, and I haven't gotten any of these gigs, but that's also part of my approach to the public sector work. [It] is when I see a contract that's particularly large and I don't think I can really compete for it. I am chasing that as a subcontracting opportunity. It hasn't necessarily borne fruit yet much, but that's kind of how I'm

approaching that. ... I have other photographers who really like my work and want me on set because they trust my opinion, or they trust my ability to use certain equipment. It tends to be really social, honestly." [#30]

- A representative of an Asian American-owned, DBE-, and MBE-certified professional services company stated, "Certification is a real strong point that gives a competitive advantage. We get a lot ... of the private project[s] all through referral. So that's how I just realized that people already know us. ... I did a market search with all those 12 competitors in this area, about 50 percent of them we team up with them, too. They all know us." [#31]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "I learned to meet people, develop relationships, get involved, committees, boards, commissions, wherever that is. I learned [our trade] organizations, I learned our local chamber commerce, other associations. And then definitely, you know, I learned to research and develop and, and meet people." [#32]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "It's all based on relationships and the work that we've done in the past. You know what I mean? I tell people that the best marketing is your work." [#32]
- A representative of a majority-owned construction company stated, "If you get someone you like to work for and they've got some crap little job, you [must] bid it and you know, you [must] do it... They usually have big jobs too. ... So that goes back to the relationships. ... A bridge contractor who doesn't do what we do, we don't do what they do. We can both be a general contractor, [and] actually compete with each other on certain jobs, but we're not opposed to giving them a price for work that we know we do, [and] that they don't do. You know, that's how we work with a few of the bridge builders as an example. They're the only people we really kind of work for as a sub." [#33]
- The Black American owner of a construction company stated, "What the smaller companies could do, if there's like a tenant improvement or something that is on a light commercial side. They just go work with the general contractor and say, 'Hey, I come from this particular background. ... I think it's a similar skillset. Can I get a copy of the planned inspection?' ... I'll look at [the inspection], try to estimate and figure out what it's going to take." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "We've got out there. We've put our face out there. We've attended the meetings. We've done the work, and showed who we are, what we can do. Now we have companies that will literally call us because they know they have something coming up. Rather than going through the list, they know who they're going to get. They know what they're going to get... I would have to say there are two construction companies, well maybe three or four of them, that I absolutely love to work with because their job is usually always long-term contracts. They're really good companies. They pay on time, and we never have a problem with payment. If there's any issues that come up, they get [it] resolved." [#36]
- The owner of a majority-owned goods and services company stated, "Google advertising is unfortunately probably our biggest aspect of finding out about us other than word of mouth. In very specific industries ... it's word of mouth or nothing." [#37]
- The owner of a majority-owned goods and services company stated, "There's quite a few advertisement firms out there. [A Washington Chamber of Commerce] is one. Then there's a couple

of online bids like [three construction trade organizations]. They advertise to bid. Architect, general contractor, one of those, they'll put advertisements out to bid. Everything is online now. We used to have to go to a plan center, get the plans and review. Now, they're all online, and we'll get invitations to bid from those general contractors. Well, not everything is put out for advertisement. Sometimes if there's a construction manager or general contractor, they've already negotiated their price with the architect and the school district to build that school. They might not advertise it. They'll just send it out to the people that used to work [with them]." [#39]

- The Hispanic American owner of a professional services company stated, "I watch the awards come out, but I can't technically bid those because they're multifaceted jobs. They're not just selling out the painting. They want it all." [#40]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "We get hired. A lot of our business is repeating business where we once managed to make and build a relationship with an engineering firm. [Then,] they have us on their project." [#43]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "We started with [a website subscription] and they were \$142 a month. Then, they would send you bid opportunities, but we didn't get any jobs from that. You couldn't afford the \$142 a month. That's when we started hearing about opportunities at [our trade organization]. They would post bid opportunities, or they'd have their networking meetings and people would say what they had coming up that they were looking for subcontractors. ... [We are winning more bids because] people know our names now [since] we've been around for a while. ... We would send out a hundred bids and get one call back." [#51]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "We would go to engineers' offices and show our product. ... That's how we got started and explained what we could do for them. That's helped a lot in the long run. All these engineering firms think of us because we were the people that went out forever ago and brought all these weird pipes into their office. We marketed ourselves." [#53]
- A representative of a majority-owned construction company stated, "I switch gears. I'm now reaching out to people, 'Do you know who's going after this? Is anybody looking for a subconsultant?' I hate having to lead with, 'We're a DBE.' I'd rather just be hired. We do a great job at what we do, but I know that they have to make their goal. If I can check that box for them too, I will. ... There's 'Meet the Primes' because we're [mostly focused on] public work sector. They do have a 'Meet the Primes' for all of the work that's coming out. Sound Transit will do a whole series. That's been an interesting client to track. They almost always have outreach. Then, of course, we also constantly have to look at multiple platforms to see what's coming out." [#54]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "We've got that certification that they need. And I've actually been in the situation where ... we end up doing the lion's share of the work because we have the connection and the level of understanding and interest in the community here. For that kind of work, it's primarily the Oregon volunteer-led STEM education programs that we do. ... I just turned down work yesterday that didn't fit within our company values. ... I realized I couldn't do the work. ... Rather than shutting down the work we've done, it actually means it's easier for us to talk about and connect with groups who could use their services and were a good fit for them. That seems to actually make it easier. ... We're on the ground in the area and providing facilitation support, and so have had more successful projects. It's been

cold calling or we've been referred to folks to reach out to us. That usually has worked better than what I suspect people looking at the COBID list and kind of going down and contacting me as a sub. ... I have had an agency recommend me as a sub ... and that has worked well. ... I have participated with [an organization for minority owned businesses] in events. But I haven't been since the pandemic, so I've tended to do more than networking more like in the Portland [area] instead of statewide." [#56]

- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We will go through, if it's a construction-focused proposal site or if it's a public project. Then we'll go through whatever the public procurement website is to try to identify projects that would be a good fit for us. And then we submit a proposal. ... We see that the DBE requirements for some of the larger projects are helping us find out about jobs. The primes are the general contractors, [who] are reaching out to us directly, or our trade associations are aware of those projects because the agencies and the primes that are worried about meeting those requirements are coming to the association meetings, or they're much more deliberate in seeking us out." [#57]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "As a subcontractor, we're bidding to the general contractor. They'll send us bid invites. We'll bid on those projects to them and then follow up and say where our numbers sit and use our number and your bid. That's how we become subcontractors to them on pretty much any of the work we do, whether it's private or public." [#59]
- A representative of a majority-owned construction company stated, "Everything is pretty smooth. Regarding fencing, a lot of Oregon projects come to us, so we are always alerted." [#AV]
- A participant in a stakeholder engagement session stated, "I would say, 99 percent of the time, we are the subcontractors. We see a disparity in [the] bidding process where we feel, and a lot of times, we bid at costs to keep our guys busy in the winter months and the [general contractors] are coming back telling us, 'Sorry, you're so close, you're 5 percent off.' Things like that, and a lot of times if it's under the GCs, we do not see. We have no visibility on the other bids. So, if the state of Oregon is serious about this, I would highly encourage you ... the recommendation is, if it's a public bid, everybody has to see the bids, they have to share." [#PT4]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "[We want] visibility into the bid results through [general contractors] when it [becomes] a public project. All bid results should be readily available if anyone asks for bid results. What we've noticed is if it is a public bid and it is from an institution (for example: Portland Public School or ODOT), then the bids are published and clearly show who was the lowest bidder and who will get the notice of award right after bid opening (this is very fair). However, when a GC goes out and bid a public project, all of the bid results are hidden under the GCs. No one knows how the GC selects the subcontractors and what criteria they used for the selection. We do not have an opportunity to see the results when we ask for them. All we get back from the GCs, 'you are so close. You're about x percent higher.' By making the GCs accountable to share all bid results, they will have to select the lowest bidder, as opposed to making decisions on a sub that they favor or being influenced by the union to select a union contractor." [#WT4]

4. Subcontractors' preferences to work with certain prime contractors. Business owners whose firms typically work as subcontractors discussed whether they preferred working with certain prime contractors.

a. Business owners and managers indicated that they prefer to work with prime contractors that are good business partners and pay promptly [#3, #4, #8, #9, #11, #18, #20, #40, #43, #56, #62, #WT4]. Examples of their comments included:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "The ones I've agreed to work with, there's been a bit of a relationship established, like referring work to each other. That was ultimately not a fit. And so that's the referral. They're also a bit more thoughtful about our time, because the proposal process depending on who you're doing it for, can be quite lengthy and take a lot of time. And so, the firms we've agreed to work with [are] trying to do as much heavy lifting as they can. So, what they're asking us to do, and for free with during the proposal time, is as minimal as possible, which I appreciate. Whereas [firms] that we don't end up working with, I find that their ask is much bigger, like they want you to do the majority of writing and explaining what we're doing, proposal-wise, and ultimately, it's not usually worth it to have that outlay of time." [#3]
- A co-owner of a majority-owned construction company stated, "Absolutely. I've actually turned down general [contractors]. ... I will never work for them ever again. ... [Good prime contractors] understand you run into problems, they understand the overcast and stuff, they work with you. Something goes wrong, they don't ever throw you underneath the bus with the customer, they give you an opportunity to change it and fix it. ... Those two contractors there, I do all their work. They don't even look for another overhead door company or a dock equipment company." [#4]
- A representative of a majority-owned professional services company stated, "We enjoy working for primes that see our value ... and really do incorporate us into the project. And then, of course, there's just working with primes that are organized and we know will do well for the client." [#8]
- The non-Hispanic white owner of a WBE-certified construction company stated, "Some firms just don't have their shit together, right? They just are unorganized. It's hard to work for [them], you can't make money when somebody doesn't have the right schedule, doesn't understand the project. But not really based anything on, like women or minority status, it doesn't have anything to do with that, in my opinion, it's we don't like to work with firms that just don't have it together or not organized. We work better with firms that are super organized and have a great schedule and have a good superintendent." [#9]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "They have to have really good communication. ... There's one right now that I have basically decided I really don't like working with. And some of us do the specifics of the project and the accelerated timeline, but I also just really, really hate working with their billing and accounting department, they don't communicate at all. And then they send me stuff a month after I sent it invoice saying that they can't submit my invoice for whatever weird reason, and ... it's incredibly frustrating. And so, when I worked with a different prime, I never had that problem. They're just much better about communicating, they get back to you right away. When you're working on the specifics of the project, I feel comfortable calling them up and saying, you know, I have a question or whatever. So, it usually [comes down] to the level of communication and how they're communicating are the biggest factors. Do I feel supported? Or do I feel like they're potentially going to throw me under the bus?" [#11]
- The Black American owner of an MBE- and DBE-certified construction company stated, "I'd say leniency, with their paperwork and those aspects of the of the job. ... [There are primes I don't want

to work with because] they don't have that leniency, their expectation is that you're a big company, and that you have processes and people on board to get the paperwork to them, when they want it, when they need it. Lack of flexibility, I suppose." [#18]

- The Native American owner of a construction company stated, "I'm hitting on-site safety elements, traffic control being the main one. A lot of other prime contractors are really responsive with traffic control. And others ... you have to really kind of fight for the appropriate working time ahead of schedule that in some of them I guess just on your side, really about having a safe workplace. And then the other ones. Some of them were I think maybe they're really struggling to meet their budgets or something, but it seems like some of them, like in order for me to get traffic control scheduled, it's like I'm asking for a miracle. Other than that? Some of them perform their own survey. Some contract that out, most of the time when a general contracts out surveying and traffic control. It's difficult to get that instead of them seeing that as just work, they it becomes an expense." [#20]
- The Hispanic American owner of a professional services company stated, "I'm a first-year subcontractor, so I'm working straight for the prime. Relationships with those primes are key because the guys that are in the field ... that are gonna make the job go, if you have a relationship with them, that's gonna push the PM [project manager] and the management to go with you." [#40]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "Having those project managers that understand what we're good at, and what our capabilities are." [#43]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "There was one engineering firm out of [state] I did say yes to, but they got on a Zoom call. ... They got to know me, ... we didn't get the job, but we prepared for the interview together. It felt like a collaboration. He was very upfront, 'We have a requirement on our contract that we need to show this amount of minority or women-owned business. But this is not why, the only reason we wanna work with you here, here is actually, what we want, ... here's what you bring, how does this sound to you? Does this feel like it would be a good project for you?' It was much more of ... a power sharing in the partnership, and that I wasn't buried in the process. I was part of the interview process. And so that worked well. But that's the kind of scenario I would look for." [#56]
- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "I've worked for a number of large companies that focus in light rail work or one of their areas of focus is light rail work. It's a completely different ball game. I'm well respected and we have some problems on the team, but we work it out together." [#62]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "To avoid generalizing all GCs, there are GCs that do support the disparity concerns. These are the people that we partner up with and they treat us as partners as opposed to a charity case. They should be recognized for their efforts in helping us be where we are today." [#WT4]

b. Seven subcontractors discussed the effect working in the public or private sector has on their decision or ability to work with certain prime contractors [#9, #10, #11, #18, #33, #35, #54]. For example:

- The Hispanic American co-owner of a woman-owned professional services company stated, "In order to get [public sector work] where we're being brought in by a [prime] company that has successfully navigated the framework." [#10]

- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "If I'm a sub to a prime, it's a public contract. Otherwise, [on private sector work,] if the prime doesn't want to do it, then they will just tell the client to reach out to me individually." [#11]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Some of the primes do use us on private work as well." [#18]
- The Black American owner of a construction company stated, "On the private side, I'm trying to contract directly with owners. [I would try] public organizations where I might know somebody... if they have some kind of program, I'll give it a shot. I'm trying to partner with people, [and communicate to them] 'Instead of hiring me as a sub, why don't you carve off the whole scope and give it all to me?' And then I could be a mini GC or a mini prime to you. ... I just haven't thought enough about it to see how you would [build relationships] on the public side. I just don't know if it fits within their procurement practice." [#35]

E. Doing Business with Public Agencies

Interviewees discussed their experiences working for public agencies and attempting to get work with public agencies. Section E presents their comments on the following topics:

1. General experiences working with public agencies in Oregon;
2. Barriers and challenges to working with public agencies in Oregon; and
3. Oregon's bidding and contracting processes.

1. General experiences working with public agencies in Oregon. Interviewees spoke about their experiences with public agencies in Oregon.

a. Forty-one business owners described the best procurement and contract administration policies they have experienced while working with or attempting to get work with public agencies [#2, #3, #7, #8, #11, #13, #18, #20, #21, #23, #25, #28, #30, #31, #36, #44, #46, #50, #53, #54, #61, #AV, #FG2, #FG3, #FG5, #WT14, #PT8]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "When you work with a federal agency, every federal agency has a small business officer. And each federal agency has a quota that okay, 7 percent of our contracts have to be given for certified firms, which can be minority-owned, disabled-owned, [or] veteran-owned. So, they have this quota. And they have to, it's by law. ... The City of Portland, I have seen that they do a lot of outreach where they reach out to small business-certified firms. And they actively proactively try to work with them to give the work. Obviously, you have to meet the requirements, you have to be qualified, all those things remain the same. It's nobody's going to give you the work just because you're a certified firm ... that basically opens the door for you. But you still have to be competitive, you have to know what you're doing. You have to have the experience ... I would definitely recommend looking at some of what the cities and counties are doing, because there are organizations which are doing a really good job reaching out to small businesses. And obviously, even when you compare it with the state of Washington or other states, you will see in that contracting language that they are promoting small businesses, and they're ... putting the efforts to make sure that it is written in the contracts." [#2]

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I [am] a big fan of unifying. And an example that I am familiar with, for federal jobs, if you're applying, there's USA Jobs is the site that you go to it's a unified site. ... [You] put in your resume. And it's standard. You only have to do it once. ... If we had a unified system, and we could ... put [our] prices. The more that we have in there and ready to go, the less we have to keep recreating but in different formats. ... I found the reviews of my proposal were more thoughtful by most of the state agencies. For the cities, it's hit or miss. ... [In the] City of Astoria, the application processes is much shorter in terms of what they're asking for. And, and are much quicker ... I think it's like a week or two weeks later, like they make decisions quickly. Maybe it's because [it is a] smaller city. [The] City of Portland has a similar problem of like, different application processes. And I have found their evaluations to be not as thoughtful or not as open-minded, which is what we talked about." [#3]
- The non-Hispanic white owner of an ESB- certified construction company stated, "If you're a contractor, doing construction whether you have to be paid in 15 days, and there's a penalty to the general contractor if that [went under] audit, it'd be good if that were posed upon architects who are primes. ... In the State of Minnesota, they'll ask a question, here's the box where you answer it ... It's a couple of agencies who have done that ... that helps that makes it easier submitting proposals because it's a lot of work to submit marketing. ... [The] State of Minnesota, in 2018, [had] a process in place, when it's below a certain amount of dollars, they can just select one firm, when it's doing the second range and the on-call, it has to be one of the three firms that they reach out to within their preselected or prequalified group. Now when it gets over and another amount, they have [to] send it off to all members of the pre-qualified [group]. ... The City of Denver reached out for some primary contracts and ... smaller contractors to be involved and very clearly in that RFP ... [it was limited] solely for small business enterprises. And that's what the federal government does, too, ... [but] I have never seen Oregon do that. ... Oregon is the only state that we found that emerging small businesses do have some support. All other states are women or minority or disadvantaged. ... Oregon's definitely a leader in that department." [#7]
- A representative of a majority-owned professional services company stated, "Soil and water conservation districts and watershed councils [are] easy to perform work with because they're a government aid entity, but they're much smaller, the bureaucracy is much lower. So just the hurdles to get in and talk with them and then get work is much lower than, say with the city or county where there's a little bit more involved." [#8]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "With the smaller [agencies] ... I'm typically like the prime contractor of those, but even when they're putting out requests for work, for us for proposals, everything is just ... a more simplified scale. And I don't have to do any proof for rates and stuff. And that's what makes working ... [with] these bigger ones so much harder and more frustrating is that there's so many more requirements that it's very intimidating, and it's like, 'How much work do you want to put into this to try to just to try to get a job?'" [#11]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "I think the difference with [the university] is that they really support us and they really promote us and we are mentioned all the time to different buyers from the procurement department. We owe a lot of our success honestly to the procurement department. ... It definitely helps to have people on your side [in the] public sector. ... Metro and the Port of Portland, they really do go out of their way to do business with minority- [and] women-owned small businesses. ...

They're out there meeting people. So having city employees really get involved in meeting the small businesses and networking with them, and trying to fit them in wherever they can. So, I think the Port of Portland, City of Portland, and Metro do a very good follow up that and I have not seen very many other public agencies go out of their way like that." [#13]

- The Black American owner of an MBE- and DBE-certified construction company stated, "The projects that I've worked with ODOT on their project managers are immaculate, they do what it takes to get the work started and contracted and done. They let you know if something's not what they expected and allow you an opportunity to go in and fix it. They were where they needed to be." [#18]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "Portland as an example. They have a bunch of different things [with] LCPtracker, you have to enter all your payroll ... you have another one called B2GNow where you have to enter all the payments you've made to your subcontractors, or if you receive payments from primes and that type of thing. They offer training in that. So that's been really helpful that the city themselves offers training on that." [#23]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "I would do 100 airport projects [rather] than anything else. It was so smooth, and so easy." [#25]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "I would say OHSU [Oregon Health & Science University] has been easier to work with. They seem to have a more streamlined request process that looks more like what I would consider a normal event requisitioning. So, they tend to come to us when they have an event need and let us propose and then they will send us the OHSU standard contract and we just have to sign it." [#28]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Metro's been great. Metro seems efficient, organized, has good rates, has money. [I] really like those folks." [#30]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "The Port of Portland and the City of Portland [are] doing very well in this area because the Port of Portland even sent surveys to us ... [for the] tracking system that the prime will [report if they] pa[id] their sub. ... They put emphasis for the DEI [diversity, equity, and inclusion] program. ... They really, sincerely, sincerely reach out to the minority firm. And so, Metro and TriMet are good. ... They are happy to meet with us to know about us. Whenever there's an outreach time and they even reserve a table for us to meet their project managers, they are automatically extend that gesture to us to have the opportunity to meet more project managers. ... They help us minority[-owned businesses] prepare, position us, teach us how to write our proposal." [#31]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "TriMet, they've probably been ... the gold standard of working with contractors, focusing on fair outcomes. They like to see the contractor make a buck and over the years, they've just seemed to be the most consistent. ... [TriMet] just has a way of getting the players at the table talking about it and coming up with a fair and equitable solution for everyone." [#44]

- The Hispanic owner of an MBE-certified goods and services firm stated, "In my experience in the past year, it's a lot easier to secure a federal contract versus a state or local contract. The reason being is because there are a lot less certifications, registrations that you are required to [have to] land a federal contract." [#46]
- The non-Hispanic white woman owner of a professional services company stated, "There's certain contracting rules that ODOT has in certain regions that you must hire X percent from the local tribe. [I interviewed] this young guy who cleans up rivers and stuff. He was literally in the cab of a bulldozer, and it helped him get his business off the ground that he could access these opportunities. I feel like the state is onto something and that they're getting it going." [#50]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "I think the directory is set up a little better in Washington, the way you do your certified payrolls is better in Washington. ... A big thing you should take a look at is how they do their prevailing wage stuff. Now you turn in your certified payrolls and how you close out jobs, they actually require you to prove that you've paid and that you've done all your certified payrolls, that you're done being on site before they'll pay you retention for the project." [#53]
- A representative of a majority-owned construction company stated, "Bureau of Environmental Services is the best client I have. They're great at communication. It's never adversarial. They will pick up the phone. ... I love Metro and I love the projects that they do. I think that they, again, have great intent ... Vendor Connect for the Port of Seattle, it's very clean." [#54]
- A representative of a majority-owned construction company stated, "Texas and Oklahoma treat their contractors better. It's easier for them to do work in terms of dealing with their individual states. You have to be licensed, bonded, insured in the state of Oregon, and it makes it tough for someone trying to break into the trade on a contract level. Maybe we should loosen it up a bit so that the state doesn't make it so hard for newer companies and established ones to do business in Oregon, speaking as the owner of an HVAC company. We have to jump through a lot more hoops than other states." [#AV169]
- A representative of a majority-owned construction company stated, "The only experience I have with the state is pulling permits, which can be a challenge with COVID. The waiting for permits with the state is terrible, particularly in the City of Portland. The City of Salem is great, though. I love the City of Salem. They really are excellent when it comes to pulling permits. They're friendly and helpful. They went out of their way to be helpful to me. Also, what I like about Marion [County] and Salem is that the inspectors make themselves available. When you're trying to blend old materials with new ones in a home, it's nice to be able to refer to the authority of jurisdiction, and they've been great in Marion and Salem." [#AV172]
- A Black American representative of a trade organization stated, "My hope is ... much like we're about to do with the City of Portland, we're going to meet with all their procurement directors and talk with them about what the barriers are similar conversation as we're having here. ... We are developing an agreement that if a business is not able to meet the Port's threshold for participation, that they will come to us, we will work with them, and get them ready to be able to route through our program back to the Port. ... I wish more informal relationships like that can be built. Because I think they're helpful." [#FG2]
- A Hispanic American representative of a trade organization stated, "While I must admit it's tedious, the role of the procurement counselors are so critical, as they handhold each business and meet

them where they are at. So, it's not just like a website and just filling it under filling it up on their own. GCAP track[s] the conversations and the follow up, and those are so helpful." [#FG2]

- A representative of a trade organization stated, "[With] Washington State's [safe harbor], when you're trying to get certify your rates ... [and] when [you] first start looking at it, you're just like, 'Oh, there's so much paperwork.' ... But then when I went through a little one-hour presentation with them, they say it's a pathway to compliance. So, they don't expect you'd basically have everything together already. They have recommendations for ... setting up the chart of accounts so that when you go through and get audited in like three or five years, you're working towards compliance. ... They know that you're a tiny business, you probably don't have any of the stuff in order yet. ... There are people that progress track with you, and you can just send them an email and ask them a question like, and somebody will answer it for you. I think something like that for the COBID thing might be really helpful." [#FG3]
- A representative of a business assistance organization stated, "Top three good would be your TriMet, your City of Portland. But we've gotta stay on them, cuz they've got a prime contractor development program that they've put on hold for the last four years that should have never been put on hold. That was the program of choice for contractors to just get work. ... People loved the program, but it got put on hold when COVID hit. ... The City of Portland also has diverse managers and directors in certain bureaus to where we can get people in and get plentiful work. Port of Portland would be the third. ... They actually stood up programs that actually support businesses real time and the Port has the mentor/protégé program. ... Those three agencies have always had great leadership and folks willing to listen and take what someone would say as a risk, to do something a little different." [#FG5]
- The non-Hispanic white woman owner of a company stated, "[On] the whole, Washington is a lot easier to work and get paid." [#PT8]
- A representative of a construction trade association stated, "ODOT continues to be a pretty good model for how to move things through effectively and efficiently and in a timely manner. We are not seeing the same kind of problems that we are seeing with the City of Portland, Port of Portland, City of Beaverton, and other places like that. But those are some in particular that have been called out to me as particularly problematic. But ODOT seems to have a pretty good system." [#PT8]
- A representative of a construction company stated, "ODOT has one the most streamlined bid procurement processes out there which ensures rapid delivery of services and competitive pricing." [#WT14]

b. Fifty-five business owners described the worst procurement and contract administration policies they have experienced while working with or attempting to get work with public agencies [#2, #3, #4, #7, #9, #11, #15, #16, #21, #28, #29, #30, #33, #38, #42, #43, #44, #45, #50, #51, #53, #54, #57, #60, #AV, #FG5, #WT10, #WT11, #WT14, #WT18, #WT20, #WT23, #WT24, #WT28, #PT8]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "There are these MSP [managed service provider] contracts ... [where] I can work on an hourly contract for only 1,039 hours in a 12-month period. So, say, if I start a project on December 1, until next December, I can work only 1,039 hours. ... It's not per agency, you expect somebody to just stay out of work for the next six months. So that's one big barrier. ... We are also vendor with other states ... none of them have that restriction. ... What happens is, if especially when there is a transition, so

you're working with a manager, and they take up another job and another manager comes in, they may interpret your what your projects, the scope of work is or the statement of work is slightly different from the manager who had initially worked with him. So sometimes during that transition, we have to reevaluate the deliverables we may sometimes have, in some cases, we had to amend our contract to address any changes or any gap between what the deliverables are." [#2]

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "The systems are hard both intellectually and also the way that it is structured. It's a bit antiquated, the menus are not intuitive. And depending on what you're applying for ... none of those are in the same place in the government. And I've had three very different experiences of applying, like putting the bids together going through the process. Do they use OregonBuys? Do they not? So, it's never the same process, even though all of those were the state of Oregon. And depending on what it was and what they needed, the more changes in the more antiquated it is, the more time it takes. And that's again, that's like free time. ... Reimburse for it." [#3]
- A co-owner of a majority-owned construction company stated, "The schools are so bad that a lot of [businesses] in my industry, they don't even bid on them anymore. ... [Especially when] trying to secure everything you need to in order to order the product ... the specs or just requirements are outrageous. ... I have had schools that take nine months to get some middles approved in order to order. Because this process takes so long, that by the time I order, it's like crap, get it installed. ... The thing is, is you have to get an approved change order, ... but they don't approve it, then I put that on the list of contractors, I won't do work for any more in the future. And then you absorb it, you move on." [#4]
- The non-Hispanic white owner of an ESB- certified construction company stated, "Department of Transportation once again, bringing in a requirement that had no relevance to us, because they just wanted to hire certain people. We knew it's already predefined and you'll see some RFPs come out that way, then it's very clear that that agency already knows who they're going to hire. And that's just the way it is. ... [The] Small Business Administration is very complex, had started to get into a couple of times have never been able to finish to get a small business loan." [#7]
- The non-Hispanic white owner of a WBE-certified construction company stated, "City of Portland is, in my mind has the most requirements. ... Other cities besides [the] City of Portland are much easier to work with. They have requirements for different things, but it's just it's not like a laundry list 10 miles long. ... It's like the paperwork requirements. And when you get to work, start working for bigger cities like the City of Portland, there's just a lot more steps on how you get things approved. ... For a smaller city, it's pretty simple. Like, you deal with one project manager, you shoot him an email with like your RFI [request for information] form, but like, the City of Portland makes you have to use their software [and] their platforms." [#9]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "I am also licensed in Washington; I don't like working there. ... These people force you to have they limit your amount of profits by forcing you to go through a process that sets a billing rate for you. So even though I would charge like in Washington, I know for the safe harbor thing. There they cap you ... and that multiplier ends up being way less than what I actually would normally bill myself or the other person out at." [#11]
- The co-owner of an ESB-certified goods and services company stated, "Metro put out an RFP for culture work, ... [but] they didn't put the dollar amount that they were looking at. But when I got all

finished, there was something that popped up on my screen, some kind of background note that said, 'To be used with RFPs [worth] under \$150,000.' Well, in this particular culture work, from what we could tell from the RFP, they needed something that was about \$250,000. And so, I'd spent all the time already answering this RFP, when there was a barrier that I didn't even know existed." [#15]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "Lottery was ... there's just so much turnover; you got a new sheriff every time you're working with them. And so new sheriff is large and in charge, and they enjoy their power ... and 'Drop everything and do this because oh, I just remembered I need you to do this' and it takes over your life. So exhausting." [#16]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I really do stay away from the local government entities. They're absolutely horrible. They're wretched to deal with you know, and that that also includes Portland, but I've had bad times with other cities throughout the state. Especially down like the area of Eugene and a little bit further south. ... There's a lot of other things with other towns that we've also seen, where they've just played games with bids and ... they already have something in mind ... you see this pattern of the same people being hired. And it's just concerning, because you don't feel like you can get in because they have their favorites already. Clackamas Workforce Partnership ... played a game with us, they actually asked us for a bid. It was actually admitted to a third party that they already had somebody, and they were just sticking it out there for legal liability purposes." [#21]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "A different contact reached out with a mass email that was where everybody's email was visible, like just an open CC to multiple event planning. Actually, it's interesting because it wasn't event planning companies. It was all two different virtual software providers and then also us. So, we were all sent the same request for that same conference on a virtual basis. And I believe the response time was within 10 days. So, that's an example of one of those state of Oregon requests that we just didn't respond. ... Because of how convoluted the request was and how strange, ... I just thought, 'This is not something I want to respond to.' Also, the timeline was very short. So that, I would say that's an example of like my experience of, a contract with the state of Oregon." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I have to say, I've been certified for eight years [and] I've never gotten a contract from the state. The process is very complex, it's not very easy to navigate at all. I've talked to a couple people, and they told me that the work that I do belongs behind the scenes with the state, so it belongs somewhere within the internal processes state. And those contracts are called price agreements. ... The way that this is done is that people sign up, sign a contract with the state, and that contract is 10 years long, and people cannot come in within those 10 years, and then it opens up for like two weeks. And then people can sign in, and that's something that I have emailed [about] multiple times and I can't get any kind of information about how do I even get on a list, or even when is the application date." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I think the City of Portland is, as government bodies go, [a] pretty chaotic government body. So, there's a lot of objectives shifting around all the time and changing objectives plus huge budgets. Chaos ensues. This doesn't necessarily affect me in a major way commercially, but it's a big part of the vibe. I think part of it is that there is an institutional attitude to treat the people that

make up our city government like royalty. And I think it's a big part of why charter reform passed, why people are excited about it, and why I'm excited to do business in that new atmosphere. Because I've encountered with those agencies, even when I'm really making a good case for the value of my work, there is sometimes still an expectation that I'm going to drop everything, work for free, or erode that value because a city council person asked for it, or someone in their press office. Someone in [a public official's] office wanted some of the photos because he was in some of them. And the person I was working for ... I gave them my rate, and they specifically had been like, 'Oh, that's a bit much. Could we do a little bit less, and you can take twice as long to give me the photos?' Normally, I quote a week. That's my standard turnaround time. It was going to be two weeks, and she wanted me to take 200 bucks off, something like that, ... I was a little reluctant ... because there's really no value in me taking an extra week. That doesn't really help me at all, but I was like, I care about this relationship. Let's do this. Then when I shot this event ... she came to me, and she wanted the photos the next day. ... There was this heavy expectation that I was just going to drop everything and do it for free, because the city council person was asking. I was so shocked to encounter that vibe. I was so shocked, because this was an event where they were highlighting BIPOC entrepreneurship put on by an organization that's supposed to support BIPOC entrepreneurship. This office of the city council person is going to take those photos and use them to show that [this official] supports BIPOC entrepreneurship, and they're trying to get me to do work for free. The irony of it was bananas. ... This person who hired me for this gig paid me the money, never downloaded their photos, and has never responded to any of my messages ever again. They completely disappeared." [#30]

- A representative of a majority-owned construction company stated, "We celebrate every year that we don't work for the City of Portland. You know, they're really hard to work for." [#33]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "Oregon State University. We wrote a proposal for them, and the proposal got rejected because we had missed a vendor list you had to subscribe to online. It was mentioned in the proposal, but it wasn't a part of the proposal, and it was just like a little separate little hoop you had to jump through. ... I don't know if you've ever looked at the City of Portland's procurement page, but it is bizarre. It's byzantine and the submittal process is like two pages long of instructions and it's just the strangest thing." [#43]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "Public agencies like City of Portland is notorious for this. They tend to put undue risk on contractors. For instance ... say you're bidding traffic control for a job, most agencies put it by the hour. So, they estimate a quantity. It's 1,000 hours of flagging for this job, but if it takes the contractor 1,500 hours, they're gonna get paid 1,500 hours. So that takes risk off the contractor cuz he knows, [they will] get paid for every hour I provide. [The] City of Portland says, 'No, it's one lump sum.' ... When [the City of Portland] does lump sum, that means all the onus is on you [as the] contractor to figure it out and put the price in. We're not gonna take any responsibility as the owner for what might be underground, and those are the things they could break out and that would help smaller contractors bid that work without taking enormous amounts of risk." [#44]
- The non-Hispanic white woman owner of a professional services company stated, "There's some contracting part, like ODOT, I almost gave up because [ODOT usually works] with people that are working in dangerous situations. Marketers [and] graphic designers are not working in those dangerous conditions. But we had to go through the contract as if we were also had to get

professional liability insurance, which was \$3,000 a year in order to work with ODOT on a \$15,000 project." [#50]

- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "The City of Beaverton is the worst. We probably spent \$100,000 on a project out there that paid us \$55,000. It was all because of the designs of the ramps. The fact that you bid your projects so that you can get it through, but there's some things that the profit margin is better and there's some that the profit margin is less. They removed all of the high-profit margin items and only left the low-profit margin items. Then, they refused to accept any of our work until we had done it like three or four times." [#51]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "In Portland, they're just trying to play God there. I mean they can hold your money for years. ... I mean, I should be getting interest on interest for this money. ... They want to get the jobs finished in Washington. It seems like that's not Oregon's goal. ... It's a lot more politics-driven here. Focus is not [on] getting the work done or even helping the certified firms." [#53]
- A representative of a majority-owned construction company stated, "I actually won't propose with them [TriMet]. And until they can make some changes. ... I had [found them] another person and again, it was like they were gonna hire them. ... We got them trained as a small business. ... We had to have certain specifications and, and certifications to do this work for safety and a safety plan. So, we paid for all of that. He interviewed with them. They told 'em a start date. They gave it to a different firm. They did it again. They did it three times to the same guy. And he was ... more on the end of his career. You think he can afford that in his sixties? So, it'll be a really long time before I am excited to go after a proposal from that group." [#54]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "I think there are political reasons why the Port of Portland is really interested in working with certain organizations, more than others. But we've also kind of hit a roadblock with the Port where, publicly, they're very excited about our project or expansion, what we're trying to do, but we're not actually making any progress." [#57]
- A representative of a majority-owned goods and services company stated, "Nobody knows what the actual rules are because the [City of Eugene] keeps changing them. So, they're confusing. ... [The City of Eugene] have been doing something for multiple years and all of a sudden, the codes changed because somebody in their office decided, 'Well, we should rewrite this, and this is the way it should be.' ... They're just very confusing." [#60]
- A representative of a majority-owned construction company stated, "It is very difficult to work in Portland. They tow and ticket our work trucks and trailers. It feels like they are picking on us because we are workers. The parking ticket was \$2,000, for a fence that cost about \$2,000. Doesn't seem reasonable." [#AV2]
- A representative of an Asian American-owned professional services company stated, "Metro is difficult for a small firm to contract and TriMet [has] lot of contracting requirements [that are] difficult for a small firm." [#AV86]
- A representative of a majority-owned professional services company stated, "We work with the Oregon Department of Revenue and the IRS [Internal Revenue Service]. It's a little difficult working

with them in terms of access, particularly over the phone. But, in general, the state of Oregon is easier to deal with online than the IRS." [#AV140]

- A representative of a majority-owned professional services company stated, "It was fairly difficult to get the contract assigned and also to get paid. It just seemed like it took a really long time. The people we were working with were polite and professional. But it seemed like it was hard to get over the finish line, and some of that might have been on our part. We got the job done, but they couldn't pay us, and it took us about nine months to get paid. I attribute that to red tape with the state. We usually like to get paid within 60 to 90 days of completion of the project. But we had to wait nine months. And we spend hours trying to get paid, which was kind of painful and also cost us a lot of hours and money in terms of our staff communicating with the state in our efforts to get paid." [#AV155]
- A representative of a majority-owned construction company stated, "The state of Oregon is having the same problem as everyone right now. I don't think they have workers with near[ly the same level of] the experience they've had in the past. I don't know why it's hard to find good, skilled labor. ... They just keep adding more and more bureaucracy to things at ODOT." [#AV157]
- A representative of a majority-owned construction company stated, "The local municipalities when it comes to plumbing service make it hard to complete business because the inspectors are not consistent with the code procedures." [#AV176]
- The owner of a majority-owned goods and services company stated, "DAS [Oregon Department of Administrative Services] and other state agencies don't respond to questions with regard to RFPs or during contract administration." [#WT10]
- The non-Hispanic white woman owner of a professional services company stated, "I have found that not all parties are on the same page when it comes to contracts and the information that I got at the beginning of starting my process to obtain a contract did not match the criteria or the timeframe that it took to get completed. It was definitely frustrating at times. I also feel that there was not enough step-by-step information on how to fill out the forms that are hard to understand." [#WT11]
- A representative of a construction company stated, "In Washington State, the DOT has accelerated their requirements that certain percentages of each contract be awarded to 'disadvantaged' companies. However, in our field of work there is currently only one company that is a certified Disadvantaged Business Enterprise (DBE)." [#WT14]
- A representative of a Hispanic American-owned business stated, "Working with DAS and the DOJ [Department of Justice] is incredibly difficult. Both have competing views of procurement that vary within their organizations as well and are incredibly risk-adverse to the point that it hinders the procurement process and makes contracting less appealing to most companies." [#WT18]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "We refuse to do business with Portland directly because of past requirements forcing their staff to have oversight and access to our server systems and projects. ... I'm not willing to jeopardize our safety or processes to satisfy their need for power and control. ... This year, we even encountered a local municipality wanting a requirement in their RFP for us to disclose, publicly, our costs involved with providing the service (line-item, personnel, and expenses) and they were vehemently wording this to exclude certain agency types. We reached out to them for clarifications and were met with

silence. ... Federal SAM registration requirements, [like] having a CAGE code, [are] nearly incompatible with small businesses due to the requirements of having a brick-and-mortar office. SAM does not accept WeWork or shared locations, commercial mailboxes, or registered agents (even attorney offices) which rules out many capable firms. This was part of the Multnomah County RFP as a condition to do business and we're still fighting with SAM to recognize our business. The problem is that we don't have an office, we're fully distributed, and they want to tie my personal home address to the corporate records and that's not acceptable as I don't mingle assets and this location could be doxed." [#WT20]

- A representative of a WBE- and DBE-certified goods and services company stated, "Last summer I won a price agreement ... with the Department of Justice. ... I have not received any work from this organization except a very recent unbranded order for less than our minimum. That's a lot of work to put in for nothing." [#WT23]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "One we backed out of, because they were insistent on having their own staff work on the project with us. What is that, exactly? Who does that? We're not financially desperate enough to be comfortable with that type of behavior. They'll have to reimburse us just to supervise their employees who, if they were already skilled, wouldn't need us to complete the project. More insanity from Portland that we won't tolerate." [#WT24]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "[I] was invited to take part in a travel trade show at University of Oregon. The cost to participate was \$250 for our booth. ... When we asked if they would be interested in getting more information, they asked if we were in U of O's Concur system. We didn't know what that was, so we followed up with the show management afterwards. We were then told that there were already three preferred travel contractors at U of O and university staff were required to use them. So there turned out to be not a lot of benefit in participating in the show, and no one had told us about needing to be in the Concur system beforehand. We were promoting our service that U of O staff were not allowed to use. We had spent \$250 on the booth, as well as travel and staff time, and overnight hotel rooms, for our staff to attend the show, probably over \$1,500 in expenditure. ... This is a barrier to woman-owned/minority-owned business to participate if there are pre-existing contracts in areas we are asked to bid/participate; but we are not notified that there are already incumbents. We also saw an RFP for travel and event services in U of O's bidder portal and requested information on past bidders or who won certain contracts. But in order to see the information we would be required to pay almost \$40 per document, and we were requesting multiple documents. This is a barrier to the quoting process for small business if it is costly to review past successful quotes to learn what a specific government client is looking for." [#WT28]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "It's very much a hit or miss situation where some of the contracting officers there at some of the counties and some of the municipalities are very good and really do want to answer your questions while others, they consider it almost a machination. ... You have to ask this private question in this public forum, and we can't have any private communication on this. There can't be any clarifications. And if it's a legal feedback question of organizational type or type of employees or where they might be located, then you're going to have to just submit your proposal and file a grievance if we don't award it to you and state the reasons. They want to push you into that whole grievance clause that they have in the RFP. And I just don't find that to be really amicable trying to

be out there and doing business with them. ... I feel like they take a very litigator stance. It's like, hey, look, I didn't say I'm suing you for anything. I'm just trying to get some information so that I can respond accordingly because I know this is a very black and white thing with those responses." [#PT8]

- A representative of a construction trade association stated, "I have some members [in my trade association] who ... will not be doing business with the City of Portland any further. I have probably a half a dozen contractors who for a variety of reasons have chosen not to do business with the city or bid on their work anymore just because of how frustrating it's been over the last three, three and a half, four or five years actually." [#PT8]

c. Twenty-six business owners described their experiences getting paid by public agencies [#3, #4, #9, #10, #21, #23, #33, #35, #36, #38, #40, #51, #52, #56, #57, #59, #61, #AV, #PT8]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I would say for the payments, like there are so many great easy tools even offered by our banks, like I'm with [bank], and I can pay people electronically by having my bank send them a text message like it is getting so much easier. So, I would love to see all of these state agencies get on board with electronic payment versus checks." [#3]
- A co-owner of a majority-owned construction company stated, "Every contract is a little different. And then those big jobs that you're talking about that are state and all that, there's a lot of systems that you have to use to show certified payroll and all that and it's all gonna line up perfectly or else they just withhold your funds. So, on the pay side it's a slow, arduous process." [#4]
- The non-Hispanic white owner of a WBE-certified construction company stated, "The City of Portland says that they pay you every two weeks, and that's what you tell your subcontractors, and that would be great if that was actually how it happened. But that's not really how it happens. Once the construction group with the municipality gets approved and submits your bill to accounting, yes, they do pay quickly, but sometimes the project teams just take a long time to turn over pay that document to their financial department for the municipality. And that's a big problem with smaller minority and women in emerging small businesses." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "The government contractor that we no longer do work with has not paid us for stuff from last July and July. And we are trying to figure out how to [follow up] on that. Our main private, the big guy has paid us all the time." [#10]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "You know, with low payments, I see those, sometimes more so with nonprofits, but I don't think it has anything to do with discrimination. I just think it has to do with their [being] just administratively chaotic." [#21]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "If you're working for the City of Portland, they pay every two weeks but after the first 45 days, and they pay every two weeks. ... You're subject to the prime submitting that to the City of Portland for payment, and if they don't submit it for a month or two months, they don't get paid for my portion of the works. They don't pay me." [#23]

- The Black American owner of a construction company stated, "Another barrier is access to capital. I'm already strapped with cash flow and then, you know, having ridiculous payment terms where I gotta wait 30, 60, 90 days to get stuff." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "One of the only issues that I really have with the government jobs is that the government may pay the larger company, because usually on the government jobs we're the DBE ... we don't get paid for months. And, you know, that causes a big issue for smaller companies [with] those larger companies paying us and paying us on time [and] that has been a hurdle that we've been dealing with from 2007 to 2023, is getting paid on time." [#36]
- The Hispanic American owner of a professional services company stated, "Sometimes shit gets shut down for six months. Small companies can't [handle] that burden. If you don't know how to bill the government, you're not getting paid." [#40]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "Unfortunately there is not [a difference between public and private timeline for payment]. They all are extremely slow to pay. I heard a rumor that some of them pay twice a week, but we've never been paid faster than 45 days. Most of the time it's 60 days. There was some work that we did for the City of Portland, and it was six months before we got paid." [#51]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "I've never had an issue getting paid by a public agency. Their money is good. I think as long as you do the things that they're asking of you in terms of submitting progress payments or final invoices. If you follow their guidelines and you do exactly as is, for the most part, I've never had any issues. And that's at the federal and the state level." [#52]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "No one's ever not paid me." [#56]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We've got, you know, over \$1 million dollars in a single contract that we're still waiting on from the federal government, and we're essentially financing the federal government while we're waiting for that money. Whereas with the public sector, it's usually a lot more reasonable for us to be able to negotiate payment on time and in a way that allows us to cover our financing costs. It's also just much more cumbersome." [#57]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "[Getting paid in] the private sector ... just doesn't seem to be as difficult as the public sector is." [#59]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "It is hard to keep up with expenses when there can be a three-month delay between starting a project in the public sector and receiving the first invoice." [#61]
- A representative of a Native American woman-owned construction company stated, "Payment with universities is all grant payment. Hard to navigate." [#AV8]
- A representative of a Black American woman-owned professional services company stated, "I will say the way some of the way state contracts bill [is a barrier]. They want an hourly or no retainer, but it is hard for small minority-owned businesses. [It is] hard to know hourly until you are in it. [It is] still designed for pre-existing businesses where people have money." [#AV40]

- A representative of a woman-owned goods and services company stated, "Oregon is good. When they send us to California it is not good. We have to fight to get paid. They changed the private contractor's contracts this year and the way they do the dispatch priority list now is less fair because instead of getting called based on your rate, dispatch can now call whoever they want, AKA, their friends." [#AV73]
- A representative of a majority-owned professional services company stated, "The state requires that you have certain level of finances and equipment or they don't pay you, and you still have pay your employees, before you get paid by the state could be about 60 to 120 [days]." [#AV80]
- A representative of a woman-owned goods and services company stated, "We were working on a City of Portland job with [another firm] for some under the sidewalk work. We bid the job three months before service was required. We were notified within two weeks of the inception of the job. We were instructed to complete the bid contract to [the other firm] and they would not sign [the] contract because we were doing business for the city. Work entailed moving equipment and supplies from one location to another to allow the subsurface work to be completed. By the time we got signatures from the city, it was the day before the work was to start. The street was not prepared with permitting which is required by the city. After completion of the work, we went to bill the city and they wanted us to sign up for a billing account of some sort which would not have paid us for six months. [The other firm] eventually stepped in and wrote a new contract to circumvent the city payment requirements and got us the money and paid it through them. The government is driving away business, not taking care of people here." [#AV90]
- A representative of a majority-owned goods and services company stated, "Generally speaking, state or federal entities do not pay until goods are received or services are completed onsite. They often require a 50 percent deposit. It is a hardship when they don't pay until things are completed. Things are starting to slow down due to the economy. There's nothing I can do; I'm trying hard not to close the doors. A lot of people are holding onto their money. Some of that is cyclical, many nurseries are busy with shipments and are not interested in talking to people with equipment." [#AV93]
- A representative of a majority-owned construction company stated, "We did a government haul four years ago. They wouldn't pay until we got set up in their vendor system. That took about half a day to get set up. It just wasn't worth it. If we get more drivers, mechanics, and parts it would be helpful." [#AV136]
- The non-Hispanic white woman owner of a company stated, "It would be great if there was something that you guys could work with where if you are a COBID firm that there's some help to actually get paid for your work. I don't mean to bash on the City of Portland, but that's the only place in Oregon where my certification was supposed to be used for, I do a lot of my work in Washington now because it's easier to get paid. So, we would be directed to do work and I don't know if they were taking advantage or maybe the wrong person was [working] as an inspector to work when they shouldn't have been, but we would do the work and then we wouldn't get paid for it. It was like they kind of tricked you into it like, 'Ooh, you didn't do the right paperwork,' even though the inspector directed it. I'm trying to get paid currently from a job in the City of Portland from 2021." [#PT8]

2. Barriers and challenges to working with public agencies in Oregon. Interviewees spoke about the challenges they face when working with public agencies in Oregon. Fifty business owners

highlighted communication with decision makers, restrictive regulations, and administrative burden in terms of paperwork, especially for small, disadvantaged firms [#4, #6, #7, #8, #10, #13, #16, #17, #21, #25, #26, #33, #38, #39, #41, #42, #44, #56, #60, #AV, #FG1, #FG2, #FG3, #FG4, #WT14, #WT16, #WT17, #WT18, #WT20, #WT22, #WT24]. For example:

- A co-owner of a majority-owned construction company stated, "What has happened is the all the old project managers [are] starting to retire, which is the baby boomers. They're getting these kids in from college with no experience, just college experience as project managers. And when you are on a contract, your specific land contract where, if something needs to be changed, you have to submit what they call a change order. And they got to the point where they're not backing up the sub at all on any given situation. Because they go based on what the drawing says and what the customer wants. And a lot of times the customer and architect will spec something out, that's not possible. They create what I call Frankenstein products. ... That would be like, okay, you want to buy a car, ... but you don't [know] kind of car you want. So, what you do is, you go on the Ford website, and you'd like some options that Ford has. And then you go over to the Chevrolet site, and you'll like a few of those options. And then you go to Porsche, and you'll like a few of those options. You put all those options again and go 'That's my car.' You see what I'm saying? It doesn't exist. And architects do that all the time. ... The old generation would go to the customer and the architect and flat tell them this can't be done. This is what we can do. The new generation just looks at paper and expects it to be done and won't listen to the subs. And if anybody out there knows about doors and the equipment that we install supply, it would [be] the architect, not the owner." [#4]
- The non-Hispanic white owner of an ESB- certified construction company stated, "Many of the public jobs [are] intermittent and it's very difficult to maintain it, because it's kind of like some people think we're just a drive-thru service. They don't need to plan out our work. But it's just the opposite, it becomes much more difficult to plan out our work." [#7]
- A representative of a majority-owned professional services company stated, "In the public sector, it's a little bit more work because the contracting and everything to set up contracts with the public sector is a little bit more tedious. So, if you're a prime, you're typically taking the brunt of that. Whereas if I'm a sub on a government project, I'm serving typically to a private entity, so I don't have to deal with that. So, there's definitely ... a lot more administrative overhead work, when you're prime on a government job versus a subcontractor on a government job." [#8]
- The Hispanic American co-owner of a woman-owned professional services company stated, "We've only really made it into that bidding process maybe once or twice outside of the other ones, and we never really got any response. So, I'm assuming that we are just so far outside of the scope that we didn't warrant a response." [#10]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "Office furniture, you cannot sell to the states unless the manufacturer is on the contract." [#13]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "[I'm not obtaining business with the state] because they don't really need my services? I just stopped looking at pretty much everything that comes through my email. Because it just doesn't have anything to do with what I do. Could I make a difference? Absolutely. But the HR directors think they can do it themselves." [#17]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I feel like they're just looking for traditional employees and a traditional provider ... I feel like there needs to be training for ... city and state administrators on how to properly do these RFPs and how to properly work with vendors without coming across like you don't trust them and don't actually want to work with them. I feel like there's a lot of a lack of education. And that's what I've heard from chamber leaders throughout the state too. ... A lot of [public administrators] are not responsive to questions. ... They only want questions answered in a particular way at a certain time and date." [#21]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "Why isn't there some kind of like partner group that these municipalities have with one another?" [#25]
- The owner of a majority-owned goods and services company stated, "With Oregon, it's kind of difficult for us because we do have a lot of competition outside the United States that, in my opinion, it's just a little bit shady. ... They just don't realize that you're buying Chinese steel, which means that there's no regulations and they ship it over here into a warehouse and put it together and tell you it's a [product] manufacturer. But in reality, it's not. They're not gonna go visit the plant like you can in mine. We also have competitors that I don't think are playing by the rules. ... Oregon has become a difficult state for just not myself, but my subcontractors, it's a lot more paperwork ends up being more costs. [If] we're gonna be on that job site for five days, I've gotta fill out paperwork and navigate through a system as if I'm gonna be on that for 12, 14 months. I'm gonna have a job trailer on site. If I do private ... they work with me to get it done, and I'm out. ... If there's a problem on a public job, [it] turns into a finger-pointing situation, they wanna throw blame. Private, you work with them and everybody sits down and we say, 'What happened here? What's going on?' ... I might have 20, 30 hours I did the [public sector] job and I get nothing. ... I think that the average taxpayer would just be shocked and blown away if they saw how much money is just being wasted on ridiculous items." [#39]
- The non-Hispanic white woman owner of a professional services firm stated, "There's so much bureaucratic process that you have to go through to even try to get the door open. ... Some people believe it's just too much work. I don't think that the state and the public [clients] get the best people working for them because we don't wanna spend the time that it takes to get through the bureaucracy to do the work. I would love to work for the state ... but after filling over and over and over, not even getting a word [of] feedback back, it's frustrating." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "My experience with the state is that they make no concessions for anything outside of what they want. ... We've been audited, at least twice by the Oregon Department of Employment. ... Every 10 years, it is a huge process on our part to prepare for an audit like that. ... We're in the business of trying to run a small business. And so, we have to stop everything that we're doing. We have to gather all kinds of information for them. We have to spend a day with them to show them that we're operating within the law. And then they take a look at us and they go, 'Oh, you're doing great. Thank you very much. Appreciate your good job.' But in the meantime, I've lost money and time and energy and effort, and I get no reward for that. ... I think just in the last month or two, the state [in] their wisdom decided we aren't gonna give anyone their endorsements on their commercial driver's license without them going to a certified school. I've got a fellow right now that wants a job. He has a CDL [commercial driver's license], he needs an endorsement on that CDL, it's like a Class A, B, and C thing. He's got like, Class

B and he needs a Class A, and the state is making him go to school, pay an exorbitant amount of money to do it. I mean, he's perfectly capable to just go down to the DMV and take a test and get that endorsement, but he can't without doing those other things. ... So, he has to be unemployed for a month, and on top of that, [has to] find \$5,000 to pay for the school, and then he'll be able to get this one little endorsement on his CDL. I'm like, what happened to people to think that that was a good idea? Maybe it would be a good idea if the nationwide shortage of truck drivers didn't exist. But it's a huge problem." [#42]

- The Native American owner of an MBE- and DBE-certified construction firm stated, "Being on [the] border [of] Washington and Oregon ... the tax structure keeps changing for us and there's a lot of legislation going through that's affecting us in that way. ... There's a lot that could be done in that process to reduce barriers and risk to contractors that would make it more attractive for us to bid those types of work as a prime or a sub. ... I do know for a fact that the City of Portland has the largest paving fleet in the state of Oregon. And they go out and do a lot of the small jobs, they go out and pave small areas of roadway or they go out and do curb ramp jobs, all the small things that would be great entry level projects for new contractors. I mean, one of our biggest competitors in the region is the City of Portland. ... I think there's a lot that could be done there, to provide more opportunities for minority contractors." [#44]
- A representative of a majority-owned goods and services company stated, "You got ODOT maintenance and then you got ODOT, which is hiring a prime to do the job. Okay? So, it's 10 times easier to go out and work for ODOT maintenance because the paperwork doesn't have to fall in line. Now, anytime ODOT hires a prime to do a job that's 99.9 percent federally funded money. So, because it's federally funded, ODOT has to have ... all the T's crossed and I's dotted." [#60]
- A representative of a majority-owned goods and services company stated, "I tried over a year ago to get ahold of the right people at the Rangers or the State Forestry. It wasn't streamlined and there was a bureaucratic problem." [#AV3]
- A representative of a Black American-owned construction company stated, "The difficulties are that there are not checks and balances to make sure that these general contractors are following state requirements. When challenging bid results, the state does not want to cite [the prime as] not eligible for public record requests to make sure people following requirements. Contractors just check box to get participation. No one in government are checking [that the] boxes are accurate." [#AV31]
- A representative of a majority-owned professional services company stated, "With ODOT, they determine the rates we can charge. There is a form every year where we give our pay and benefits, and they determine what our billing rates can be. A lot of projects are just given to 10 firms in Oregon. The system is not set up for smaller firms. I think too much emphasis is on who you know in the industry on the public side. There seems to be a large relationship between ex-ODOT employees at certain companies and how much work they get. That's not how it should be. Also, RFPs and RFQs want specific examples of projects that have been done in the last five years. Often, we don't have enough projects to even qualify for those, whereas a huge engineering firm can easily meet those requirements. Some requirements are skewed towards bigger firms, who have done lots of projects." [#AV46]

- A representative of a majority-owned construction company stated, "We don't work with state organizations. The state doesn't make it easy, especially when they are talking about getting rid of diesel fuel, which makes it difficult for businesses to operate in the state." [#AV83]
- A representative of a Native American-owned construction company stated, "I haven't made it to the front line of the state. ... There's no access to get ahold of anyone in the state. I've been trying to get a hold of someone for eight years. I believe [they choose] low quality over price." [#AV86]
- A representative of a woman-owned professional services company stated, "Tried to work with the state and found it difficult. State contracts are difficult and confusing about certifications we have to have. We have Oregon certification, but we need other certifications for the state." [#AV87]
- A representative of a majority-owned construction company stated, "There is a lot of red tape in any government contracting." [#AV186]
- A Hispanic American representative of a trade organization stated, "Trying to engage in government contracts is incredibly difficult. Because every agency has a different way of doing their procurement. There is no level of consistency there ... depending on how large their agency is, they don't even really know their own procurement rules. ... It is incredibly frustrating to see as a person of color, how difficult it is to work with government. ... I think what's also complicated, especially for the Latino community, is the fact that many of us don't have social security numbers. So, we run these businesses, and ... we're pumping money into the state budget. But yet, so many of the services that the state provides, and also on the federal level, we're not eligible for. We're the largest minority population in Oregon, yet we can't access those tools." [#FG1]
- An Asian American representative of a trade organization stated, "The problem is that a lot of the procurement folks in the departments on the state, their staff ... just don't want to do any sort of opportunities for waivers or exception." [#FG1]
- A Native American representative of a non-profit organization stated, "The programs that are getting the funding from the government agencies, like the administrative and reporting requirements are extremely burdensome. And there's typically multiple types of reporting from each agency. ... and each one has something different that you have to report ... so that becomes really challenging for the service provider." [#FG1]
- A Hispanic American representative of a trade organization stated, "On that side of governments, our procurement rules are completely broken, and how we actually implement solicitations, really pin people against each other. ... Systemic racism exists in our state policies. But people that don't live in our community, or even look like us, are [spending taxpayer] dollars in a way that doesn't necessarily help our community." [#FG1]
- A Hispanic American representative of a trade organization stated, "[Public Agency Contracting] processes are sometimes conflicting, and ... very tedious. ... These public agencies should have a point of contact ... because that's a barrier... to bidding." [#FG2]
- A Hispanic American representative of a trade organization stated, "It's very pricey, to consult a lawyer for small businesses. ... [Contract] language is 'legalese,' ... spending money for translation is [an] expense without assurance of getting the project." [#FG2]
- A representative of a trade organization stated, "Every agency is its own little island with respect to technology, there's not a lot of integration in there. ... Bureaucracy is a serious barrier, particularly for small businesses, particularly for those who, again, know how to do the work well but they

don't know the system and they don't know how to turn that into effective business management. ... We're trying to work with all these other agencies where they want you to do all this very detailed invoicing and sometimes they have to get your rates approved beforehand. I get it - if you don't, people are just going to charge you up to wazoo ... but it is still a really big challenge. When you're in a construction-related industry, all that equipment is not cheap." [#FG3]

- A representative of a business assistance organization stated, "What I've looked at is that in order to put in the city jobs, most, except for Portland, which we heard at the last meeting does not require COBID certification, all the others require a certification and we don't all have it." [#FG4]
- A representative of a construction company stated, "Government procurement should be inclusive of all companies who can provide a good product at a competitive price." [#WT14]
- A representative of a business stated, "We want to help people (one of our core values is compassion), but this whole process wasn't rewarding or worth it to our team." [#WT16]
- A representative of a Hispanic American-owned business stated, "The Latino community in Oregon is highly resistant to working with the government, largely due to fears of unfair treatment or concerns related to immigration. ... The state should spend more money on translation services." [#WT18]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "We've attempted to do business with many counties and the state directly, we're typically marked down on scoring sheets for not being a traditional business and not having actual employees. Comments were specific to not having employees here in Oregon, which is unfair, as that's the whole point of being an ESB and attempting to grow over time to eventually hire, but we're discriminated against based on inherent factors. Contracting is not built for small businesses, it's geared towards more traditional firm hierarchies with brick-and-mortar [locations] and employees, not smaller ESB certified with virtual teams that are capable. You can easily tell when examining the language used in the RFPs as it's geared to very specific circumstances, very specific levels of insurance, and very specific billing requirements. This year, we even encountered a local municipality wanting a requirement in their RFP for us to disclose, publicly, our costs involved with providing the service (line-item, personnel, and expenses) and they were vehemently wording this to exclude certain agency types. We reached out to them for clarifications and were met with silence. ... We are in the \$500,000 income range and seven persons total, so we very distinctly match the ESB requirements as an Emerging Small Business. We've done great work with great reviews, but the job market necessitates offshore labor due to costs. I've tried to review the state's QualityInfo website as a guide to labor market rates and conditions, but those I've looked to hire are delusional with what they feel they should be paid." [#WT20]
- A representative of an Oregon government agency stated, "We have encountered many disparities throughout the contracting process over the last few years. ... Complicated process of reporting hours for invoicing - the required format is hard to navigate. They needed assistance to learn how an invoice should be written up. This takes a long time to get it set up with the requirements requested." [#WT22]

3. Oregon's bidding and contracting processes. Interviewees shared comments about the state's contracting and bidding processes.

a. Seventy-nine business owners described their experiences working with or attempting to get work with the state [#1, #2, #3, #4, #5, #10, #13, #16, #20, #21, #23, #27, #28, #29, #30, #31, #32, #33, #34, #36, #39, #41, #42, #43, #45, #46, #48, #50, #52, #54, #57, #58, #60, #AV, #FG3, #PT3, #PT4, #PT5, #PT6, #PT7, #WT4, #WT5, #WT6, #WT8, #WT10, #WT11, #WT22, #WT23, #WT24]. For example:

- The Black American owner of a construction company stated, "I'm hoping they will send me a list of availability of jobs that might be out there and say, 'Hey, you know, see if you qualify for this job or put in a bid on this job.' ... I don't know if the city or the state or the government works that way, where they have assigned already architects or general contractors that are actually putting out the bids under government specifications. I don't know that yet. But that would be a good chance to say that if you qualify, here's some opportunities for you." [#1]
- The Asian American owner of an MBE-certified professional services business stated, "It's like the government is willing to give me money as a small business to stay on payroll, but they're not willing to work with the state government and say that, okay, 5 percent of the work will be done in by local businesses who ... are qualified to do the work. And there was nothing. ... The state pretty much doesn't encourage any kind of marketing. ... With the federal agencies, I can pick up the phone and call the small business and talk to them. And that's the market that is allowed. Whereas with the state government, when you want to reach out to a procurement officer, they'll basically tell you, 'Oh, wait till you see an RFP, and then contact us.' So, there's no marketing interest. ... I have worked with like probably around seven or eight different state agencies, on different projects there is this MSP contracts. And with the MSP ... some constraints with the state of Oregon with DAS as a small business, I can work on an hourly contract for only 1,039 hours in a 12-month period. So, say, if I start a project on December 1, until next December, I can work only 1,039 hours. ... So that is a very big barrier. Because there are a lot of small businesses, what are you going to do, because you have [a] 1,039[-hour] limit across agencies, it's not per agency, you expect somebody to just stay out of work for the next six months. So that's one big barrier. This doesn't happen with other states because we are also a vendor with other states ... none of them have that restriction. The other thing is what [the] Department of Administrative Service has done. They created a prequalified vendor pool [for] bigger contracts, which are like a few hundred thousand or millions of dollars. But all those contracts, the way they were written, they were written for big businesses, there was nothing which says okay, we are going to encourage minority-owned businesses or small businesses to participate in that and be part of the vendor pool. The criteria was written in such a way that it excluded all the small businesses. ... When I worked with the City of Portland, I became a vendor with them, I was on their vendor pool. ... They reached out to certified firms, they wanted certified firms to be part of the vendor pool. So that is the difference even within Oregon depending on how the state of Oregon works, and how other states like the city and the county governments work. ... My personal experiences if you are a small business, good luck, don't even try to waste your time working with the state government." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "The systems are hard. And it both intellectually and the way that it is structured. It's a bit antiquated, the menus are not intuitive. ... None of those are in the same place in the government. And I've had three very different experiences of applying [with different departments]. ... Do they use OregonBuys? Do they not? So, it's never the same process, even though all of those were the state of Oregon. And depending on what it was and what they needed, et cetera, the more changes and the more antiquated it is, the more time it takes. And that's again, that's like free time. Like, reimburse for it.

So, there's that cost benefit analysis of, 'Is this proposal worth it? Do I think I'm going to get it? What is a proposal that is of a large enough cost that it makes sense for me to spend 10 hours putting it together and trying to put it through the system?' ... For the state of Oregon [projects], they were not easy to find." [#3]

- A representative of a majority-owned goods and services company stated, "Our procurement rules are completely broken, and how we actually implement solicitations really pin people against each other. ... The barrier is that systemic racism exists in our state policies. ... Every agency has a different way of doing their procurement. There is no level of consistency there. ... Depending on how large their agency is, they don't even really know their own procurement rules. They don't know how to remove some of these barriers ... they have a process of screening out instead [resolving] small things that can be cleared up with a phone call or an email, [instead] you're automatically disqualified. ... We don't have people that actually grade these proposals that actually have any knowledge in them. ... They don't know anything about, if it's construction, what it actually cost per square foot. They don't even know whether or not this is a good deal for the government or not, or what is the quality of work, the measurable tools, the rubrics, is another broken part of the procurement process." [#5]
- The Hispanic American co-owner of a woman-owned professional services company stated, "It's trickier to find contracts up for tender from Oregon than it has been in our industry than it has been, for example, to find things with federal agencies. ... I do understand how to navigate things like the GSA and see what contracts and schedules have been awarded there. So, I can see what other people have submitted, which is nice. ... I don't know if there is an Oregon like equivalent to the GSA. Like if there [is] a place that all of the contracts with the state of Oregon are and they're searchable by NAICS code or whatever it might be. And I can see everyone who's tendered on everything with the state. I don't know if that exists. ... It seems like we only ever locate stuff when it's closed, we find stuff that was tendered six months ago. Let me know when there's a central registry so I could find some of these damn things." [#10]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "We kind of pick and choose if it's worth it to us to go to all of that expense. Finding projects in the state of Oregon has been a challenge. ... I don't know because we're on with PTAC [Procurement Technical Assistance Center], we get all the leads through that, or you know, an Oregon and Washington. I think our difficulty is having the time to go after those leads. Because there are so few of us and we wear so many hats." [#13]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "These are naive, uninformed, uneducated decision makers on the state side who don't understand the advertising marketing process who are making these hiring decisions. And who thinks that anything over \$2,000 is like, 'Oh my god, it costs how much!' You're managing their lack of knowledge. It's a gauntlet trying to learn something for future opportunities. And so that's exhausting. ... It's been extremely difficult to find the state contract opportunities that I do qualify for my line of work." [#16]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "People don't know how to go to find work with the state." [#23]
- The Hispanic American owner of a construction company stated, "It is very difficult for me [to find jobs with the state] because I have entered the state system, trying to see what I could do to get a

contract with them. And I don't even know where to go, it's a little difficult for someone who is not from [this country]." [#27]

- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "There are so many different websites that you may have to subscribe to find these bidding notices and they seem to change frequently. I mean, I know recently the state went to OregonBuys, but there are still requests coming in from SciQuest and all kinds of other different bidding systems. So, sometimes it's honestly hard to keep up with where you should be looking and where you should be responding. And the onus is on you as somebody who's interested in a contract to keep up with every addendum and every Q&A that gets posted to multiple different sites. It seems very complicated and again, time-consuming. ... It's another thing that just drives people away from even trying." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I have to say I've been certified for eight years I've never gotten a contract from the state. The process is very complex, it's not very easy to navigate at all. I've talked to a couple people, and they told me that the work that I do belongs behind the scenes with the state, so it belongs somewhere within the internal processes state. And those contracts are called price agreements. ... The way that this is done is that people sign up, sign a contract with the state, and that contract is 10 years long, and people cannot come in within those 10 years, and then it opens up for like two weeks. And then people can sign in, and that's something that I have emailed [about] multiple times and I can't get any kind of information about how do I even get on a list, or even when is the application date. ... It's just very bureaucratic and it's not very helpful." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I would say like the systems for finding public sector work are more convoluted. ... I feel like so frequently, if I try to do that work organically, they will say something like, 'We do all that through OregonBuys.' And then I'm parsing through massive million-dollar budgets again. ... I have a contract with Prosper Portland that ... they will come to me when they have a need. ... That contract has promised me \$20,000 over the next three years, but I have yet to see a single dollar of that." [#30]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "A big problem is also DOJ, liability-wise, [everything] scares them. ... For example, [to] do a simple contract, when we get a contract from the state, it takes three or four months, DOJ holds it up for three or four months, and then they advise the agencies, liability-wise, not [to] just take any risk with anything. ... And so, they become very strict, ... they create more barriers in their system, in their process, because their goal [is] to protect state funding. But it goes to the other extreme, it becomes impregnable. You know what I mean? It becomes inequitable and becomes exploitive and counterproductive. It works against them and it creates a system that really bogs down and it becomes ineffective." [#32]
- A representative of a majority-owned construction company stated, "There's a certain amount of acumen that the state expects [you] to have. And I think if you start out on the wrong foot, it's really hard to dig yourself out of a hole." [#33]
- The owner of a majority-owned goods and services company stated, "It's very difficult in the state of Oregon to get anybody to actually respond to you if you have an inquiry ... Oregon has become a difficult state for, not myself, but my subcontractors, it's a lot more paperwork ends up being more

costs. ... If given the choice, my guys would work in Washington, over Oregon seven days a week. ... I've gotta fill out paperwork and navigate through a system as if I'm gonna be on that for 12, 14 months. I'm gonna have a job trailer on site. If I do private ... they work with me to get it done, and I'm out. ... It's crazy how much that they really need from you here in Oregon. ... Most people don't want to do the work in Oregon. They don't want to even get a business established. And so, I have found several people who looked at being subs, look at being an installer for me. And they just see that paperwork hurdle and then fees and just costs and everything else. And they just say, it's not worth it. Everybody has to have \$30,000 public works bond." [#39]

- The non-Hispanic white woman owner of a professional services firm stated, "The Oregon state has a list of specific things that they're looking for. I've sent information in hundreds for hundreds of those. And I've never gotten anything back. ... all of them [that] have [won], they're male. I don't know if it's coincidence." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "My experience with the state is that they make no concessions for anything outside of what they want. [There was] a state-certified concrete that we had to make, and I was fed up with the system and fed up with my expenses that I had to put out in order to service these people for like, I don't know, a hundred yards of concrete. And it wasn't very much and so I gave them a price that was outrageous. ... it was four times probably as much as what I would normally charge. And the first time in my life I took advantage of my position is like, you're not gonna get it anywhere else. And so, it ended up costing the state more money because my raw material costs were gonna be more, but they just didn't really have any other choice of where to go or how to get it." [#42]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "Contract review and contract negotiation that is pretty onerous." [#43]
- The Hispanic American owner of an MBE-certified goods and services firm stated, "[The government contracts] help you a lot. When you look at an RFQ or an RFP, they'll tell you exactly what they want, how they want it, what they want done, how much of it you want they want done. the simplest way to kind of get started [finding RFPs] is just SAM.gov ... To be honest, you don't even need to do that really. I mean, government contracting is all public information. ... I think Oregon's actually doing some pretty good things on the government contracting side." [#46]
- The owner of a majority-owned professional services company. stated, "Most of the [contracts with the state] we are in right now were through the master services contracts that we are on ... what [state agencies] do [when they need an Independent Quality Management Service] is they go out, they send out an RFQ or an RFP to these 10 or 11 firms that are on their master services contract. Then we can choose to bid on the ones we want to bid on. No one outside of the master services contract can bid on those. ... That's my big thing in government, do not waste money. When we do work, I don't want to just have an agency that's just checking a box because they have to use us for our services. I want an agency that really values what we say, and takes seriously the recommendations we're making, and whether they implement all of them or not is fine, but at least is taking all of them seriously. That's where I really look at agencies that I value working with. I would say the best of those that I've worked with in the last few years are Oregon and the Office of Public Defender Services ... Oregon State Police has been very good to work with. The Oregon Liquor and Cannabis Commission has been very good to work with." [#48]

- A representative of a majority-owned construction company stated, "In Oregon, the vast majority of my contracts are on-call inspections and engineering support. We also constantly have to look at multiple platforms to see what's coming out. ... Another option for improvement for DBEs - not all platforms are created equal and keeping them all straight is a nightmare. The fact that I have to spend an arduous amount of time making sure that I checked all 20, there seems to be a better way." [#54]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "I think ODOT has been easier to work with because they're very deliberate about outreach especially to small businesses and DBE businesses. ... I find it much easier to find their projects ... and figure out where we're gonna be qualified." [#57]
- A representative of a majority-owned goods and services company stated, "We've noticed that all federally funded state stuff is more complicated." [#60]
- A representative of a woman-owned construction company stated, "Not sure where the state advertises for their opportunities?" [#AV3]
- A representative of a veteran-owned-owned construction company stated, "I've never had any issues, in fact, I enjoy working with the state of Oregon. They are a great bunch of guys, working in the middle of nowhere, they pay on time, we've had no issues." [#AV10]
- A representative of a majority-owned construction company stated, "State makes it hard: all the politics, bureaucracy, hoops you have to go through, [it's] harder now than 20-30 years ago." [#AV11]
- A representative of a woman-owned construction company stated, "We are a small firm, easier to submit than connect directly. The amount of overhead to prepare the RFP and contract management can be cumbersome and costly. The amount of experience that is asked for especially, when first starting out, ... [is] a 'chicken [and] egg' situation." [#AV15]
- A representative of a woman-owned professional services company stated, "We have done some government contracts through our other company and have found the process of getting in the systems to be difficult. We couldn't get renewed succinctly and efficiently in order to get paid. The government in Oregon has made working in the state more difficult. For example, the Corporate Activities Tax (CAT Tax) [is] based on gross revenue instead of net income. This makes it difficult to operate due to the fact that our gross revenue is about \$22 million, but net income is under \$1 million. We are being taxed at a rate that is nearly 20 times our net income." [#AV16]
- A representative of a woman-owned professional services company stated, "They are sometimes hard to get ahold of after COVID. Working from home, it is hard to get a connection." [#AV26]
- A representative of a woman-owned professional services company stated, "I ran into a challenge working with a state of Oregon organization, because I am white and older. I felt singled out and was called white-entitled. It was really interesting. I haven't pursued it again, because I don't feel like I am what they are looking for." [#AV27]
- A representative of a veteran-owned-owned professional services company stated, "We had a contract with the state of Oregon during COVID and it went really well." [#AV33]

- A representative of a majority-owned construction company stated, "It's difficult. ODOT, for example, has offered to do all of these moves throughout the Deschutes County area. And we look at all of the surveys, but we never get the work. It's futile." [#AV35]
- A representative of a majority-owned goods and services company stated, "ODOT is always complicated with the rules and regulations. Updating driver records with ODOT is difficult." [#AV37]
- A representative of a majority-owned goods and services company stated, "A lot is done by whim, and they don't follow a set of standards necessarily - written law and there are a lot of grey areas and they err on the side of caution too far." [#AV49]
- A representative of a Native American veteran-owned construction company stated, "I have a really good time working with them [the state] as a subcontractor. It's easy to find work. I can access bids documents and results to facilitate with ease of results. I can see what projects are open for bid and who is bidding on it and call." [#AV50]
- A representative of a majority-owned professional services company stated, "Department of Oregon DEQ [Department of Environmental Quality] website is horrible. Not user-friendly, but staff is nice." [#AV57]
- A representative of a woman-owned professional services company stated, "Oregon is hard to work with. When we receive a letter, we can never get anyone on the phone. They need to get their employees back into the job, and not working from home." [#AV74]
- A representative of a majority-owned professional services company stated, "Where would one go to accept and obtain information about seeking these jobs?" [#AV83]
- A representative of a woman-owned construction company stated, "There is a lot of regulation. A whole lot of hoops you have to jump through. Tons of paperwork. Difficult to be notified of jobs coming up to bid. You have to be proactive. There [is] not a good way for me to see what work is out to bid. It takes a lot of time to locate and find work to bid on throughout the state." [#AV84]
- A representative of a woman-owned professional services company stated, "It is quite a cumbersome process. I don't spend a lot of energy on it. ... When an entity has several bidders, it seems to me as if the state already has its favorite bidder and they're just going through the motions with the other bidders because they're required to do so." [#AV89]
- A representative of a Black American woman-owned professional services company stated, "The procurement website - the language is inaccessible. You have to have worked in government jobs in order to understand the website. Very difficult. The gatekeepers, a lot of bureaucracy. [The] language is not good, and the network of people being awarded always stays the same. Difficult to apply and to be selected, and there is no guidance on how to meet criteria." [#AV100]
- A representative of a veteran-owned professional services company stated, "I contracted with the state of Oregon years ago. I was partnering throughout the state, doing many events on the highways and bridge projects. Over a period of years, I found it was more work or hassle because of forms and questions than it was worth. Lots of bureaucratic hoops." [#AV118]
- A representative of a majority-owned goods and services company stated, "The procurement for contractors with the state is very difficult. The procurement officers are not aware of what's

available. It is impossible to reach them or advertise to them. There is no central location.”
[#AV133]

- A representative of a woman-owned professional services company stated, "The biggest challenge is dealing with the level of bureaucracy versus work productivity. The contracting process can be burdensome compared with dealing in the private sector. This results in less products for the state." [#AV136]
- A representative of a majority-owned construction company stated, "Doing business with Oregon can be difficult. There are too many layers of bureaucracy. You got to work hard, that's all I know." [#AV137]
- A representative of a majority-owned professional services company stated, "We've had nothing but good experiences." [#AV144]
- A representative of a majority-owned professional services company stated, "I deal with the Oregon Department of Revenue, and they are often short-staffed." [#AV166]
- A representative of a majority-owned goods and services company stated, "They never answer the phone. You are always busy or with another client." [#AV200]
- A representative of a majority-owned professional services company stated, "Nobody answers the phone regarding tax bills, no explanation why I am getting the bill, can't get an answer." [#AV205]
- A representative of a majority-owned professional services company stated, "[The] bids I get invited to are almost irrelevant, mostly construction, nothing regarding management development." [#AV209]
- A representative of a woman-owned professional services company stated, "I was required to get professional liability insurance for an ODOT project. It was \$3,000 a year and the project was \$15,000 total, so it was kind of annoying. It's never been required before and we've worked with state and city in the past. I mean, we do marketing, so I really didn't see why the insurance was necessary. I was told it was required because we would be potentially talking to people other than ODOT employees, and if we did something inappropriate in a conversation, they could sue ODOT, whom we were representing. Also, we used to get notices about projects relevant to us. But I'm not getting those notices anymore. Now I have to go in and look. I would like to get back on that push notifications list, so that the list of projects comes directly to me." [#AV211]
- A representative of a majority-owned professional services company stated, "It is complicated to work for the state agency, especially for a small company." [#AV211]
- A representative of a Native American woman-owned professional services company stated, "I don't submit anything to the state of Oregon anymore. It is not worth it." [#AV213]
- A representative of a majority-owned construction company stated, "It is good and complicated at the same time. As my experience with Oregon goes, this state does not support business as much as other states." [#AV235]
- A representative of a majority-owned goods and services company stated, "Communication on all levels has been bad. The government is not responsive to businesses or enquiries." [#AV236]
- A representative of a majority-owned goods and services company stated, "Well, the state of Oregon typically has a state contract, and that's what everyone buys off of, whether they can buy it

cheaper from someone else or not. And sometimes it's quite a hassle to deviate from a state contract." [#AV238]

- A representative of a Hispanic American woman-owned construction company stated, "How can we get info to work for the state?" [#AV245]
- A representative of a majority-owned professional services company stated, "We had done business with state for many years until NASPO the state adopted as their sole contract. Several of [the] furniture lines we represented to [the] state were not on this contract anymore with the state. However, several of these manufactures are back on their list with NASPO." [#AV259]
- A representative of a trade organization stated, "If you look back over the last 30-40 years, Oregon has been a really great place to do business. It's only been in the last 10 to 15 years where some of the barriers that I talked about earlier were showing themselves." [#FG3]
- A participant in a stakeholder engagement session stated, "I think that our biggest issue doing business and marketing our certification is that the people we are going up against are not actually certified in the same commodity codes that we are, yet they are quoting the work and placing bids for the work that they don't have a certification for. So I think that's something that we run into actually quite a bit, and so I was just seeing if there's anything that you guys are looking at to see the people that actually have been awarded the contracts, if they've been awarded it in the commodity codes that they're actually certified." [#PT3]
- A participant in a stakeholder engagement session stated, "It's more effort on my part to find things out, to actually get inside the fence, and then access relevant information. It's just about more effort than it's worth. ... If I just absolutely had to make a living from this business, I'd be having a lot of difficulty, if I didn't get the assistance that I do being disabled and retired from the military. ... It took me a couple years applying. And I could not land a single contract. I would even email, do follow-up, do all the things I need to do. I read the requirements, and make sure I check all the boxes, and everything, all my I and Ts dotted, and everything. And it's like, so after about two years, I just stopped. Because I was putting in a lot of time putting in those proposals, and all the work I was there. So, I just kind of stopped." [#PT5]
- A participant in a stakeholder engagement session stated, "[The] ODOT purchasing offices laughed at us, [about] the way [we] were submitting our invoice. I say, 'Because I don't know what your system is, what is the procurement requirement?' So, I asked, 'Can you train us at least, do you want to see our invoice look like?' They actually have the training and I submitted application about how to have the billing rate come out." [#PT6]
- A participant in a stakeholder engagement session stated, "Some companies don't want to jump through all the hoops to do business with the state of Oregon, such as OregonBuys, when they have plenty of business that only require a quote. This could be a reason why smaller businesses don't want to participate but may also affect other businesses as well." [#PT7]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "Currently these large GCs (usually union affiliates) are controlling who they invite and/or who they want to win the bids. All public projects should be published and open for all companies to bid as opposed to being invited to bid. A lot of the public projects that these GCs were awarded, we have never heard of because it was never published and/or we were not asked to bid. Our

suggestion: MAKE IT MANDATORY THAT ALL PUBLIC BIDS ARE OPEN TO ALL CONTRACTORS (not just union contractors)." [#WT4]

- The co-owner of a professional services company stated, "The state of Oregon procurement employee who championed the [sole source] contract and supervised the implementation of it that routed more and more business to [the awarded company] and away from other local Oregon resellers like [my company], he eventually after putting the contract in place was hired by [the awarded company] to work for them to manage the contract relationship as an employee." [#WT5]
- The Native American veteran owner of a construction company stated, "I have tried for over six months to be an Oregon government approved business to work with them. I gave up. Too much time and not enough understanding of how to do it. For me I would have to be full time figuring out their system." [#WT6]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "The state doesn't follow its own legislative rules and ORS [Oregon Revised Statutes] to make sure discrimination and racist policies and behaviors aren't perpetuated by employees, managers, [and] directors across the board." [#WT8]
- The owner of a majority-owned goods and services company stated, "The state does not adequately rely on the expertise of its managers or its vendors. ... Departments within the State don't communicate enough, often duplicating each other's efforts." [#WT10]
- The non-Hispanic white woman owner of a professional services company stated, "The local staff that works for the state are amazing and are always available to help when they can." [#WT11]
- A representative of an Oregon government agency stated, "OregonBuys doesn't meet WCAG 2.1 AA [Web Content Accessibility Guidelines] criteria." [#WT22]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I've just avoided state and local contract altogether because they waste our time. ... When you do FOIA [Freedom of Information Act] requests, you start to see a pattern of who they award to. [One city], for example, has been awarding for years now based on favoritism, there are no council records of any awards, they just do it. ... Awards are being made based on political favors in some cases, we've seen it. ... COBID has had no impact with the exception of NGOs who seem to respect it, but can't really find info because that site is very difficult to navigate. I've also included an example of one we backed out of, because they were insistent on having their own staff work on the project with us. What is that, exactly? Who does that? We're not financially desperate enough to be comfortable with that type of behavior. They'll have to reimburse us just to supervise their employees who, if they were already skilled, wouldn't need us to complete the project. More insanity from Portland that we won't tolerate." [#WT24]

b. Twenty-six business owners described their experiences getting paid by the state [#3, #4, #10, #16, #18, #28, #29, #52, #AV, #WT11, #WT23]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "Definitely slow payment. And part what seems to be the factor there is like, our project contacts are usually as on top of it as they can be. But they're usually not. They're either new or not sure of what the accounting process is. And so, it's like, we have to go through that learning experience each time with each new project contact. And then depending on the accounting and how it's set up, and who

goes to ... it's going through a different accounting procedure, but they're still cutting checks. It's like, I can give you my bank account, why are we doing this? ... I think that's partly antiquated, but also there's so several different processes, depending on who it is what they're supposed to do. And it's each of those things just takes more time." [#3]

- A co-owner of a majority-owned construction company stated, "They only allow payment once a month. So, if you miss the deadline ... once a month, and then it goes into the next month. Now you're 60 days out for getting paid. I think with the money that the state's got, they should do their thing more [like] twice a month. Not once a month." [#4]
- The Hispanic American co-owner of a woman-owned professional services company stated, "Our [state of Oregon] contract, they pay us by credit card, because they specifically said it's going to be too hard on our end to put you through the proper contracting cycle. So as long as you only invoice us for under \$5,000 each time, we can pay you by credit card." [#10]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "When I tell a private sector client, my terms are net 10. Guess what happens? I have a check in 10 days. Yes. When I tell the state that 30, it is 45 days, maybe it's been 60, never 30. Never. So, thank you very much, state of Oregon for holding my money hostage. You're stringing me out, and I'm a one-person business. Thank you very much. I'm just trying to pay my Oregon taxes. I need the money." [#16]
- The Black American owner of an MBE- and DBE-certified construction company stated, "I think the state has ... the reporting system. And it allows you to state whether you were paid in a timely fashion or not, but ... it probably could use the functionality of stating whether or not you were paid within 30 days, or 60 days." [#18]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "We have had instances where payment from state organizations or public organizations like universities is not timely. And it is, again, it is jumping through hoops. They have the invoice, but for whatever reason, it's not in a PDF, so they don't pay it. And ... that is a barrier for people. Like, that is very inconvenient as a small business owner who's paying payroll. When you think, 'Well, they could just print it as a PDF,' but instead they shoot it back to us to take care of something like that. That is very common. That is a barrier to working for the state." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "Actually the state has not paid, it took them three months to pay me. You know that's a challenge with a lot of people and so it's really frustrating to not get paid. Three months is a long time to wait." [#29]
- The Asian Pacific owner of an MBE-, DBE-, and VBE-certified construction company stated, "I've never had an issue getting paid by a public agency. Their money is good. I think as long as you do the things that they're asking of you in terms of submitting progress payments or final invoices. If you follow their guidelines and you do exactly as is, for the most part, I've never had any issues. And that's at the federal and the state level." [#52]
- A representative of a veteran woman-owned goods services company stated, "I know they are converting to a new system. [The] last three years [were] horrible. Their payroll system has been a nightmare. Takes up a lot of my time with issues." [#AV6]
- A representative of a woman-owned professional services company stated, "I know that during pandemic, [it] took too long to be paid." [#AV10]

- A representative of a veteran-owned-owned construction company stated, "I've never had any issues, in fact, I enjoy working with the state of Oregon. They are a great bunch of guys, working in the middle of nowhere, they pay on time, we've had no issues. Everything also very above-board as well." [#AV11]
- A representative of a Hispanic American, service-disabled veteran, and woman-owned professional services company stated, "There is a big barrier to obtain services and they need my services. They want my services, but they don't prepare the budget for that service they think it's free. They need my services and they don't have the funds." [#AV65]
- A representative of a majority-owned construction company stated, "The amount of time it takes to receive payment [is a barrier]." [#AV88]
- A representative of a majority-owned professional services company stated, "In the past, they have been extremely slow to pay and it has been difficult to collect. We are a small business, trying to work and pay bills, not being a bank for state or country governments. It should not take 120 days to pay a bill. Time is money." [#AV128]
- A representative of a majority-owned goods and services company stated, "Often a lot of pipework and the payment system good be better, sometimes they can only use credit cards and we have fee for our [credit card] systems, does not seem friendly, and state doesn't want to incur charges for Oregon." [#AV149]
- A representative of a majority-owned professional services company stated, "It was fairly difficult to get the contract assigned and also to get paid. It just seemed like it took a really long time. The people we were working with were polite and professional. But it seemed like it was hard to get over the finish line, and some of that might have been on our part. We got the job done, but they couldn't pay us, and it took us about nine months to get paid. I attribute that to red tape with the state. We usually like to get paid within 60 to 90 days of completion of the project. But we had to wait nine months. And we spend hours trying to get paid, which was kind of painful and also cost us a lot of hours and money in terms of our staff communicating with the state in our efforts to get paid." [#AV155]
- A representative of a woman-owned professional services company stated, "We did get paid, but took forever. We will never work with the state again." [#AV158]
- A representative of a woman-owned goods and services company stated, "The biggest issue with the state is usually payment; that is, getting paid on time. The GSA cards don't work most of the time, and the state ends up paying us with another credit card or you have to wait on a check for 120 days. They're always in a hurry to get the work done but not in a hurry to pay for the work." [#AV182]
- A representative of a majority-owned goods and services company stated, "Working with state is no problem. Payment with certain departments is an issue. It takes 90 days plus." [#AV224]
- A representative of a majority-owned goods and services company stated, "Billing system [is a] 'pain in butt.'" [#AV231]
- A representative of a majority-owned goods and services company stated, "We enjoy working with the state. They're fast-paying, so we really appreciate that aspect of our business with them." [#AV237]

- A representative of a Native American woman-owned construction company stated, "State of Oregon, we do not get paid in regard to fires we help out with. Takes a long time to get paid and lose paperwork." [#AV255]
- The non-Hispanic white woman owner of a professional services company stated, "I do think that their payment system has made huge improvements and works well." [#WT11]
- A representative of a WBE- and DBE-certified goods and services company stated, "I believe the mindset of government employees is that they get paid whether they produce or not, so they may think everyone gets paid this way. ... The small business owner must invest resources to complete these bids, often a race to the bottom. If the small business doesn't get the job, then they don't get paid and are also out their expense of responding to the bid(s)." [#WT23]

c. Forty-six business owners shared recommendations as to how the state or other public agencies could improve their contract notification or bid process [#2, #3, #4, #6, #7, #8, #10, #12, #13, #15, #16, #21, #28, #29, #30, #33, #35, #36, #39, #43, #46, #47, #48, #49, #50, #51, #55, #AV, #FG1, #FG2, #FG3, #PT4, #WT2, #WT4, #WT5b, #WT7, #WT8, #PT8, #PT13]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "If you go back and look at all the contracts, which have been posted on OregonBuys, especially IT projects, you will see that there is no incentive for a big company ... to subcontract with a local business here. Because there is no incentive for them. There is no reason for them to hire you. ... The other thing is what Department of Administrative Service has done. They created a prequalified vendor pool to [award] bigger contracts which are like a few hundred thousand dollars or millions of dollars. But all those contracts, the way they were written, they were written for big businesses. ... The criteria was written in such a way that it excluded all the small businesses. ... Basically, they just created all these barriers to make it almost impossible for small businesses to do work with the state. ... When I worked with the City of Portland, I became a vendor with them, I was on their vendor pool. And then the reason was because they reached out to certified firms, they wanted certified firms to be part of the vendor pool. So that is the difference even within Oregon depending on how the state of Oregon works, and how other [agencies] like the city and the county governments work. ... The DAS has written these contracts, they have already created this vendor pool when they are writing the RFPs. There are no requirements, because they everybody, all the individual offices, they're using the contracts and procurement templates. So, when they're writing a new statement of work, they're not writing from scratch. They're just taking an existing statement of work and making some changes." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I [am] a big fan of unifying. And an example that I am familiar with, for federal jobs, if you're applying, there's USA Jobs is the site that you go to it's a unified site. ... [You] put in your resume. And it's standard. You only have to do it once. ... If we had a unified system, and we could ... put [our] prices. The more that we have in there and ready to go, the less we have to keep recreating but in different formats. ... Searching for bids take[s] some time, first of all to get familiar with what keywords are being used, especially for my field where it's more specialized, but people are using some different words, when they're describing what they need. So, there are certainly opportunities where I don't find out about it and my searching until like, two days before it's due because there's not some unified language around it. ... There is no allowances for any sort of neurodiversity or physical accessibility, especially in the proposal process. ... I think having flexibility around a unified process

would help, like having consistency is one good step, because it's less for us to have trouble focusing on. But then also having some flexibility around that, like, did somebody forget to submit a form? Or is there a missing page? Like, let's call and ask them, instead of just like 'You're out.' And for physical accessibility, I've not had that experience of needing to ask for accommodation, but I have noticed that it's not obvious as to where to ask for them. So, I imagine that could be improved. ... I'm not quite sure how or who they choose to do the scoring, I imagine people in whichever department. But given my area of specialty, if you are not also in that area of specialty, it can be really hard to understand or to critically evaluate. And so, I've definitely received evaluations where I have written a proposal and I've used the language of our field and specialty. And they'll say that I didn't address something, when in fact, I have, just not in a more common language, because the person is just not as familiar with the actual specialty that's been needed. So, I think part of it is there. I think there needs to be some change around who's scoring and how and what that looks like. ... Perhaps some education for the scores or reviewers. You know, like anti-bias training for one. Or even just like awareness, I think for some people for various reasons they've had to be aware of needing to provide accommodations are needed to be more flexible in interpreting what they receive." [#3]

- A co-owner of a majority-owned construction company stated, "Maybe have a direct bidding line for the state on all their stuff that even the subs can get into and do their bids that way. And then they can comprise all that together. [The fewer] middlemen, the less you could get that out of it, the better it would be right to the source." [#4]
- The non-Hispanic white owner of an ESB- certified construction company stated, "Somebody in the state of Oregon Department of Transportation believes that you had to have the engineers now, in order to submit a cost estimate. They were 100 percent wrong. ... With those on-call agreements, it's not that difficult of a task to put out a task order, once the primary agreements [are] in place." [#7]
- A representative of a majority-owned professional services company stated, "There's always ways to work the system, because they do small business set-asides, but then often a larger company will serve as a sub on the project. And so, in the end, that large company ends up doing the majority of the work. So, it's kind of a game there. I guess, if they're doing small business set-asides, that there's actually some rules set up that it's actually the small business." [#8]
- The Hispanic American co-owner of a woman-owned professional services company stated, "If there is some sort of centralized system or ... a notification system where [for] anything in your NAICS code, you get an email on when it comes up for tender. ... [where you don't] sign up on like an agency-by-agency basis. ... It would be great if you could just go down from state through municipality. But as far as I know, that doesn't exist. Let me know when there's a central registry so I could find some of these damn things." [#10]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "They can improve by improving their computer systems to make them faster. Or maybe accepting alternate means of turning in a bid other than just digitally." [#13]
- The co-owner of an ESB-certified goods and services company stated, "One of the things with the federal government is, so they have a list of organizations, when you're in the in the SAM network that you're listed out as to what you do. And then the organization can contact you. ... So that might be something when the agencies submit [an] RFP, they submit it to a particular website, that then

blows it out to anybody who might fit that. But it might be better and more efficient use of the agency's time. And the end, those who are submitting RFPs for the agency to be able to see what contractors actually fit what they're looking for. And then still submit the RFP and blow it out to other people, but also be able to say up front, 'We think you might fit, can you submit a bid?' Because for me right now, it's a shot in the dark." [#15]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "There should be a system where with my industry code and my job description, ... I should be getting an automatic email that [says,] 'Here's a bid for what you do, come and get it.' ... I would like an email when these RFPs come up. And let's make the RFP shorter. And no, I'm not going to give you the whole grand master plan, [because] you haven't hired me yet. ... They might learn how to communicate and learn basic business courtesy and reply back to every person who sent in a proposal and acknowledged receipt of it. And keep us updated in the process. And tell us why we didn't win it. And not make us go through the gauntlet of the work to get the copies of the proposals and the winning proposal, you pay for every single page that's copied. ... Maybe you need an advertising advisory group who goes in and reviews proposals, maybe people like me and others on committees who understand what these agencies are proposing." [#16]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "A lot of the requests we receive have short deadlines and lengthy and complex types of responses that are required that, in my opinion, as an event planner, [that] don't actually like map to what the event planner is actually going to be doing. Some of these don't look anything like what a private sector requester would be asking. So, whatever the state can do to make their requests look more like, private sector, simplified types of requests for information and requests for proposal would be beneficial. ... Unifying websites could be a step. ... I would say for the end client to be involved in that requisitioning as opposed to procurement. Also, we should be given 30 days to respond to a request for proposal. That would be a normal amount of time, especially given the size and nature of most of these events that the state wants to plan and the amount of protocol that's involved in them. So, it's not just planning somebody's retirement party. Oftentimes there are high-level officials involved. There's a great deal of research that goes into understanding the department that you're going to be working for and the topics that are going to be covered. ... In addition to just the lead time to respond, some of these event planning RFPs that we're seeing will be sent out four to six months in advance of an event that's actually going to happen. So, when you see, again, the complexity of the event and that it's needing to be produced in four to six months... . Sometimes I just feel like the expectations are not in alignment for what the RFP is asking for or the quality." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "It's kind of ridiculous, to be quite honest, because the problem is that people need help from consultants, people need help, and they put a request for proposals. But ... a lot of times they don't know what they need. So, they're trying to solve the problem with the same lens of the problem. ... So instead of saying, this is our issue, how would you do this? They say, 'We want you to do this, we want you to do this, we want you to do this, and we want you to do it in this time, and we want you to do it.' It's like, 'Okay, so you have a plan, why don't you do it?'" [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I think one of the biggest problems that I encounter in trying to engage the state system is that the system is exactly the same, whether it's a like \$2 million contract or a \$10,000 contract. ...

It's still OregonBuys. You're still submitting like an 18-page PDF document with all these checkboxes checked to the state agency, whether it's a half a million dollar project or like a project I could actually do. I wish that the system had a little more understanding of like, these are opportunities that like... a solo entrepreneur might apply for. Let's mold the system around that, ... whatever the submission system is, let's build it around that. ... I would love more information about how to be more competitive for direct awards. I know those exist, but I don't know how to get them or who to talk to or who to get in front of. ... I have no idea how to get those. I don't know what that would necessarily look like. Maybe there's a way they could be advertising those opportunities or communicating about those opportunities outside of OregonBuys." [#30]

- A representative of a majority-owned construction company stated, "We gotta get those solicitations out early so people have the [time] to make the decision to ... bid [on] this job or not. ... Most of these things you gotta get started early cuz you want to ask questions." [#33]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "One of the things that I feel is always forgotten about in the bid is ... there's usually an annual increase of some sort within the bid, and that is not accounted for. Usually when a bid is done, I guess they expect for that rate to stay the same for the entire duration." [#36]
- The owner of a majority-owned goods and services company stated, "There needs to be a little bit more transparency ... on these jobs. ... I'll bid on a job. I'll never get a bid tab. I'll never know. I'll never know if I was low, middle, high. I don't know. It's just crazy, and I think it costs a lot of money to do it that way because nobody's really watching the buck. And then they stick in a bunch of qualifications for contractors that frankly, it's just more money. And I really don't see the need for it." [#39]
- The Hispanic American owner of an MBE-certified goods and services firm stated, "Another big problem as for small business owners is that there's a lot of spam out here. There are a lot of spammers and a lot of scammers. They're typically either overcharging for their services or they're trying to give you some information that isn't too good. You also can't listen too much to the procurement offices and the government agencies that are trying to help you because they don't really know what it's like on this side to actually procure the contract. ... What I like about government contracting is that there are a lot of set-aside opportunities for small businesses specifically. But if you really think about it, a small business is a company doing less than \$25 million per year. Even if you're making like \$10 million per year, I would still even classify those as kind of bigger companies." [#46]
- The owner of a woman-owned DBE-certified construction company. stated, "It is critical that you have to communicate clearly where the opportunities are and people have to be aware of the value proposition of working with you. Whether it be Zoom or however, to attend those meetings, to be a part of those government contracts. To be a part of those stimulus dollars that are so vital, especially to emerging businesses. That's to me would be extremely valuable because the whole program is designed to help, but if people aren't educated on where the help is, then it's not serving anyone well." [#47]
- The owner of a majority-owned professional services company. stated, "More transparency not only processes, but also in the bidding process through the public procurement process. If we lose a bid we want to better understand why." [#48]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "As a bidder on a contract, ... I found it very hard to clearly understand some of it. I'm relatively intelligent. I'm a writer. I'm a communicator. Yet, I had a lot of trouble understanding some of the terminology. and not just the terminology, but more the way things were written. They just weren't written very well in a lot of cases. I would love to see the contracts office be able to actually have some kind of expertise on board to help them put together better worded [RFPs]. ... Phrase [it] just so that it's accessible to everybody." [#49]
- The non-Hispanic white woman owner of a professional services company stated, "[The portal] used to send us [notifications of new contract opportunities]. [For instance, if] I wanted to see anything in the administrative professional services category that had the word marketing, graphic design, or communications in it, they'd get sent to me. It doesn't do it anymore. ... [In designing a bidding system] for one, I would not have open date be the due date. Then, in OregonBuys, ... the way it's set up, you have to choose the category. They're just really broad; administrative professional services has everything from surveyors to architects to HVAC. The way it's listed, it says open date and that's the day when they're gonna open the proposals that they received. Most humans, when we think of open date, that would be the date that it's available and it closes. Then, what's the due date?" [#50]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "I heard that with ODOT, they're supposed to have a transparency portal where you can go in and see if the contractor has been paid, but you have to be invited to that portal by the contractor. I've never been invited to that portal by the contractor." [#51]
- A representative of a Black American-owned professional services company stated, "I would say that particularly in the area of education and DEI ... it feels like a relatively new field, but a lot of us have been doing it for a long time. So, it would be nice to see certification of DEI on a state level which would show proof of one's credentials, seeing as there are a lot of amateurs selling themselves as experts in this same field." [#AV18]
- A Hispanic American representative of a trade organization stated, "They have a process of screening out instead of screening in. For small things that can be cleared up with a phone call or an email, you're automatically disqualified. ... In government, ... we don't have people that actually grade these proposals that actually have any knowledge in the [topic]. So, we have a bunch of people that are making decisions on who's going to get this [contract], but they don't know anything about the project. They don't know anything about ... what it actually cost per square foot. They don't even know whether or not this is a good deal for the government, or the quality of work." [#FG1]
- A Native American representative of a non-profit organization stated, "The statutory requirement that they choose low bid, unless you're exempt from that through the public contracting code [is a barrier]. ... We [recommend] to directly award or to create, like a sheltered market for minority contractors on a platter and handed it to them and say, 'This is the way.'" [#FG1]
- A Hispanic American representative of a trade organization stated, "It's very pricey, to consult a lawyer for small businesses. ... [Contract] language is 'legalese,' ... spending money for translation is an expense without [the] assurance of getting the project." [#FG2]
- A representative of a trade organization stated, "If the state of Oregon could recommit itself using its place in the political and policy ecosystem ... and recalibrate everybody to this social and

commercial contract, things would I think dramatically improve, and create the systems that that will [create opportunities for] people." [#FG3]

- A participant in a stakeholder engagement session stated, "A lot of the decision makers are buyers that will say, 'Well, we'll be happy to use your product if the people in the field will use it or if the department will use it.' And a lot of times the people in the departments in our case will say, 'Well, the safety officer has to approve it.' And so, then we go up to the safety officer, which is fine, that's just fine. All I'm suggesting is that if there were a central authority or central group, it doesn't have to be a big bureaucracy, within the state that said new products or systems and so forth, if they go to this group [and say], 'We'll give you a hearing, come on in, sit down with us for an hour, tell us about your mouse trap, tell us how it's benefits to us, and then we'll help shepherd you through the process.' That's the missing link. ... A lot of times if it's under the GCs, we have no visibility on the other bids. So, if the state of Oregon is serious about this, I would highly encourage ... if it's a public bid, everybody has to see the bids, they have to share. ... There has to be some level of penalties or something to really get these people serious about the disparity, the women-, minority-, or veteran-owned businesses to allow us an opportunity to bid. And when we do bid, we like to see all the bids. Don't just hide and then make up some numbers and say, 'Oh, sorry, you would've won and you're so competitive, but you're 5 percent off.' It's BS." [#PT4]
- A participant in a stakeholder engagement session stated, "Have a channel for new innovative products and services to be evaluated at a central level so the vendor can then present ... to the state departments who can use the offering." [#PT4]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "My feedback would be that, if that state of Oregon really wants competitive bids from small and minority-owned and women-owned businesses, the state should allow more time to respond or reduce the amount of paperwork required to respond." [#WT2]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "A lot of the public projects that these GCs were awarded, we have never heard of because it was never published and/or we were not asked to bid. Our suggestion: MAKE IT MANDATORY THAT ALL PUBLIC BIDS ARE OPEN TO ALL CONTRACTORS (not just union contractors). ... When it is a public project, ALL bid results should be readily available if anyone asks for bid results. What we've noticed is, if it is a public bid and it is from an institution (for example: Portland Public School or ODOT), then the bids are published and clearly show who was the lowest bidder and who will get the notice of award right after bid opening (this is very fair). However, when a GC goes out and bids a public project, all of the bid results are hidden under the GCs. So, no one knows how the GC selects the subcontractors and what criteria they used for the selection. We do not have an opportunity to see the results when we ask for them. All we get back from the GCs [is], 'You are so close. You're about x percent higher' By making the GCs accountable to share all bid results, they will have to select the lowest bidder, as opposed to making decisions on a sub that they favor or being influenced by the union to select a union contractor." [#WT4]
- The co-owner of a professional services company stated, "Three-tier buying process as defined in the Oregon Buyers Guide is not happening. It's functioning like a monopoly. ... Oregon is not entering into participating addenda with manufacturers under the new master agreements, and at this time also is not authorizing local governments to enter into their own either as they will be able to fulfill their needs through the contract." [#WT5]

- A representative of a majority-owned professional services company stated, "It's common for RFPs to include the statement of work (SOW) but NOT include the plans, specifications, or estimate (PS&E) from design. It's my understanding this is due to the fact that sometimes the PS&E documents are not yet public. However, this situation gives the design firm an advantage if they submit a proposal. Also, this is a disadvantage for all other proposers as they cannot tailor their approach specifically for this RFP. Additionally, if everyone knew who the design firm was, then some firms may not even bother submitting a proposal as they may have difficulties competing with certain design firms. This would save proposing firms time, money, and effort to focus towards better opportunities. It would help if there were more design documents submitted with RFPs such that the project is described sufficiently for all proposers to have a more equal shot at winning." [#WT7]
- A representative of a construction trade association stated, "I think the best way to help small contractors, DBE, MW, ESB, women-owned, minority-owned [businesses], is to get them paid on time, work with them to administer the contract well, respond to requests for information, sit down and work with them as a partner, not see them as an adversary or somebody that is there to offload cost of government or the cost of the project to, because it's inconvenient to government to pay them properly." [#PT8]
- A participant at a stakeholder engagement session stated, "What I've seen, is when RFPs come out or requests come out, they usually only give you two weeks, sometimes a month to prepare, to turn around a response. So that's really compressed and forces a small business owner to drop what they're doing and respond and turn something in on time, just to even get to the pass/fail scenario of it being received and accepted. And then the review time, if they're not organized or if... It seems to vary, depending on the type of good or services that are being sought or procured. That turnaround time, too, causes another delay. So you're already in the time of the notice of word on the street, that's two to three weeks. Then you have to wait for the review. That's another three to four weeks, that you're up to seven weeks now. So that's two months, that from the time they've heard about it to the time they hear if they even get shortlisted or possibly get a contract. And there's not a lot of communication in between with the contract officer or procurement officer. It's like a... Yeah, it is not a welcoming experience, I'll say. The experience overall is just very rigid and with a lot of bias, honestly." [#PT13]
- A participant at a stakeholder engagement session stated, "If there's just more transparency of what's ahead, even before it's a public announcement or before the clock has started, if there's advance notice or advance list that people can see that an RP is about to be released or is planned to be released, and even if it changes, it's just helpful to plan ahead what things they want to pursue. ... Port of Seattle does a good job. The City of Seattle. I think it's King County. The other one is either SDOT. Not WSDOT, but SDOT, Seattle Department of Transportation. They're pretty good about putting out notices. There's only so many events that people can go to, to find out about an announcement about what's on the pipeline and what's ahead for projects or bids. The more that it can be transparent and posted, the more people can actually discover that." [#PT13]

d. Fifteen business owners shared recommendations as to how the state or other public agencies could improve their contract administration practices [#3, #4, #7, #9, #18, #32, #35, #42, #48, #FG2, #FG3, #PT8, #PT13, #WT10]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, “I would say for the payments, like there are so many great easy tools even offered by our banks, like I’m with [bank], and I can pay people electronically by having my bank send them a text message like it is getting so much easier. So, I would love to see all of these state agencies get on board with electronic payment versus checks.” [#3]
- A co-owner of a majority-owned construction company stated, “They only allow payment once a month. So, if you miss the deadline ... once a month, and then it goes into the next month. Now you’re 60 days out for getting paid. I think with the money that the state’s got, they should do their thing more [like] twice a month. Not once a month.” [#4]
- The non-Hispanic white owner of an ESB- certified construction company stated, “If you’re a contractor doing construction, whether you have to be paid in 15 days, and there’s a penalty to the general contractor if that [went under] audit, and it’d be good if that were posed upon architects who are primes [and] anybody who works in this industry, because it’s significant capital. ... All general contractors used to do it, they’re doing \$100 billion over working or they can hold on to \$100 million for an extra month, they’re making a lot of money on interest. ... The state has understood that to really implement that [with] contractors, but it’d be good if they did it in the design professionals as well and other industries. Because in those design, professional contracts, there is a requirement that a certain percentage of MW/ESB firms are being brought in. And if you bring in the smaller firms and aren’t paying them, that is one of the biggest barriers to getting them to continue to cash flow, kill a business.” [#7]
- The non-Hispanic white owner of a WBE-certified construction company stated, “If the project has requirements for a minority firm, and you bring a minority firm on the project, and they’re having a trouble communicating, that it would be great to have somebody in the government agency provide like a liaison that’s ... not there to get anyone in trouble or point fingers or any kind of punitive damages. It’s just there to help the project move along and help with ... pointing the people to the right resources and helping the communication flow better. I had a subcontractor that had like, 99 problems, but she never ever told me what the problems were. And I was just like, emailing her, like, ‘Hey, you gotta get this done, Hey, you gotta get this done, Hey, you gotta get this done.’ And it just wasn’t happening. And then the municipality that we were working with started fining them because they were not getting it done. And she never communicated to me what the problems were. And it was like, ‘Why didn’t you communicate to me at the beginning of the project, what the problems were?’ ‘Well, I thought that maybe you would fire me and I wouldn’t have a job anymore.’ Well, people are so afraid of this punitive damage. And I am too, and it’s all of the certified firms are afraid of this ‘Oh, well, they’ll think that I’m not legit. They’ll fine me they if I’m failing and trying to get help.’ ... It’s like finger pointing and fining instead of more of a productive and proactive approach to solving problems. ... [It would] be awesome if they had for a certified firm to have a liaison ... there with you for your first five contracts or something that you have with the municipality. And then after that, you get the hang of it and you know what to do, you don’t need to your hand holding anymore. But like for your first five public contracts with that municipality, no matter if you’re a sub or a prime, there’s somebody that’s kind of like a liaison that’s going to help you communicate, understand, go to the right sources know where to go. It’d be nice to have some kind of support that is not meant to be punitive or catch you in a mistake or making an error, [but] is just simply to help you get up to date and up to speed on the new processes that are required for the municipality.” [#9]

- The Black American owner of an MBE- and DBE-certified construction company stated, “Holding large primes more accountable to their commitment to us small businesses.” [#18]
- The Hispanic American woman owner of an ESB-certified professional services company stated, “Part of my role [as a subcontractor] is to help them [large construction-related prime contractors] recruit, promote outreach to minority contractors to get involved with a project. But the problem with that is sometimes what they allocate for outreach and marketing engagement is very little. So, for example, out of that \$300 million project construction, my budget is only \$26,000. ... When it comes to procurement and, and equity outreach and marketing, these budgets are so minimal. So, it’s very discounting and it’s really inequitable and it really shows you the value that they have.” [#32]
- The Black American owner of a construction company stated, “What leverage does the government have in their procurement system to get the general or the prime to [fulfill contract requirements]?” [#35]
- The co-owner of a WBE- and DBE-certified firm stated, “In order to get the testing taken care of, I had to travel from here to Salem, Oregon, which is a good six-hour drive. ... And then that requires overnight stays because you can only travel one day and then you have two or three days of testing and then you can’t really travel back. That was an impediment, a big one to me. ... Why do I have to be the one that travels so far, why isn’t the state serving me instead of me serving the state? ... You know, it should be easier ... But my experience with the state is that they make no concessions for anything outside of what they want. ... And they serve the greater metropolitan areas, Portland, Salem, Eugene, I mean, they gear all of their programs to those areas and they don’t really give you any concessions to us. ... Do I wanna be treated special because I live in the middle of nowhere? Kinda. ... I’m offering a really great service that is ... not going to be met any other way. ... You have to come and audit people some to keep people on track, but when you do a good job and you’re operating how you’re supposed to, then maybe you should get some reward for that of some kind, because you just cost me a lot of money, effort, headache, time. It’s grueling to go through those and all you do is say, ‘Yeah, okay. You’re doing okay. We’re not gonna fine you.’” [#42]
- The owner of a majority-owned professional services company stated, “Once a contract is signed, anything that they have done in deciding who they were gonna choose for that contract is public information. Anybody can submit a public records request. For those of us to bid, I don’t believe we should have to submit a public records request.” [#48]
- A Hispanic American representative of a trade organization stated, “The difference between diversity and inclusion, like you may have a diverse set of contractors, ... but do they feel included in the industry?” [#FG2]
- A Hispanic American representative of a trade organization stated, “It’s very pricey to consult a lawyer for small businesses. ... [Contract] language is ‘legalese,’ ... spending money for translation is an expense without assurance of getting the project.” [#FG2]
- A representative of a non-profit organization stated, “We’re also really deeply engaged with our trade associations. ... We know the members really well. ... I reach out to them directly when they are onboarded onto our project to let them know that, so they don’t have to go through the procurement team. They don’t have to go through the project management team, they can come right to me. So, if there are concerns, there’s an advocate that is focused on their well-being and their capacity growth on the project.” [#FG3]

- A representative of a construction trade association stated, “If you want to help contractors of any kind, pay them on time, do the pre-engineering work well, do the pre-construction work well, communicate effectively with them, be available. I mean there’s basic contract administration. I’m looking at your list of issues and that is what I hear over and over and over again from my members, particularly my DBE members, women-owned members, and minority-owned members.” [#PT8]
- A participant at a stakeholder engagement session stated, “About the time between notice of award and the time that someone gets an executed contract or a negotiated contract signed, and then their first initial payment. A lot of contracts, they end up waiting, depending on the length of time it takes to get the contract done, it can be anywhere from two to three months to get the contract. And then once you initiate the contract or once the clock starts on the contract, it can take 16 to 90 days before you get your first payment. So you’re looking at four to six months before from the time they receive notice of award and the time they get their first increment of a payment. And especially if they’re a sub, prompt pay is not the usual practice for everyone. There’s some organizations... I know we have some institutionalized rules, administrative rules that have helped that, but it’s still that first payment is where the delay happens. After that, you’re on a monthly schedule, but it’s the first 90 days, which can make or break a business, because they still have to start the work, they have to prepare for the work, they have to pay for their insurance, they have to have all these things in place, but they have to wait 90 days for their payment. ... We just need the attorneys and the DOJ to get those contracts out faster.” [#PT13]
- The owner of a majority-owned goods and services company stated, “The supply chain issues in 2020 lead to huge cost increases in materials, and because you bid on these projects at a fixed price for the goods, vendors had to eat those costs. The state should have reimbursed vendors for those costs or supported their efforts to secure fixed pricing. Moving forward, being paid before delivering material can help small businesses selling goods to the state.” [#WT10]

F. Potential Barriers to Business Success

Business owners and managers discussed a variety of barriers to business development. Part F presents their comments and highlights the most frequently mentioned barriers and challenges related to:

1. Obtaining financing;
2. Bonding;
3. Insurance;
4. Factors public agencies consider to award contracts;
5. Personnel and labor;
6. Unions;
7. Obtaining inventory, equipment, or other materials and supplies;
8. Prequalification requirements;
9. Experience and expertise;
10. Licenses and permits;
11. Learning about work or marketing;

12. Unnecessarily restrictive contract specifications;
13. Bid processes and criteria;
14. Bid shopping or bid manipulation;
15. Treatment by prime contractors or customers;
16. Approval of the work by the prime contractor or customer;
17. Payment issues;
18. Size of contracts;
19. Bookkeeping, estimating, and other technical skills;
20. Networking;
21. Electronic bidding and online registration with public agencies;
22. Barriers throughout the life of the contract;
23. Size of firm;
24. Obtaining the first contract;
25. Barriers to formation; and
26. Other comments about marketplace barriers and discrimination.

1. Obtaining financing. Forty-nine interviewees discussed their perspectives on obtaining financing. Many firms described how securing capital had been a challenge for their businesses [#2, #4, #5, #6, #7, #9, #14, #18, #19, #21, #22, #23, #25, #27, #28, #31, #33, #35, #36, #37, #39, #40, #42, #44, #46, #47, #51, #53, #54, #57, #61, #AV, #FG1, #FG3, #FG4, #FG5, #FG6]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "Obviously the funding is a challenge. But thank God ... we have done many projects. So, we are all self-funded. We don't even need a line of credit. We do development work. And so, we are all funding ourselves." [#2]
- A co-owner of a majority-owned construction company stated, "As you grow, what I learned during that, we grew a million dollars in one year, ... and it choked my cash flow. Because although you got a lot of work out there being done and stuff, it takes time to collect that stuff. And the minute you pick up those doors or product, you got 30-day clock time to get it paid to the vendors. ... I [am] still struggling on that right now. So, because you have a lot of outgoing money, and sometimes not as much money coming in, but you handle it. ... We have a little bit of credit line, but it's not enough. We've got about a \$250,000 credit line, but we're at we're almost at \$4 million a year. And in business with that much volume, \$250 grand is not a lot of money. It really isn't. Is it's great for starting businesses, got one or two trucks. But when you're running a product company like this that's buying half a million dollars a month in product to put out there, a quarter million, it just is a drop in the bucket after a while and then you start, then what happens? Yeah, you want to buy a couple trucks and you want to buy some equipment and stuff. ... And then when your equipment breaks down, you got to pay to fix that. Those are the barriers, those are the toughest barriers." [#4]

- A representative of a majority-owned goods and services company stated, "I think for like minority-owned businesses, the accessibility to capital is critical. And so, we still have financial institutions, that red line, you know, people of color, the procurement process for state government, is quite complicated and has a lot of systemic inequities built into its own system. So as public dollars are available, it's not necessarily readily available, and too many times, government agencies and communities of color against them. I think is really important for us, taking [into] consideration as well as small businesses that the owners ... they don't have a social security number. So, they have more ... issues to access to capital, [it] is really, really hard for them to access to capital or even for rent. You know, all fees or rent, any commercial building is really hard for them, even if they have good credit. As soon as the corporation or people who is renting the facility, they know that it's an IT and they deny the access to have a lease agreement." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Financing is a big challenge. It's very difficult to get lenders to lend money to ... minority companies, it doesn't seem like it's what they're exactly looking for. So, I think automatically, they assume it's more risk and are more reluctant to [lend]. Well, I think it starts with financing. This is a cash-heavy business, you're always at net 30. So, you're always putting in money before you can make money. So, if you're having trouble getting financing, then you're gonna have trouble getting the equipment." [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "It takes money to make money. And you don't have the capital, you're not gonna operate your business. Cashflow and good income." [#7]
- The non-Hispanic white owner of a WBE-certified construction company stated, "Another thing I think is hard for a firm to start up is just access to loans in finding capital to buy a truck or buy a piece of equipment or getting a line of credit if you can't get bonded. ... If you don't have that banking relationship and that business relationship with somebody established, it's gonna be really difficult for you to continue to do work." [#9]
- The owner of a majority-owned goods and services company stated, "In the beginning, it can be difficult to secure funding from banks, it's so large, but ... so much of what these interactions come down to as far as licensing or loan procurements, it's just being able to dig your way through a huge pile of paperwork, you know, it's being organized and being able to sit down and just produce a ton of paper. And that can be a challenge. That is one of the largest parts of my job in this organization is being the one who produces the papers and the documents for whatever we're doing. And it can be a lot. ... [I] just learned by practice, you know, it's usually not terrible to know what you need to get. It's really just figuring out how to get what you need to get. ... I think it'd be difficult to come up with a program that would make it easier for people to put it together because so much of it just involves yourself and your business." [#14]
- The Black American owner of an MBE- and DBE-certified construction company stated, "I've ran into some problems with that. ... This has been denied, loan based on size and structure of the company and number of years in business." [#18]
- The owner of a majority-owned goods and services company stated, "In order to get in the first batch of that [payroll protection program], but it was ... what I would consider a large company that has 500 employees. That was considered by, I think it was the federal government, as a small business, which I don't think that's a small business. That's my opinion. ... [I]t really excluded a lot

of people from that program, a lot of small businesses. I have already spent thousands of dollars out of our own 401(k) and our mutual funds and savings to keep our doors open. That's why we're both on Social Security right now. Because we took ourselves off a payroll over a year ago, so that our payroll taxes wouldn't kill us. So, we don't draw an income at all from the business, 100 percent of the money goes back into the business." [#19]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I was a little concerned one time about a contract if we would have enough capital to float the 90 days when I was early on. So, I remember when we were much younger ... going to the SBA, and they were super unfriendly. I know SCORE [and] recommended them. ... They treat the business accounting ... like personal checkbook accounting, like, do I have enough to pay rent this month, or go to Safeway or whatever the case may be, and it's like, it's more complicated than that." [#21]
- The Black American woman owner of a professional services company stated, "A lot of corporations like to pay with paper checks. For example, right now, I'm waiting on like, \$1,000 to come in the mail. And that actually brought a new problem for me. I need capital to be able to [hire] freelancers early because as soon as they're finished with service, I like to pay them right away. ... So, a lot of I think the process is for a lot of businesses is really old fashioned. When it should just be paid like QuickBooks, you should be able to pay right away. I shouldn't have to wait two or three weeks, sometimes a month for his money to come through. That's way too long, when I'm relying on it." [#22]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "It always cost more than you think to get your business going, and that's a hard thing. I did not take advantage of the small business loans. ... I started my business [with] only \$5,000. ... I started out very small and it was just me and I worked my way up ... and the reason is I really didn't want to owe a lot of money. So, I didn't take advantage of the loans because, what if I didn't have work for a while?" [#23]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "Even though my books are positive, I'm working at a net loss of my cash flow for those terms. So, the longer the terms are, the more challenging it becomes, and I've turned down work because I can't find the terms." [#25]
- The Hispanic American owner of a construction company stated, "No, [we borrowed money from friends] because at that time nobody wanted to lend us money. When you are a small business and you ask for a loan, nobody wants to lend it to you because you have not been in business for over three years." [#27]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "Financing the business was challenging. And a lot of it, when you have a small business in a field like mine, that is not necessarily very well known, most of the financing does come out of your own personal savings or your personal credit." [#28]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "We take out our home loan to stores to survive the first five years. So that is a five, 10 years draw. Five years payback. That helped us ... through the first 10 years. ... Finance is always the first. We all have to come from small capital and then [keep] growing. But I still have [an] extremely hard time [getting] money, get loan." [#31]

- A representative of a majority-owned construction company stated, "[The] industry is based on weekly pay, you know, so you gotta pay your payroll every week. We had this flagging company that we were making their payroll for. ... I would be embarrassed to have to have someone make my payroll for me. I'm building a house now and ... those people are in a different world than we are. ... They wanted ... 30 percent down and then, you know, pay me every week or pay me once a month, and so, you know, we have to wait 30 to 45 days on a good owner to get paid. And that's a lot of money to have on hand for someone who's starting a business. ... I don't think anyone can appreciate how much money it takes to make your payroll for a month. ... [The] City of Portland has something where they would pay every two weeks. ... ODA [Oregon Department of Agriculture] tried to do that ... it never worked, cuz they can't physically work that fast. But that to me is the biggest thing. ... I mean, you can get decent prices for materials, but those vendors aren't gonna wait either ... they gotta be paid too. ... You can say it all you want, but until you live through it, you don't understand the impacts that it has." [#33]
- The Black American owner of a construction company stated, "What the large companies don't understand is that the relationships are always gonna be a problem and access to capital and getting just a fair shot in this industry ... you put all two or three of those together and there's always gonna create barrier after barrier that is gonna make it very hard for people to scale up." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "If you went to Wells Fargo or Bank of America or something like that, we didn't get as much assistance from those banks as a minority company as we should have. ... You're paying your employees minimum wage, well, minimum wage is gonna increase that \$1.25. And if you're staying at that same rate for five years, and each year their wage is going up \$1.25, well, so [are] your taxes, so are your expenses. And that's where a lot of companies kind of get into trouble." [#36]
- The owner of a majority-owned goods and services company stated, "I think developing steady revenue streams." [#37]
- The owner of a majority-owned goods and services company stated, "If somebody did their due diligence, their homework and started looking at running a company like mine, the costs would be extreme. I think they would find, 'Wow, we've gotta come up with some money and you have a lot more capital than probably you ever thought you would.'" [#39]
- The Hispanic American owner of a professional services company stated, "I would say number two [barrier to starting a business] really is contacts prior to financing. Financing was number three." [#40]
- The co-owner of a WBE- and DBE-certified firm stated, "The financing, funny enough, was not the biggest challenge. I mean, it was a major hurdle, but it proved to be somewhat easy once we became a business, we discovered there was an opportunity to do a concrete job ... for the state of Oregon. ... So, our learning curve was straight up. ... So, financing has been kind of a wave throughout the years. ... Almost 30 years, and I can remember when we very first started, banks weren't loaning at all. That was back when interest rates were 13 percent and more. I can remember that being a bit of a hurdle. I remember having to borrow from people, personal people who could give me a loan when I needed it, rather than banking. It was like, banking at one time was just almost impossible to get money from. ... The bank called me up and said, 'We have to close your credit line. It is nothing you've done, but it's because [of] the banking industry.' And I said,

'Well, if you want to close my business, then you will close my credit line. I can't function without it. ... I have not defaulted. I've never given you a reason to have to take it away.' And so, then they went back to whoever and decided they would leave it open." [#42]

- The Native American owner of an MBE- and DBE-certified construction firm stated, "I think, generally starting out, I mean, there's a ton of barriers in this industry, from capital to people to all the red tape associated with the work that we do. ... Access to capital, which kind of goes along with bonding cuz all public projects have to be bonded. ... I ended up getting ahold of an acquaintance that said, 'Hey, call this guy.' And he kind of set me up on a small bonding program and ... I credit him with a lot of teaching me the financial world of the business. And he kind of took me under his wing and he said, 'Hey, you've got one foot on a banana peel and another one in a coffin, and you need to do these things and you need to be disciplined.' ... It takes access to capital because the equipment that we use is extremely expensive. It's not like, we're not carpenters where we have a pickup and some saws, we have excavators and dump trucks - each of which cost hundreds of thousands of dollars, so having the credit availability, with the banks and the various avenues for that. ... Early on in your career when you don't have a lot of capital, taking on a bad job can sink your ship really quick versus later on when you can afford the small mistakes." [#44]
- The Hispanic American owner of an MBE-certified goods and services firm stated, "I started from zero and then just kind of got by with doing DoorDash. I would make like a few hundred bucks per week before we finally got our contracts in order. Here's the tricky thing about government contracting, is that more often than not, you know, you do the work, especially in the service industry, you gotta do the work for the whole month and then you don't get paid for another 30 days after that. I wouldn't say it's anything crazy. It just depends on the field, as well." [#46]
- The owner of a woman-owned DBE-certified construction company stated, "Financing would be one of them." [#47]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "We don't have a line of credit or anything like that. So, it's all about what we earn to keep us going. Our biggest challenge is that nobody wants to give us financing. We're in that spot right now where we're very close to closing if we don't get a loan." [#51]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "When I was starting out, it was just being able to afford payroll for the first few months. That got pretty rough for a while before we actually could get things going, cuz you have to make payroll every week. That's the priority, right? But, you know, we weren't making any money for a while. So, getting proper funding I think would be a big thing for people to start considering helping these new companies or the smaller companies with. I took over some really shitty loans that cost me a lot of money later." [#53]
- A representative of a majority-owned construction company stated, "I do know that it can be a struggle for newer businesses, especially, when you're looking at capital. So federally funded tend to be big, and so, and there's your goals. And so, I can see how very easily that could be debilitating." [#54]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "So we were not able to get startup funding through the SBA or government programs that I was aware of. We had to pitch and get a ... minority shareholder investor. ... It's kinda a silent partner, but that was how we were able to get the majority of the cash that we needed. Most of it came from

one investor, other than the cash that I put in myself. We've also had challenges with [the] SBA program since then and had to go back to that investor to get additional [funding]. ... [Some] SBA programs, it's really tough when you're brand new and you've got a great business plan, but you don't have financials. ... We've heard even from banks that have SBA-backed programs that they need at least two years of financials or tax returns to be able to be eligible for those programs. ... I mean, there's just huge startup costs initially that I don't think there are other ways around, other than having the cash on hand, especially in a business like ours, which is pretty capital-intensive. So, we had to buy a lot of equipment and a lot of materials. I think this is fairly typical with a lot of small businesses. ... Folks are either taking out their retirement or taking out a loan on their homes, ... putting all their savings in to be able to just cover their operating and costs until they can get into the black." [#57]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He suggests all small businesses avoid venture capital, and instead stretch the early dollars as far as they can. One key indicator he's seen for new business success is how much money they started with and how much they brought home in the first year." [#61]
- A representative of a Black American woman-owned professional services company stated, "Getting loans and having good relationships with bankers, that would be helpful as well. Other than that, I don't have anything to say about any barriers, just getting the job. To run a business, one should have good cash flow." [#AV17]
- A representative of a Native American woman-owned professional services company stated, "In regard in this marketplace, it's been difficult. Ex: Have a financial barrier, do not have enough money to go into my business." [#AV48]
- A representative of a majority-owned professional services company stated, "Difficult finding employees. We also work in the cannabis industry, so banking is difficult, and we don't have the same tax write-offs because of federal regulations." [#AV50]
- A representative of a Black American woman-owned construction company stated, "Cannot get access to capital." [#AV51]
- A representative of a Native American-owned construction company stated, "Barrier: Access to capital-can't get a loan. ... It's just systematic barrier that impact by POC." [#AV53]
- A representative of a majority-owned professional services company stated, "I think the macro-economic conditions are concerning to us. We have been in an easy money and low interest rate and inflation rate environment, and now [we are] in the reverse. Supplying a lot of uncertainty for us. When you have this, it is more difficult to make investments. Money is less easy to come by and that uncertainty makes it more difficult to invest." [#AV71]
- A representative of a Black American-owned construction company stated, "Do not own any of my trucks, so [it is] hard to work with the state. [I] rent my equipment currently. As a start-up co[mpany] in [the] transportation industry, [it is] hard to compete with anyone. Do not have enough capital and as starting up in my business." [#AV97]
- A representative of a veteran-owned-owned goods and services company stated, "Some of financing and pay has a delay and finance people are overwhelmed." [#AV104]
- A representative of a Hispanic American-owned professional services company stated, "Difficulty finding funding and financing. Ex: working capital, looking for funding sources." [#AV174]

- A representative of a majority-owned goods and services company stated, "The payroll protection grant is not for 50/50 owned businesses, which was first phase. The second phase was for businesses with 500 or more employees, which I totally disagree with. I have only one employee, which excludes us. We are trying to survive and almost had to close our doors last year. If the state of Oregon is giving out grants, we should have first shot." [#AV172]
- A representative of a majority-owned goods and services company stated, "Interest rates screw everything up." [#AV200]
- A participant in a focus group stated, "So I think [it] is really important for us to consider small businesses ... owners [that] don't have a social security number. So, they have more issues with access to capital. ... Even renting a commercial building is really hard for them, even if they have good credit." [#FG1]
- A representative of a Hispanic American-owned goods and services company stated, "If people know how to access capital, where they're no longer reliant on, let's say, some of these other companies ... that are kind of holding [payment] hostage ... if people learn different ways to get the capital for themselves that's available, that allows them to build their own businesses without relying on other people." [#FG1]
- A representative of a Hispanic American owned goods and services company stated, "Oregon [could have] more resource links on their website ... saying 'Hey, here's this organization that's a nonprofit that offers these type of capital loans. Here's your local bigger banks that offer this, and this is the process. And this is how you get ready to do it.' But there's more resources on what to do when you've been wronged and not enough of like how to properly prepare your business so that you don't even have to primes] taking advantage of you because you can do it yourself." [#FG1]
- A representative of a trade organization stated, "You have to put up collateral. Especially for minorities, ... they don't have a million-dollar house or \$500,000 house sitting around they can put up for collateral. Even then, they're risking everything they have, hoping that this is gonna work, just trying to get funding. ... So, it's a sort of weird compounding thing where ... you basically have to come from privilege to get any [public work] done. ...I found it to be a very frustrating experience. [#FG3]
- A representative of a business assistance organization stated, "The bank told me I didn't qualify because I was just starting my company and had no credit. ... I asked at the bank. They said, yes, I filled out all the paperwork, but in the end they said no, because I did it with ITIN and they only accept Social Security [numbers]." [#FG4]
- A representative of a business assistance organization stated, "The access to capital ... for the construction businesses because with all these clean air and climate control kind of agendas that we have, it's gonna really challenge a lot of small businesses that have used kind of older pieces of equipment on construction sites that have diesel kind of emissions. And they're deregulating a lot of these pieces of equipment that a lot of our small businesses have still and they're making more of the new air emission quality standards of more your expensive pieces of equipment or programs that help you retrofit old equipment. Why would you want to give somebody a contract, hit these equity goals, but leave them lost on being able to access capital under a federal project that already has federal dollar at play. So, it just seems like a great program to say if you've got a contract with ODOT in hand, we need to figure out how to make you successful on a project like that. So, we have to figure out how we tailor the kind of capital needs you have for a project that you already are

invested in. Right now, they don't really have it like any extra scoring or anything when they review your application for funding, there is no criteria about projects you kind of got that are active under the public banner." [#FG5]

- A representative of a business assistance organization stated, "The financing, access to capital to do a project." [#FG6]

2. Bonding. Public agencies in Oregon typically require firms working as prime contractors on construction projects to provide bid, payment, or performance bonds. Securing bonding can be difficult for some businesses. Nineteen interviewees discussed their perspectives on bonding [#5, #6, #18, #23, #32, #33, #36, #39, #44, #47, #52, #53, #AV, #FG1, #FG3]. For example:

- A representative of a majority-owned goods and services company stated, "Even in the idea around bonding, if you have a public project, and then the bonding requirement, and you've got a contractor that's unable to acquire assets in a way that can be tracked for financials, for purposes of establishing the bonding capacity, you've already got a problem of their ability to even participate. And the bond is really about shifting risk, who should carry the risk of nonpayment or nonperformance? And are there other ways to mitigate that risk so that the bond no longer becomes a barrier?" [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Bonding was an issue. [It] took a while to get bonded. I don't know if that's entirely discriminatory ... you're working through credit issues and different things like that when you're trying to get bonded. So, it took a while to find a company that actually wanted to work with us, I feel like it was kind of a blanket, 'no,' for a lot of companies. ... It took us a while to get bonded in the first place. And then you're still only bonded for a certain amount, and you know, certain GCs want you bonded for higher than we're bonded for and different things like that. So yeah, it's definitely still in there. It's definitely a barrier." [#6]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Bid bonds. Okay, probably one of the biggest barriers that I run into." [#18]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I've been able to financially take on more work. I wasn't qualified. I couldn't bond ... I just slowly work over the years to get my bonding capacity up. So, I've got my bonding capacity where I could do more work. ... I had to build up my bonding capacity and show that I've completed projects before I could, at any of the larger bonding capacity, be able to bond an entire project." [#23]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Issues with bonding insurance." [#32]
- A representative of a majority-owned construction company stated, "Most DBEs probably can't bond their work. And so, you have to take it at face value that they're gonna be able to perform. Some of 'em can, but not all of them can. ... That's a big extra step. It also requires cash, you know, or liquidity." [#33]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "We haven't had to get bonded. Now, the other company ... I think that they did. I'm not really sure exactly what was entailed in that or ... what issues they ran into, but I can tell you that,

definitely as a minority company looking for financing for startup ... I find that it's better to go with the lesser-known banks, honestly." [#36]

- The owner of a majority-owned goods and services company stated, "Everybody has to have a \$30,000 public works bond. That used to be the one hurdle that we have." [#39]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "Access to capital, which kind of goes along with bonding cuz all public projects have to be bonded. ... When I first took over ... from my dad and he stepped back, I thought, 'This is easy. I can do this stuff. I'm young, I got a lot of energy.' So, I went out and bid some jobs, took on some work that I probably shouldn't have. And I nearly bankrupted the company that my dad had started and lost all of our bonding capacity. ... The bonding company called me and said, 'Hey, we don't wanna write your bonds anymore.' I was like, 'Okay, well that really sucks, but can you point me in the right direction of someone that might wanna do business with me?' ... Well, it was financially tough in that time, and they didn't have the confidence in ... the financial reports that I was producing to them, they didn't have the confidence that I was a good fit for their [bonding] program. So, they kicked me out. ... I think with especially public agencies, and it seems to be trending in the wrong direction ... the barriers are: the bonding, the insurance requirements ... if you wanna go bid a \$200,000 public works contract, you gotta have \$5 million worth of insurance." [#44]
- The owner of a woman-owned DBE-certified construction company. stated, "They're speaking about introducing a new barrier that will be having brokerages like myself have to have their bond on hold. If they do wanna serve up a brokerage like I do, they would need to have a \$75,000 bond and then have \$75,000 in the bank." [#47]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "We've got to the maximum bonding capacity, which is \$1.5 million without having to submit accounting papers, which essentially is a full-on audit of our books, our record keeping, et cetera. Very costly to have it done. We could do it if the time came, but it's not something that we're actively pursuing because we haven't needed a bond for over \$1.5 million to the state." [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "To do public work you have to be able to bond ... it is basically insurance for the owner that if you mess up, someone's going to pick up your mess for you. And it's hard for a lot of contractors to get the bonding that they want or be able to grow their company. ... It's a gamble on the surety to trust in your company. But they trusted in me and they trusted in my team and what we could do and our success from what they saw in the first six months of how we followed through with projects and how we were responsible and finished our work. ... A lot of companies are ... shut into the smaller market if they can't get the bonding capacity to bond more than whatever someone will take a gamble on them for. ... They look at our backlog, what we can do. ... they look at our financials and our profitability for the following years or the past few months. I have to turn in my financial statements in my whip every quarter to my surety for them to continue to bond and to increase our bonding, which we've been doing lately. ... It all falls on me. If I don't, something goes bad, I lose my house to pay for the job, if not more. ... The bank looks at my credit score, but bonding does not look at my credit score. Which is very odd." [#53]
- A representative of a woman-owned construction company stated, "I have had several projects that have come my way in terms of bidding opportunities. I haven't pursued them because the state typically bundles projects and doesn't divide them up. As a result, some of them were too high to

bid on, and I couldn't get any bonding for them. I'm one of the few prime contractors who is a woman in the state of Oregon, and it appears that the state has a preference for large firms and, because of that, I feel like I don't have an opportunity and the workforce to compete with the bigger companies. My bonding costs me more money per million, as opposed to a bigger contractor who has been doing this for more years than me. I think there's a lot of talk about women-owned and minority-owned business having better opportunities with the state, but it's still all about having the lowest bid and it just makes it harder for a small business like mine with higher overhead to compete with the bigger contractors." [#AV106]

- A representative of a majority-owned construction company stated, "We are not currently seeking work with the state. It's not that we don't want to, but we have our hands full doing residential and light commercial work at this point. Texas and Oklahoma treat their contractors better. It's easier for them to do work in terms of dealing with their individual states. You have to be licensed, bonded, insured in the state of Oregon, and it makes it tough for someone trying to break into the trade on a contract level. Maybe we should loosen it up a bit so that the state doesn't make it so hard for newer companies and established ones to do business in Oregon, speaking as the owner of an HVAC company. We have to jump through a lot more hoops than other states." [#AV169]
- A representative of a Black American-owned construction company stated, "Being a small business, some of the insurance requirements can be a little tough, including bonding requirements." [#AV257]
- A representative of a Native American woman-owned professional services company stated, "The challenge and difficulty, per se, is the competition and bonding. If unable to bond, I'm unable to get the funding to get equipment and capacity. Basically, there are two ways to get opportunities, as a prime contractor or subcontractor but you need to get bonding to compete. The only way to be successful is that some of the policies are changing to help women-owned and native-owned get access to opportunities to joint ventures thru working capital." [#AV28]
- A Native American representative of a non-profit organization stated, "If you have a public project [with a] bonding requirement, and you've got a contractor that's unable to acquire assets in a way that can be tracked for financials, for purposes of establishing the bonding capacity, you've already got a problem of their ability to even participate." [#FG1]
- A representative of a trade organization stated, "You have to put up collateral. Especially for minorities, ... they don't have a \$1 million house or \$500,000 house sitting around they can put up for collateral. Even then, they're risking everything they have, hoping that this is gonna work, just trying to get funding. ... So, it's a sort of weird compounding thing where you basically have to come from privilege to get any [public work] done. ... I found it to be a very frustrating experience. We're trying to work with all these other agencies where they want you to do all this very detailed invoicing and sometimes, they have to get your rates approved beforehand. I get it - if you don't, ... people are just going to charge you up to Wazoo ... but it is still a really big challenge. When you're in a construction-related industry, all that equipment is not cheap." [#FG3]

3. Insurance. Thirty-three business owners and managers discussed their perspectives on insurance requirements and obtaining insurance [#2, #3, #5, #16, #20, #21, #25, #31, #38, #40, #43, #44, #61, #AV, #FG2, #PT13, #WT3, #WT20, #WT22]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "It's basically about insurance and getting funding. And sometimes that is, again, a barrier because with as an example, with MSP contracts, whether you get account, ... if I have a contract with a federal agency, I don't have to submit proof of insurance until I have the contract. Whereas with the current MSP the way Oregon is set up, irrespective of whether you have a contract or not, you have to carry that insurance. And as a small business, we pay close to seven or \$8,000 in insurance every year. And fortunately, we have good revenue. So, we are able to match. But I think that's another barrier. ... Because we've worked with the MSP vendors, ... they are supposed to carry very high insurance, they're supposed to carry like more than \$10 million in insurance. And we are a small business, we have like \$2 million or \$4 million in insurance. So, what the MSP vendors do is they charge a fee on ... each of the invoices. So personally, as a small business, ... just to be the current MSP vendor, we have paid I would say more than \$100,000 in fees. Just in fees, ... that's not insurance or anything ... it's a lot of money for a small business, ... If this contract was not written through an MSP vendor, if it was written on OregonBuys, I wouldn't have to pay any fees to somebody for processing my invoices and all that, so that adds up." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "There's sometimes like the blanket insurance requirements. Sometimes even like auto insurance, even though like, the type of work I'm doing has nothing to do with me driving a car. So having some of those like \$2 million professional liability policy, when you're a small business, you do not start out with that kind of insurance. So, I would say being more thoughtful around some of the blanket requirements and whether they are needed, depending on the contract." [#3]
- A representative of a majority-owned goods and services company stated, "My insurances, and ... DBEs [have a personal net worth of] less than \$2 million. And this just wasn't really fair, it's really frustrating, I had no support." [#5]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Insurance is always a big one. In some of these contracts, they asked for errors and omissions insurance. That's the insurance that attorneys and CPA firms have. And last time I checked, that's about \$20,000 a year for that policy. So hey, state of Oregon, guess what? Your neat cool contract here? Were you going to pay me \$6,000 for this project, or whatever it is? Sorry, I'm going to X out the box here. And I'm going to say 'No, I'm not going to get errors and omissions insurance.' And so, if that casts me out of your list, fine. ... This is the naivety of the decision maker who's written that RFP on the state side is asking for errors and omissions insurance. It's like, 'Are you out of your mind?' I mean, really, you don't even know what you're talking about. What this means is a vendor. ... I'm not going to buy errors and omissions insurance." [#16]
- The Native American owner of a construction company stated, "The biggest difficulty I have there is it seems that agencies are increasing their insurance requirements. And some aren't at \$1 million, \$2 million. And I've had some clients that require \$2 million, \$4 million." [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Getting the word out there and marketing, like when you're trying to grassroots something, it's very difficult to be known. The insurance is way over-inflated. Like, they're looking for \$2 million and aggregate, they want to keep you liable for like three years in case something goes wrong. Some of the insurance goes way over the top for large agencies and plus the commitment for liability somewhat two to three years. Like, they can hold you on the hook for that." [#21]

- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "Insurance can be frustrating. I mean, I just got the bill from my professional liability insurance. And it's almost \$11,000 a year. ... So even if we did \$100,000 worth of engineering consultants fee, ... that means that I'm paying 10 percent of my consultants, engineering consultant speed on professional liability insurance. And it's ridiculous because ... if I was doing \$1 million a year as an engineering consultant, and \$2 million a year as CAD [computer-aided design] consultants, I can understand that liability, but I'm not even doing \$100,000 a year as an as an engineer. So now I've got to pay 10 percent of my overall engineering revenue to insurance for something that has nothing to do with the majority of our work, but they just won't yield." [#25]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "We just only require professional insurance, which was very high." [#31]
- The owner of a majority-owned construction company stated, "Getting drone insurance was a nightmare, cuz nobody knew what they were doing or where that fit." [#38]
- The Hispanic American owner of a professional services company stated, "I find myself getting insurances that I don't need because I don't know how to explain to the contractor I don't need it. Like I don't pollute anything. I don't build anything, but I have to have pollution insurance." [#40]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "Insurance requirements are high, and it can be pretty high for a firm, a small firm, or a firm that's starting out. ... [On a contract with] state parks, I think. It was an on-call [contract], so no guaranteed work with that, but ... to get that contract, we did have to increase our insurance, so we had a \$2 million coverage instead of the \$1 million or \$1.5 million that we had. And it wasn't an enormous amount of money, but it ... adds up we haven't gotten any work from that. So far it hasn't paid off." [#43]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "I think with especially public agencies, and it seems to be trending in the wrong direction ... the barriers are: the bonding, the insurance requirements ... if you wanna go bid a \$200,000 public works contract, you gotta have \$5 million worth of insurance." [#44]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He does not find the cost or process to obtain business insurance to be difficult, however, the cost of health insurance for his employees can cost upwards of \$3,000 a month. It is hard to keep up with expenses when there can be a three-month delay between starting a project in the public sector and receiving the first invoice." [#61]
- A representative of a Hispanic American-owned construction company stated, "Amount of insurance of required for subcontractor, when project [requires] \$10 million for liability insurance of the project, that means the contractor/sub, has to get that much, that can be a barrier." [#AV17]
- A representative of a Hispanic American-owned construction company stated, "They require too much insurance bonds, as well." [#AV19]
- A representative of a woman-owned professional services company stated, "Insurance requirements was an issue." [#AV25]
- A representative of a woman-owned goods and services company stated, "Insurance rates are going up for everyone and folks don't necessarily understand. We're doing a lot of explaining. Accidents are going up." [#AV32]

- A representative of a Black American-owned goods and services company stated, "Insurance barriers: I have contracts with schools, DHS [Department of Human Services], and with state. All three have different insurance requirements." [#AV35]
- A representative of a Black American-owned professional services company stated, "Barriers: [RFP] process, insurance requirements, the score process, benefits firms that are already working the state of Oregon." [#AV57]
- A representative of a Black American woman-owned construction company stated, "Maybe insurance requirements could be lower. A company this small that revenue 90 percent is going to employees, and insurance high." [#AV75]
- A representative of a majority-owned professional services company stated, "The fees and costs of running an employment agency went up, so we had to dissolve it. Insurance costs also went up. It just wasn't making the money we had in the past so, as of 2021, we let it go." [#AV140]
- A representative of a majority-owned professional services company stated, "Professional liability insurance premiums keep increasing for the state of Oregon. If a building fails, it is not going to be enough. Even [if] they increase by a \$1 million, that is not enough. When you have to increase your fee base, it becomes ridiculous. The risk element by the state is really conservative. It needs to be reviewed on a case-by-case basis." [#AV184]
- A representative of a woman-owned professional services company stated, "In general, most insurance companies are biased against naturopathic doctors and acupuncturists. In Oregon, the laws say naturopaths are recognized as general practitioners, but many insurers choose not to acknowledge the law, and no one has challenged them in a major legal way." [#AV202]
- A representative of a woman-owned professional services company stated, "I was required to get professional liability insurance for an ODOT project. It was \$3,000 a year and the project was \$15,000 total, so it was kind of annoying. It's never been required before and we've worked with [the] state and city in the past. I mean, we do marketing, so I really didn't see why the insurance was necessary. I was told it was required because we would be potentially talking to people other than ODOT employees, and if we did something inappropriate in a conversation, they could sue ODOT, whom we were representing." [#AV211]
- A representative of a veteran-owned-owned professional services company stated, "The insurance requirements were raised a couple of years back to a point where only large businesses can get the work. I don't think it was well thought out." [#AV212]
- A representative of a Black American-owned construction company stated, "Being a small business, some of the insurance requirements can be a little tough, including bonding requirements." [#AV257]
- A Black American representative of a trade organization stated, "The level of insurance that needs to be carried for a job is sometimes cost prohibitive because ... the maximums are based on the job." [#FG2]
- A participant at a stakeholder engagement session stated, "When some of the state agencies require you have a certain dollar amount of insurance. I mean, most businesses have business insurance. They have an amount where you are working on this project and you have insurance, and I know that may be... for some small businesses, that may be difficult." [#PT13]

- A participant at a stakeholder engagement session stated, “I had to purchase a \$2,500 insurance policy for an additional 2 million in bodily injury and 2 million aggregate. Umbrella as well. And it was just for painting a handrail and trim boards on City Hall. ... But I wanted to be able to break into the industry and say that I have a government contract experience to be able to put in my resume. So I bit the bullet and purchased that, as I did this year also with another city contract for painting as well ... They put in their contract, specifically, that the city is not responsible for paying out any of the insurance, which I understand. But putting it into the bid actually put me over their limit. So if I was to include that, then I would lose the contract.” [#PT13]
- A participant at a stakeholder engagement session stated, “Not necessarily construction, but some other types of services where in-person is not necessary and driving to a place is not necessary, we've had some pushback from some consultants saying, ‘Well, I don't really need vehicle insurance for the business because it's not really relevant. I'm not traveling anywhere for the project. I'm simply working from my home office and providing the deliverables.’ ... Especially on those smaller contracts, it becomes an issue, and if they're a sub and then they're asked to submit... and not everyone owns a vehicle these days. So it's kind of important, but not everybody lives that lifestyle.” [#PT13]
- The non-Hispanic white owner of a WBE-, DBE-, and ESB-certified professional services company stated, “One of the biggest obstacles for contracting for me is insurance requirements. I have to guess that many insurance requirements are written with actual construction work in mind. I sit at a desk all day, and since COVID, rarely even travel to job sites for meetings. If I do, we sit in offices. Yet I am required for contracting purposes to have \$1 to \$2 million in general liability coverage and \$1 million in auto coverage. These amounts are extremely high and seem unlikely to apply to my line of work, especially if I am not traveling as part of the work. There should be exceptions to the insurance requirements for desk jobs and/or non-travel. On top of that, many contracts also require \$1 to \$2 million in professional liability insurance because no one quite knows how to classify planners. However, that includes insurance agencies—most only want to deal with registered professions like engineers and architects, so it's exceedingly difficult to find coverage as an urban planner as required for contracting. I understand no one plans to need insurance, and it's there ‘just in case’ but it is a huge hassle and expense for me as a small business in order to meet contracting requirements that are scaled for larger companies and more ‘dangerous’ work like highway construction. Another option the state could do to support small businesses like mine would be to create a marketplace of insurance providers that are willing to offer coverage tailored to our small firms and specific contracting requirements, saving me a ton of time researching.” [#WT3]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, “Insurance is always standard, \$1 million with \$2 million in aggregate, but you have to drag out of them the requirements as most is boilerplate for construction projects, which doesn't apply to us with software projects.” [#WT20]
- A representative of an Oregon government agency stated, “Complicated documentation requirements for insurance, payments, taxes, etc. that can be difficult or impossible to navigate for people who are relatively new to the mainland US, non-native English users, and who have never done business with the government before (ex. variations on TaxID and ProviderID numbers).” [#WT22]

4. Factors public agencies consider to award contracts. Twenty-two business owners and managers discussed their perspectives on the factors public agencies consider when awarding contracts and discussed barriers these factors may present for their firms [#3, #5, #15, #16, #21, #35, #38, #43, #54, #55, #AV, #WT26]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "One of the other competitive factors, which has been a point of difficulty, is, especially with the bidding process, where cost is part of the score. We are a specialty business. And I also am offering benefits to my employees like health care and retirement. So, we are not going to be the cheapest in terms of cost. And so, when part of the score is how low you can go, it does a disservice to firms that are trying to offer competitive pay, and like health and retirement benefits. And so, I see that as a real problem. When we're trying to offer equitable practices, and yet, we're being undercut by firms that aren't doing the same. So, I have found that out. When a proposal isn't that successful, you can typically request the reviewer score or notes or, and again, those processes are different depending on where you're applying ... but for the most part, you can usually get some sort of feedback. And so, in requesting that feedback, there have been two main things that I think you'll find interesting, one of which we've talked about, which is where we've been scored the lowest out of everybody could because you can see everybody's total score. And so, you can see like, oh, like we had more expertise. And we had a better-quality proposal. But because our price was however much more, we got tanked, and somebody who had less experience and had a less quality proposal, because their score was [better], in some cases, it's like, how can you do business kind of cheap? It really makes me worried when the state or city or whatever chooses the worst proposal, but it's the cheapest. It's like, what are you buying? So that sucks. And that's how we found that out. A lot of the proposals that we tend to go for tend to be small business set-aside, or there's an incentive or encouragement, like, we want small businesses to apply for this opportunity. And so small business can be anything from like one to 100 people, depending on the definition of how many people are in this business to be small. And so when I've applied before, and it's been maybe just me, or like me and one other person, while my proposal is ranked as like the best quality, and I have the best experience, some of the commentary is like, 'But you're only one person, so, we're concerned about your ability to do it,' even though like the hours of the project is like totally feasible for a person to do. There's a bias that I have experienced against small businesses where it could just be one or two people. I wonder about the scoring. I'm not quite sure how or who they choose to do the scoring, I imagine people in whichever department. But given my area of specialty, if you are not also in that area of specialty, it can be really hard to understand or to critically evaluate. And so, I've definitely received evaluations where I have written a proposal and I've used the language of our field and specialty. And they'll say that I didn't address something, when in fact, I have, just not in a more common language, because the person is just not as familiar with the actual specialty that's been needed. So, I think part of it is there. I think there needs to be some change around who's scoring and how and what that looks like. ... I've been able to request both written evaluative text and a number score. And you usually are also able to see at least the scores of the other people. It's like you find out who got it, it's not a secret." [#3]
- A representative of a majority-owned goods and services company stated, "The other piece of it too, is the capacity of our companies to a larger scale. It kind of goes back again to the revenue creation. Many times, were when we look at bidding opportunities, they want to know that we have the capacity right now. Many projects that are larger government projects or city projects, state or city municipalities, it's not like they start tomorrow, and they take years to complete. But yet, they want

us to have the trucks, the working capital, the staff today, and it's like, how can we invest in something when we don't know whether or not we're gonna get that bid or not? So, you know, help us cross that bridge. It's transitioning from being a small to midsize, midsize to large, you know, the expectations are just way too high. So, the wealth continues to stay in the same organizations, and they find loopholes in order to meet the ricotta so that way they can say they honor diversity." [#5]

- The co-owner of an ESB-certified goods and services company stated, "One of the problems with bidding a public RFP or answering a request for work with a government agency is that is that you know, they're gonna take the lowest bid, and it doesn't matter what you do that's better than anything else that's out there. It's just that way." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Price, you know, its clients are still very bottom-feeder driven. On this side of the desk, we call it dirt bag, where we are asked to dirt bag our pricing, because especially with government agency contracts, sometimes, you know, the big requirement, and the most points on the scoring is lose at lowest price. Sometimes that doesn't all work out. Some agencies can take that kind of business as a loss leader to get their foot in the door to hopefully get more later on and renew and earn that contract again, one or three years later, what have you. So, price is an issue. ... It's like, here, we have this money, and they think they're already acting like a million-dollar client. And what will you do? These are naive, uninformed, uneducated decision makers on the state side who don't understand the advertising marketing process who are making these hiring decisions. And who think that anything over \$2,000 is like, 'Oh my god, it costs how much?' So, you're managing their lack of knowledge. They always want the lowest-cost bid. Well, I can't afford to work that way. And ... don't brag to me about all these sustainability issues and gold standard LEED buildings, standards of sustainability when the money's not enough for all the work that you want. And sometimes you don't know how much work it really truly is until you get into it. Then they pile it on. Stop asking for the lowest bid. Take that off the table. Nobody wants to dirt bag their price. ... That's basically what you're asking us to do. Stop it. Stop it. Stop asking for the lowest price. Stop having that as a criteria on the point systems when there is one." [#16]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "They find it easier to work with somebody that way what they want that what they've told me they don't want. And this goes for commercial and NGO. They don't want somebody who's just a salesperson. They want somebody who can understand and really take this and run with it and help translate the stuff you know, to meet their needs. So, I've really tried to kind of fill that role and I think that's made it easier for us." [#21]
- The Black American owner of a construction company stated, "It's always past performance. And so, if that past performance is restricted to your company or to qualify as you have the performance at all, you can't partner with others, it has to be ... what you've done with your company, well then you're stuck." [#35]
- The owner of a majority-owned construction company stated, "Emergency management with wildland fires pays the best. I mean, I've got a niche that's pretty unique. ... I get to meet neat people and I'm sort of giving back in that, you know, I don't do free stuff, but I do stuff that I need to cover my costs and then work with these agencies and they appreciate it. You know, they call me a fair amount, and when they get other work that they have some money for, then, then they'll call me and say, 'Hey [name] ... we actually have some money bid. Basically, that's sort of an industry standard for what I do.'" [#38]

- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "We've had pretty good success writing proposals for certain public agencies and not very successful for others. We've been asked to write proposals, and the suspicion is that they had a firm they were kind of planning to give it to all along, but they needed some good-looking proposals. ... On a lot of projects, there's an earlier phase of the work and if a firm had done an earlier phase, they have inside knowledge. ... We had one project where we wrote a proposal and it said explicitly that certain things were not a part of this phase. Then in the interview ... they did ask us questions about that. And we said, 'Well, ... we didn't include that because the RFP, that wasn't a part of it. ... We didn't win that. ... We did a public information request to just see sort of some of the notes and stuff. And that was one of the deciding factors was that they brought this information that was supposed to have been not a part of the project, and that was like, oh, that kind of stings a little." [#43]
- A representative of a majority-owned construction company stated, "They're looking for the resumes, they're looking for those individuals. And for those individuals' responsibilities in construction, it's different because ... I'll have 80 laborers in a subdivision, right? But for construction management, you have four people, those four people that are the owner's reps, making sure everything is being taken care of as per what the contract said, right? As per what everybody agreed to you get those four people." [#54]
- The Black American owner of an MBE- certified professional services firm stated, "We behave different. ... That doesn't come through in a proposal. I mean, like, people don't pick it up in a proposal. ... I try to have like postmortems or ... reflection conversations. If we don't win an opportunity, and we've heard so many times, 'We didn't call you cuz we didn't know what you were talking about.' We will do a records request so we can see who won. ... We'll, like examine, okay, what did they say? What did they do? ... We'll see where people are saying the same things but getting different scores. ... We'll see where this firm even ... said it closer to the RFP ... and we're just looking at the quality and, and we're looking at our competition and analyzing their scores. And from our point of view, we're seeing a premium on those scores. So, whereas if the person was blind and they had no back, you know, let's say there's a person from Mars looking at all of it, the loser probably would've had the higher score." [#55]
- A representative of a majority-owned professional services company stated, "Never had a chance, never get feedback, every proposal I put has just failed. I have more federal work than I have state work. I would love for the state of Oregon to focus on Oregon companies, and I am sure the playing field seems like it's the same ones that continue to win, why do they continue on? Give someone else [a] chance." [#AV37]
- A representative of a veteran-owned-owned goods and services company stated, "The biggest barrier is we are not the cheapest around, because we provide quality and therefore any government contract or bid awarded to lowest bidder. We are generally not the lowest, so we don't get it. Spend more money on marketing." [#AV38]
- A representative of a Black American-owned professional services company stated, "Barriers: [RFP] process, insurance requirements, the score process, benefits firms that are already working the state of Oregon." [#AV57]
- A representative of a woman-owned construction company stated, "I have had several projects that have come my way in terms of bidding opportunities. I haven't pursued them because the state typically bundles projects and doesn't divide them up. As a result, some of them were too high to

bid on, and I couldn't get any bonding for them. I'm one of the few prime contractors who is a woman in the state of Oregon, and it appears that the state has a preference for large firms and, because of that, I feel like I don't have an opportunity and the work force to compete with the bigger companies. My bonding costs me more money per million, as opposed to a bigger contractor who has been doing this for more years than me. I think there's a lot of talk about women-owned and minority-owned business having better opportunities with the state, but it's still all about having the lowest bid and it just makes it harder for a small business like mine with higher overhead to compete with the bigger contractors." [#AV106]

- A representative of a majority-owned professional services company stated, "The procurement process focuses on business with prior experience. Without that experience to add points to our scoring, we don't compete. I have no problem in obtaining work. I have been doing this for 25 years." [#AV138]
- A representative of a majority-owned construction company stated, "I have experienced barriers. Early on in contracting, I would submit bids and they would require five years of experience in that task. I tried to do soil stabilization contracts and I submitted bids and they were rejected due to lack of five years of experience with the company." [#AV141]
- A representative of a majority-owned goods and services company stated, "On some local contracts had issues [with] subjective types of requirements for goods and services. Rate on how you think, or green initiatives. Based on how good a story you can tell. Very subjective." [#AV175]
- A representative of a majority-owned professional services company stated, "I feel like they prioritize past service, which I understand. They look for a track record of government contracts. We don't have a lot of experience with state of Oregon contracts, mostly with non-profits and traditional associations. I don't know how to crack that nut. We do continue to bid on them but feel like we are being excluded. My biggest opinion is that we can't show success on past government accounts as a prime contractor. We have done this as a sub but can't bid as a primary consultant. I'm just not sure how to get my foot in the door. Once you get your first, and can show successful execution, it is a feather in your cap, and you can move on from the next to the next." [#AV183]
- A representative of a majority-owned goods and services company stated, "The new procurement system has some challenges. Learning curve meant we missed out on a couple of bids. We are a solutions provider. A state or government entity, when they design a solution or proposes a solution, they don't always have the criteria to evaluate what is the best solution. Bids sometimes get awarded to a solution that doesn't meet the requirements." [#AV204]
- A representative of a woman-owned professional services company stated, "100 percent yes. Ex: [It] was a lot easier to get work, and now [the state does] not want individual people, [it wants] an office with a staff. Lowest state bid wins and do not want to work that way. Clients are always looking for cheaper and cost of living has gone up." [#AV232]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "We followed the outline provided and focused heavy efforts on explaining, in detail, the largest scoring areas from the RFP (as many of us are taught to do through SCORE and the SBA). However, after having reviewed this with a member of my team that has a long history of state and federal contracting, and seeing who are the top picks, it's very apparent that more weight than what's listed in the RFP is being applied to diversity in an almost unbalanced and unhealthy way. We actually went through all companies on the list in a two-hour meeting yesterday, and those who did

not openly show support for LGBTQ+ appear to be scored as we were. While I know this sounds odd, you can see that for yourself, I don't really have any words for this, because I have diversity even with my own staff (some of which are part of that community but I don't have their permission to make that public) and it bothers me that it appears a political agenda took priority in selection over actual technical qualifications. I've not encountered this before, this is new to me. ... We all made the decision together to bid on it and I'm honestly disgusted that one reviewer stated, 'Did not reflect an approach to communication that resonates with our client population,' while we're the ones who actually live here and know about that county in particular. All other firms are out-of-state, but apparently a firm in Philadelphia knows Oregon better than we do. They're also scoring us on something that was never specified in the RFP materials. Again, this is based on the optics of looking at the top three firms on the list, their scores, and the content of their page (including team composition). I served in the US military during wartime to defend the freedoms of everyone, I take that very seriously, and it pains me to feel that we were discounted (along with many others) for (a) not checking hidden boxes that we didn't know about, and (b) deciding not to politicize identity politics through capitalizing off of my team's preferences for the purposes of contractual pandering. ... We were especially shocked to see one reviewer feel 'uncomfortable with the term 'leased employees' which is an actual term, it's anyone who is hired through a staffing firm (like we did). We were trying to be legally exact to differentiate between employees, leased employees, and 1099 contractors, as the IRS mandates. They also willfully misinterpreted my 1099 contractors as 'giving work to another contractor if awarded' even after explaining the team composition. ... I've never seen such a flat distribution, it's not only very suspect, but highly improbable that nearly 20 firms that are far larger than ours didn't even come close to what they were looking for. The excuses presented on the score cards, such as 'lacking details,' is beyond absurdity. Not only did the reviewers fabricate statements on the score cards that were untrue, the few comments that were present showed a blatant pattern of apathy, professional disrespect, lack of attention to detail, blatant labor market ignorance, and overall technical ignorance of the very products and services they are looking to purchase with public funds. We also appear to be the only Oregon firm that applied, which is telling. ... Very few of us that were technically capable had a chance. While we're told by the county that we need to 'demonstrate diversity,' it's a really situation of 'do as I say, not as I do' because they're doing the opposite by skewing bidding results to achieve a political outcome such as this. This will be the last time I apply for any contracting opportunities in Oregon like this. I wanted to give it a chance in the post-pandemic landscape, but I'm now starting to [have a] better understanding the pain points of some of those who are having issues like this across other professions." [#WT26]

5. Personnel and labor. One hundred and thirty-eight business owners and managers discussed how challenges associated with finding and retaining qualified personnel and labor can be a barrier to business development [#1, #2, #3, #4, #5, #6, #7, #8, #9, #12, #13, #14, #15, #18, #20, #21, #23, #24, #28, #29, #30, #32, #33, #34, #35, #36, #37, #38, #39, #42, #44, #45, #46, #51, #54, #57, #60, #61, #AV, #FG1, #FG3, #FG5, #FG6, #PT3, #PT8, #WT20]. For example:

- The Black American owner of a construction company stated, "We're just now all of a sudden panicking going, we need tradespeople because all the tradespeople are retiring and we don't have a succession of people coming through that have ... a good solid trade." [#1]
- The Asian American owner of an MBE-certified professional services business stated, "It's little tricky now. Especially now, there's so many jobs. And so, if you're working on a smaller contract, a

three- or six-months contract or a couple of year contract, and then after that you're not going to be having worked for them? It's a little difficult. In many cases, we have helped our employees find work with the state agencies, aka our contracts are done. I think that is a really win/win situation, because you are building the talent, you are maintaining the talent, and you're adding money to the current revenue." [#2]

- A co-owner of a majority-owned construction company stated, "No barrier at all. You want to know why? ... I pay on average from \$2 to \$3 per hour more than the other door company out there does." [#4]
- A representative of a majority-owned goods and services company stated, "Our ability to even hire a workforce is severely hindered right now, not just because there's not enough qualified people, but because our own education system is a failed system. So, we don't have enough qualified people and specific trades that we can actually go after that are members of our community. I think a big problem right now is that there is a lack of accountability in the system. And so, when we look at the construction field, you know, you look at the general contractors, the general contractors are pretty much white, or white institutions. We haven't taken, you know, the government hasn't taken the opportunity to look to see what's wrong with our current system when it comes to the construction industry. Because not only in those white institutions, we don't have very many skilled foremen on the job sites, architects, project managers, estimators. And so there is not a real clear pathway, when you think about training and developing in the construction industry, for people of color. When you look at the requirements, that general contractors have to use people of color, yes, we know, like, especially the Latino population, we are the super majority, when it comes to the working force and construction. That's not a good tool to measure, because we're not being paid appropriately. Because typically, the general contractors are going by the lowest bid possible. So, we're not creating any sort of generational wealth here, or we're creating as a bigger profit margin for the general contractors." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "The [Generation] Xers are starting to try to retire and the next generation did not get pushed into trade. So, there's a little bit of a gap there. ... You're probably seeing issues with workforce across the board." [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "Just getting enough staff to finish the work on time and get our name out there." [#7]
- A representative of a majority-owned professional services company stated, "[The] biggest challenge is finding employees ... highly skilled employees. ... Anything that would increase the pool of qualified people that might apply for a job." [#8]
- The non-Hispanic white owner of a WBE-certified construction company stated, "We tried to recruit women, I tried to reach out and advertise to women, but there's just not many out there that want this line of work. I think that's a challenge across the board, doesn't matter if you're certified or not. But I think that it's more challenging for small firms, because they don't know where to go. Like if you're on a public project, and you need apprentices, and you're not union, where do you get them? Well, you have to know that there's a program here locally, it's called the Northwest College of Construction. And they have a track training program and apprenticeship program that you'd have to get signed up with. So, just having that knowledge out there, like these are the programs that are available for you to get apprentices and start training your workforce. ... We can only hire

the people that are available, right? Primarily, white males are the ones that are in this industry. So, I'm sorry that I do what I can to try to bring in minorities or women, but ... there's not a whole lot of women that are looking to get jobs in construction. And no matter how many advertisements or career fairs are anything that you participate [in] or try to get involved with, it's just the that's just there's just not as many interested. I can't change that." [#9]

- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "We chose to keep it small on purpose, because we've seen so many businesses that have had so many issues with employees." [#12]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "Trying to find labor has been a challenge." [#13]
- The owner of a majority-owned goods and services company stated, "As we began to regrow, it was very difficult to hire staff. But we have finally moved our way through that. Besides just having a quality product, the factors you need to keep a really, really, close eye on at all times are your labor costs and your ingredients costs. Those are the only two things that you have control over. You know, rents, and your fixed goods, those kind of stay the same. ... So really, the only things that you have control over are labor, and your ingredient cost. You kind of always need to make be making sure that you are running as tight on labor as you can." [#14]
- The co-owner of an ESB-certified goods and services company stated, "It's hard to have enough people on, it's hard to bring people on staff who can do the things that the marketplace expects." [#15]
- The Black American owner of an MBE- and DBE-certified construction company stated, "There are times when bigger companies will take 20 or 30 electricians off the market and [they are] busy for six months. And during those times, it is difficult to find skilled people to execute the projects." [#18]
- The Native American owner of a construction company stated, "Most people in industry have a lot of choice of where they could work. And I don't necessarily offer full-time onsite project work. ... The challenge there is finding somebody who's interested in in do performing excellent on-site work because that's necessary, but also being okay with keeping busy at the shop and just doing the maintenance things I have. So, it's hard to find somebody with a broad skill set and the desire to work independently." [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "There's a lot of people out there that like to over-exaggerate what they can do, and I have to see that performance, and [with] some people unfortunately, I didn't see that performance." [#21]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "Very hard to find quality people. And in my line of work, it takes me a couple of years to train somebody to do their job really well, where they can almost do it without anybody watching them. It's because if there's a mistake, you just lost you easily \$10,000 in one tiny mistake. So, it's very critical [and] that's hard." [#23]
- The Asian American owner of a professional services company stated, "Every time I put up an Indeed ad, I get 200 applicants within an hour. It's kind of asinine, to be quite honest with you, but we have an attractive employment here, you know, we will hire anybody to work with us. Our last employee was in New Jersey. ... We can hire anybody, we have flexible hours ... It's a pretty laid-

back, easy job at the end of the day, and we pay very competitive prices. Now with our other small business, it's been an extreme challenge. It's extremely difficult to find workers. We run a residential cleaning business. ... That has been extremely challenging. We pay insane amounts just to get applicants, we're paying \$40-\$50, just to look at an applicant. We probably run through 10 of those applicants before anybody will even answer a phone call or respond to a message. Out of that, one out of 10, we need to get about 10 of them, before we get somebody to show up for a work interview or the job if we hire them. ... It's about one out of 100 applicants that we can actually get to employment here. I would love to see the state run a real employment website ... rather than us depending on these sharks, like Indeed, in Craigslist, and other places that are just trying to squeeze us for every last penny just to have access." [#24]

- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "You can definitely find staff, but they need to be trained. And that is very time-consuming." [#28]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "If there's a way to get some funding or a curriculum developer, that would be great. If there's a way to get an admin person once a week to help get organized, that would be great. That's really just the resources, people, human resources." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "How do I build a company that could go after a contract that a team of 10 needs to do instead of just me and some people I like, you know? That feels like an impossible task. Like, that's one of those things that I'm just not even going to think about." [#30]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Workers, they're exploited because they don't complain. Many are afraid or fearful. So, they don't see anything, you know, they don't know the system very well. ... If we're trying to solve the larger issue of a shortage of skilled workers and we want to do it with an equity lens and the Hispanic community makes up over 600,000 residents, then you cannot overlook that. ... The way the system works and how the money is allocated is, one, not allocated specifically towards things that solve the workforce development challenges for specific industries. And then it's not allocated efficiently toward minority communities based upon their size and contribution in gaps." [#32]
- A representative of a majority-owned construction company stated, "Our employment is unfortunately starting to decline a little bit ... The changing requirements for the workforce is another key problem. You know, construction used to be looked at [as] you don't have to have too much of an education to get into this field. But with all the different advances that are happening with technology, to keep up your capacity, even in spite of the lack of workers, means it's gonna require future workers to be more and more skilled. ... It starts at high schools, ... we try to educate high schoolers [about] how much money you can make without a lot of experience. ... We have a recruiter and so we're out trying to canvas the marketplace for as many young people as we can find. ... Our median age has gotta be 45 at least. And, you'd rather have it [at] 35. ... The problem that we have is, it doesn't matter who you are or where you're from, there aren't that many people that want to go into this. And it's a drain on every part of this business. Every contractor, no matter what it is you do, you cannot get enough people." [#33]
- The Black American owner of a construction company stated, "The real key nowadays for a small business owner like me, is to have someone that can take my place in the field. Someone that can manage the crews. ... I can't be in two places at one time. ... I work with the National Association of

Minority Contractors and different other community groups to find people. We have to get back on top of this labor shortage and the craft supervision shortage and we're gonna have to do it collectively. Why do we have a craft supervision shortage if the people that are in position to get all these contracts are doing what they're supposed to be doing? ... There's some companies that ... would do more work, but they don't have the people. Well, how are you gonna get the people ... if you kind of keep boxing them out? ... They see that the workforce overall is declining, this is just yet another initiative to access the businesses that will employ the workforce. And the more successful and opportunities that those businesses have to compete, ... then they are providing job opportunities to communities that are overlooked and underrepresented. But most of the other dollars are going to companies and labor in other people's communities." [#35]

- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "They [future employees] have in their minds that the blue-collar jobs are not the jobs to have because they don't pay anything." [#36]
- The owner of a majority-owned goods and services company stated, "Labor has been just a colossal problem. ... We know based on ZipRecruiter that we're offering well above market for what we're asking. We offer health benefits, vacation, we offer dental, all these things. And we still are struggling at times to find employees. That has been a nightmare. ... We're not getting sort of new blood into the pool. Typically, we were able to find a guy looking for an opportunity before maybe outta high school or outta college, and that's not happening anymore. ... I've always said that the ideal age for some of our warehouse positions is 24 to 32. It used to be that we would get guys around like the 20 to 24 age range. That's not the case anymore. Seems to be right around 30 to 35. My average age has probably gone up about 10 years since the pandemic to now, [it's] not necessarily a bad thing, it's just very clear." [#37]
- The owner of a majority-owned construction company stated, "People can show up with a vehicle and stuff, but you know, I've tried to find people to work with me and sort of train them and it's just I haven't found anybody wants to work day in and day out and smokey, dirty environment, sleep in the dirt, eating ham and cheese sandwiches made out of a cantina someplace." [#38]
- The owner of a majority-owned goods and services company stated, "If you have to hire these many people, minority or women, then give me some resources to go find them. Cuz I've never found them. I'd use them. I'm short on installers cuz I can't find anybody who wants to go get their business license, jump through all the hoops, do all this stuff, and do work. ... I'd love to have a resource that could give me good installers. I just can't take anybody ... but somebody was willing to learn the trade and to go through it." [#39]
- The co-owner of a WBE- and DBE-certified firm stated, "You know, [labor shortages] happened before COVID. ... But is it [the] work ethic of the newer generations? ... They are a little bit more entitled. They didn't have to work as hard as perhaps you and I did. ... Then COVID compacted it because people could just sit around and get paid for doing nothing, and now they've sort of have a sense of entitlement." [#42]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "The biggest thing right now affecting our business is the ability to find people, ... qualified people, to do the work in the field. ... People is definitely number one. ... We are a union shop, so we get our field labor from those respective union halls. But even then, there's been multiple times where we've called for people and they haven't been available. So, in a lot of cases, we've just had to pare down

the work that we've gone after, because we can't find the people to go do it. ... You gotta have ... qualified people to go do the work, so you can do it for the estimate that you put together." [#44]

- The owner of a majority-owned construction firm stated, "We'd hire more, but just try and find somebody that's a challenge ... Workers were more plentiful [back] then. We would hire 50 people a year to keep a crew of 12. That was year after year for years." [#45]
- The Hispanic owner of an MBE-certified goods and services firm stated, "What's stopping me from going to Newport, or going to Depot Bay holding up a sign that says I'm hiring and said, I'll pay you 20, \$25 an hour is that I gotta trust you. I think the way that we can find workers is a lot more simple than what people think." [#46]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "[A staffing agency] had the employees. They'd come and work for us and we paid [the staffing agency] for those employees. That's how we started because we couldn't get workers in time for our first contract. ... [Back when we started] no one wanted to work and unfortunately, you could get paid to stay at home more than we could afford to pay you to come and work." [#51]
- A representative of a majority-owned construction company stated, "I personally had made several calls to totally qualified candidates that were out on LinkedIn or whatever. They didn't wanna come back to work because they were collecting COVID checks. ... The problem really is the job market right now. We do not have the pockets to be affording ridiculous signing bonuses, benefits that we just simply can't afford. ... We have audited rates, and that's what we go off of. I always say, 'You cannot negotiate with me, the rates [are] there in the contract. We have our overhead. That's what we pay.' I would really love if people would stop watching the nightly news about Portland. Like that's the only truth of where we live. That's just the sad truth. I've had two inspectors that were awesome that wouldn't move up here because of what they see on TV." [#54]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "There is a dearth of skilled labor across manufacturing in every industry, but that's especially challenging for us because of the high cost of living in Portland. So, more and more of our workers are moving out of the city and into the suburbs and the exurbs. ... I had great connections with a lot of people who I was able to pull over or who were about to be looking for a job because of reorganizations and their companies. So, we have a waiting list of people we just haven't been able to grow fast enough. We wanna have that institutional knowledge passed on to young people as soon as possible or to new people as soon as possible. ... But I hear it constantly from our partners that they just can't find enough people to fill the jobs. ... My company hasn't had a retention problem, but I definitely see it with some of our partners I think our unemployment numbers are really deflated because there are so many women who have become sort of de facto childcare providers because there's no alternative. ... In the 50 to 65 age range, there's grandparents who are suddenly full-time childcare providers that could absolutely go back to work, but we're seeing them retiring much earlier. It'd be great if there were multiple paths to support on-the-job training directly at the business level. I think that in our middle schools and high schools, we need to have shop classes or some more hands-on opportunities for young people to learn about career opportunities in the trades that they're not otherwise exposed to. And that has to happen as soon as they start even thinking about what they wanna be when they grow up." [#57]
- A representative of a majority-owned goods and services company stated, "Getting employees is very hard. Keeping good-quality employees is very hard. With all of the handouts that the

government's been giving, it's very hard for people to wanna work. ... It's really hard to find commercial driving CDL drivers, because of the huge stipulations that the state puts on it. ... Eugene, we have ... the biggest pot capital of the world. So, because of CDL drivers being federally mandated ... nobody can pass the [urine analysis]. ... Recently they started telling CDL drivers that they have to go to truck driving school to get a CDL. ... Now you can't be trained and taught within your company; you have to go through a third party, which is like \$5,000 or \$6,000 to do 75 percent of training in the classroom and not in the truck. ... There's nobody out in the field anymore. ... I don't think marijuana and these other drugs should be legal ... unless they want to change the laws and, and the commercial driver's license isn't federally regulated." [#60]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "While he has been successful in retaining his employees, he finds labor retention to be a big issue for small businesses. He has kept his employees by offering a living wage, somewhere around \$28 to ensure his employees are well taken care of and to increase the likelihood that he will retain his staff. However, his living wage is significantly higher than the lowest wage rate the City of Portland requires unions to pay their employees (which is around \$17.50/hr), which only makes it harder to compete for contracts." [#61]
- A representative of a majority-owned professional services company stated, "[We are] hoping 2023 is a better year for us. [The] last two have been challenging. [For example,] so many people did not go back to work, [our] vacancy [was] very high." [#AV2]
- A representative of a majority-owned construction company stated, "[It's] hard to get employees [who] want to work. Employer needs to learn training employees, being nicer." [#AV5]
- A representative of a woman-owned professional services company stated, "[We are] competing against other states, compared to Oregon rates, [because potential employees] can work remotely and make more [money] from other states. I have to retain employees at the Oregon rate. This is a challenge retaining good employees at the Oregon rates." [#AV8]
- A representative of a Hispanic American woman-owned professional services company stated, "The only other thing I would have to add is that in the consulting sector the effects of COVID have been ongoing. There is a lag in the supply chain and employee availability that still impacts the scheduling of permitting and regulations projects." [#AV13]
- A representative of a woman-owned professional services company stated, "Work is available, ... [but there is a] lack of employees." [#AV34]
- A representative of a woman-owned professional services company stated, "Most successful businesses are leaving for Idaho, Tennessee, or Montana, because [they] can no longer find good help [that] they can train." [#AV38]
- A representative of a Native American-owned construction company stated, "There is plenty of work, we just need people to employ." [#AV39]
- A representative of a Hispanic American-owned goods and services company stated, "Finding people to work in this area. [I] interview a lot of people with criminal background, and that is a problem for good businesses." [#AV51]
- A representative of a Hispanic American woman-owned professional services company stated, "I have never attempted to work with the state of Oregon. Because of the nature of my work, employees require a skilled background, and retention is really hard. They need experience in

sewing manufacturing and I need to provide enough compensation, so they don't need to get multiple jobs or go out on their own." [#AV52]

- A representative of a majority-owned goods and services company stated, "Film productions [are] not wanting to film work here, but employees are not good anymore. Talented people [do] not [come] here anymore. Less work than a few years ago, and the state has not been friendly toward film production." [#AV53]
- A representative of a majority-owned goods and services company stated, "The last year has been hard, because [it is] hard to get employees." [#AV54]
- A representative of a Black American-owned goods and services company stated, "It's hard to get workers. Getting subcontractors [is also] difficult to get." [#AV55]
- A representative of a majority-owned professional services company stated, "[The] state lacks employees looking for work. Everyone in the area is looking for employees." [#AV56]
- A representative of a majority-owned goods and services company stated, "[It is] not very easy finding labor or help." [#AV57]
- A representative of a majority-owned professional services company stated, "Obtaining employees is tricky. More difficult. There are fewer machinists. [They] have a unique product line and set of skills. [They are] harder to find." [#AV58]
- A representative of a majority-owned professional services company stated, "Finding qualified candidates that stay at work." [#AV59]
- A representative of a majority-owned construction company stated, "Having enough people is the most important thing." [#AV66]
- A representative of a majority-owned professional services company stated, "Hard to get ahold of someone when we have a candidate." [#AV67]
- A representative of a majority-owned goods and services company stated, "Trouble finding people to work." [#AV69]
- A representative of a majority-owned goods and services company stated, "Finding skilled workers is hard. For one, they took out the vocational trades out of the schools. A lot of that went away. So, there's not interest, I don't think. Kids in school think our business is primitive as opposed to high-tech. But it's pretty high-tech now." [#AV70]
- A representative of a majority-owned goods and services company stated, "We quit looking for qualified people a long time ago. We're looking for people we can train at this point, as opposed to experienced workers." [#AV76]
- A representative of a majority-owned construction company stated, "We are drowning. We can't find enough help." [#AV77]
- A representative of a Hispanic American veteran-owned goods and services company stated, "I'm tired of this minimum wage in the restaurant business. The employees have no experience and work eight hours for \$150 a day and after two days, they decide, 'This isn't for me.' I think we should be able to get some apprentices and if they're rated legally in regard to work performance, if he or she deserves their wage, then we should pay them for a month's worth of work after an apprenticeship. I pay them \$300 for two days to follow me around, for what? That's not fair to the

employer. These kids have no skills with math, speaking to the public, or giving back change. Cell phones need to be put away during work time. The employer should have the right to put that cell phone away for the time that the employees are at work, except for their breaks and lunch.” [#AV81]

- A representative of a woman-owned construction company stated, "There's a definite labor shortage. It's not just us, it's everyone I talk to. They can't get enough people to fill the positions. We're perfectly willing to train people but we're just having a hard time—like many businesses in Oregon—finding a warm body to do the work.” [#AV83]
- A representative of a majority-owned goods and services company stated, "We have been really busy but there is a shortage of people willing to work. Mechanics are hard to come by. Other industries are suffering as well.” [#AV84]
- A representative of a majority-owned goods and services company stated, "I have problems with new employees. They don't think they should have to work hard. Why should people get money for not working? Everyone should have to work. This has crippled me.” [#AV85]
- A representative of a majority-owned construction company stated, "[It is] hard to find [Commercial Driver Licensed] drivers.” [#AV87]
- A representative of a Hispanic American woman-owned professional services company stated, "The main challenge is with regards to the funds to get personnel into my business. It's a challenge for me to obtain the funds to get personnel to assist me with my business and continue to grow my company. While there is plenty of work out there, at this time, I just don't have the capacity to do lots of projects due to my small number of personnel.” [#AV88]
- A representative of a Black American woman-owned professional services company stated, "Resources are limitations as [a] main barrier. One example would be recruiting qualified employees.” [#AV90]
- A representative of a majority-owned construction company stated, "Getting workers is tough. Cost of living vs. wages.” [#AV93]
- A representative of a majority-owned goods and services company stated, "Our industry is good. We can't hire enough people.” [#AV95]
- A representative of a majority-owned goods and services company stated, "It's hard to get workers. No one applies. We don't know why. It's not just our industry ... it's everybody. I attribute it to unemployment benefits. But somehow, it's lasting a long time. I can't imagine those benefits lasting so long since the pandemic started.” [#AV99]
- A representative of a majority-owned professional services company stated, "I find it hard to find people. We can't pay like a big electronics tech company can. As a result, I find it hard to find people who are efficient in what we need sometimes. But if we went down that route, then we'd have to pay them something like \$35 per hour, which we really can't afford at this time. So, it's been a little challenging for us.” [#AV124]
- A representative of a majority-owned construction company stated, "We have a hard time finding employees. People just don't want to work. We don't require them to be skilled.” [#AV126]
- A representative of a majority-owned professional services company stated, "The difficult part is in retaining qualified employees, Pes [professional engineers] especially.” [#AV138]

- A representative of a majority-owned construction company stated, "Everybody struggles with finding skilled employees. Don't think too many people going to trade school, and no incentive and hard to find." [#AV139]
- A representative of a woman-owned professional services company stated, "Our biggest challenge is qualified design staff. Mostly because of lack of affordable housing." [#AV145]
- A representative of a majority-owned construction company stated, "The biggest problem is getting reliable employees and more of them. Trying to expand and get more employees is next to impossible. The labor market is not in great condition with quality applicants." [#AV150]
- A representative of a woman-owned goods and services company stated, "I had to close my retail store earlier this year because of staffing, payroll taxes and general cost of maintaining a staff was just too difficult with the last few years we've had." [#AV152]
- A representative of a Hispanic American-owned goods and services company stated, "It's hard to keep employees because no one wants to work. They want to go on unemployment insurance. Now the wages are raised because everything is expensive, so things have gone up." [#AV161]
- A representative of a majority-owned construction company stated, "It's getting harder and harder to find workers. Our biggest obstacle is finding employees to work at a plant or drive trucks." [#AV172]
- A representative of a majority-owned construction company stated, "It is difficult to hire someone who actually wants to work and is a qualified worker. It is like we killed our workforce during the pandemic. They don't have realistic wage expectations. If you are blessed to find someone who's qualified, it is hard to keep them working. I'm terrified of this whole paid leave thing. Workers will be potentially out for 12 to 14 weeks and the state is supposed to find a qualified worker to fill the position. But, if we can't find workers ourselves, how is the government going to do it? It feels like our workforce just dried up. We pay competitive wages with benefits." [#AV173]
- A representative of a woman-owned construction company stated, "We can't hire people. [We] can't take jobs if we can't hire employees." [#AV178]
- A representative of a majority-owned goods and services company stated, "We struggle to find employees and skilled individuals. There are a lot of companies that do the same thing we do, so we're all looking for the same people." [#AV181]
- A representative of a majority-owned professional services company stated, "It would be great if we could get more people to work." [#AV186]
- A representative of a majority-owned professional services company stated, "There is a lot of technology capacity that engineers and scientists have that may be unemployed in Oregon. The unemployment system isn't geared towards utilizing that dormant intellectual capacity that engineers and scientists have. The unemployment system wants them to take any job just to be employed and off from the system. The intellectual capacity could be used to activate remote workers to [carry out] whatever private or government industry needs. Most unemployment systems want people to be onsite and not remote. Contracts are not developed to activate that dormant intellectual capacity that people have." [#AV189]
- A representative of a Black American woman-owned goods and services company stated, "Focus is on getting employees to work. We need to hire another 40 people. In Oregon, marijuana is legal, so

it is a catch-22. A person cannot have drug in [their] system to pass tests. [We] wind up short because so many [candidates] smoke." [#AV194]

- A representative of a woman-owned professional services company stated, "[We have] issues [of] finding people who want to do a good job and work." [#AV200]
- A representative of a majority-owned goods and services company stated, "Allow us to work [with] people who are willing to work. Now we need work permits." [#AV203]
- A representative of a majority-owned construction company stated, "Our industry is challenged by labor shortages and chain supply shortages. It didn't happen overnight, of course. Oregon is not business friendly. A lot of our clients are moving to Idaho." [#AV206]
- A representative of a majority-owned construction company stated, "Finding good employees [is a barrier]." [#AV207]
- A representative of a Native American-owned construction company stated, "[About] 90 percent [of potential employees] get welfare, so they could be employed." [#AV216]
- A representative of a majority-owned construction company stated, "I think it would be nice to have a resource that would allow for temporary labor to be utilized. A trial process period or a labor pool for people who are looking for work. There is a shortage of labor. We're having a hard time trying to find skilled labor that works at a competitive rate." [#AV222]
- A representative of a woman-owned professional services company stated, "My practice of work is not having a lot of new people going in. We are aging out, many are retiring, and there are not enough people who do this sort of work to help people. People aren't getting into this type of work anymore." [#AV224]
- A representative of a majority-owned goods and services company stated, "One of [the] things of economic challenge is finding qualified drivers." [#AV228]
- A representative of a majority-owned goods and services company stated, "Struggling to get employees." [#AV230]
- A representative of a majority-owned goods and services company stated, "The COVID vaccination requirements were pretty profound in our rural area, so staffing has been an issue." [#AV234]
- A representative of a woman-owned goods and services company stated, "Lack of employees, a lot of elderly people." [#AV235]
- A representative of a majority-owned goods and services company stated, "Main challenge is finding employees who stick around and come to work." [#AV237]
- A representative of a majority-owned goods and services company stated, "We have an inability to obtain work. The work is there but there are no quality workers to do the work." [#AV239]
- A representative of a veteran-owned-owned construction company stated, "[It is] more [difficult] obtaining employees because they have to be qualified. They are journeymen." [#AV258]
- A representative of a majority-owned goods and services company stated, "Since the laws in Oregon have changed, it seems like a lot of people—about 95 percent—who apply for our jobs are on drugs, and we don't want that type of element working for us. We do find that there is skilled labor out there, but it's hard to find." [#AV261]

- A representative of a majority-owned goods and services company stated, "It would be nice if we could improve the labor condition. No one wants to work, particularly the younger generation." [#AV262]
- A representative of a majority-owned professional services company stated, "Right now, getting people off the dole to work is hard. They are not motivated to work, there's a few that are though." [#AV263]
- A representative of a majority-owned professional services company stated, "Job economy is a challenge." [#AV264]
- A representative of a majority-owned professional services company stated, "It has been difficult to find people to do the job. The last positions I have hired have been out of state as we are fully remote." [#AV265]
- A representative of a service-disabled veteran-owned professional services company stated, "With increased minimum wage in Oregon, I am at a disadvantage compared to other states and to remain competitive." [#AV267]
- A representative of a majority-owned professional services company stated, "A lot of firms, including ours, are experiencing complications with hiring good work. I don't know exactly why that is. Maybe it has to do with the massive growth in new housing and new development, forcing us to hire much faster. The recession from 2008 directed students into other fields, putting a damper on folks available to hire, and that has kind of plagued us a bit." [#AV268]
- A representative of a majority-owned goods and services company stated, "[We] can't find labor to do the work." [#AV269]
- A representative of a Black American-owned construction company stated, "Some of the marketplace conditions include the high cost of living, and it's difficult to get people to come here to work in Oregon as a result. In turn, you're limited to the number of professionals that you can get to work for you." [#AV270]
- A representative of a majority-owned professional services company stated, "My biggest complaint is lack of workers. [It] changed with the pandemic. Active job seekers have disappeared." [#AV271]
- A representative of a majority-owned professional services company stated, "[We are] successful, but [there are] shortages of licensed professionals in the state." [#AV273]
- A representative of a majority-owned goods and services company stated, "We want to hire more people, and no one wants to work when can get more money on unemployment. No skilled labor and can't even write a check or have financial understanding. Have no concept of a real work ethic and would rather spend time on the telephone. No real-world skills taught and what an employer expects from them." [#AV275]
- A Hispanic American representative of a trade organization stated, "Our ability to be able to even hire a workforce is severely hindered right now, not just because there's not enough qualified people, but because our own education system is a failed system. [People of color] don't have enough qualified people in specific trades that we can actually go after that are members of our community." [#FG1]
- A representative of a trade organization stated, "Not finding people is also a huge issue that I think is very broad and not just specific to my realm." [#FG3]

- A representative of a business assistance organization stated, "[The] highest problem is not finding people to work with. ... [There are] no workers. We have a company [that] was here in the business incubator. She had to close the business here because from having three, four workers, everybody quit. And then, they don't want to work." [#FG6]
- A participant in a stakeholder engagement session stated, "If you really want to have someone come up and become an MBE or a DBE contractor, they have to have experience doing the work to actually get that certification through COBID. If there isn't a component looking at having those people access work, it can be really hard to create and grow our own MBE/DBE contractors in the state. I really strongly encourage the state to include... [and] look at the workforce equity components and the workforce of the MBE/DBE contractors that are getting contracts from the state and hope that is included." [#PT3]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "My experience has been that the contracting's not really built for the small businesses. It's more towards those traditional firms. I've seen a lot of, even on scoring sheets, a lot of discriminatory writing regarding having employees from other countries, for example, or leased employees. I don't want to be very specific, leased employees through firms, and that's not very appropriate and I don't really feel that that's a big deal. It was explained to me by an ombudsman for the state that they are in kind of an old mindset when they're scoring these things that they want to see employers here that are employing people here within the state." [#PT8]
- The non-Hispanic white woman owner of a company stated, "I would say it's really hard to keep up with competitive wages. Everyone expects a lot of money and really great benefits. It's been something that I'm struggling to keep up with to compete with the bigger guys." [#PT8]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I also have a huge distrust of local talent and must screen them rigorously, as they simply want to use you as a steppingstone. Offshore labor seems to enjoy the work more and they are very motivated to learn and do well, so I support them the best I can." [#WT20]

6. Unions. Fifteen business owners and managers described challenges they experienced working with unions, and challenges with being a union or non-union employer [#4, #32, #57, #61, #AV, #FG6, #PT4, #WT4, #WT25]. Their comments are as follows:

- A co-owner of a majority-owned construction company stated, "I will say prevailing wage seems to be a big barrier as far as winning jobs and stuff, because I know, I've seen contractors come back say, 'Well, this school or this school put it off because they're above their budget.' And then I just want to go 'My company is underneath the iron workers label for prevailing wage.' And depending on the county, the guys can be making \$63 to \$75 an hour. And the industry out, there's \$25 to \$30 [per] hour. And it doesn't benefit me as a company at all. Money-wise, it benefits my guys from time to time because they get to go do that at that rate. ... It's kind of ridiculous. And then I know that that money that the schools and stuff are spending is taxpayer dollars. So that part of the industry, I don't get, if they want to do all union, let them do all union, you know?" [#4]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Having union requirements for a small business can really be a hurdle for a lot of small businesses or minority businesses." [#32]

- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We pay them a pretty competitive wage and full benefits to go through an on-the-job training program and earn the skills that we need to then get a much higher-paying career. But we don't get any kind of support from the state to do that. And we're an open shop, so we are not eligible for like union apprenticeship programs. But I think the vast majority of minority-owned construction companies at least are also non-union." [#57]
- A representative of a woman-owned professional services company stated, "The requirements to constantly go through the certification business. Like, open to many inspections. Being a business owner in Oregon, the barrier is [the] number of licenses and education hours that we have to go through to perform to very like time work and services. Regulations created by union-backed policy makers. The bureaucracy in Oregon is where most successful businesses are leaving for Idaho, Tennessee, or Montana, because [they] can no longer find good help. They can train, spend more administrative time for regulations that are never followed up by the State, and cost for trying to provide benefits and health care are barriers." [#AV13]
- A representative of a majority-owned construction company stated, "I wasn't union so I was taken off a job in the City of Portland, where the contractor hired me to be the consultant. But the City of Portland kicked me off the project because I wasn't prevailing wage or union. It seems like the leadership does not like rural people like me. They like urban people. Once I got out of doing any kind of physical tree work, my business increased. I switched solely to consulting work and my business has increased quite a bit in the last three years." [#AV92]
- A representative of a majority-owned construction company stated, "Union has the most barriers with discrimination. Hope America remains a land of opportunity. Put limits on unions not to harass non-union companies." [#AV109]
- A representative of a majority-owned construction company stated, "We're busy, and we're getting a lot of work for the season. We don't do a lot of prevailing wage work because we can't make enough money off of it." [#AV191]
- A representative of a veteran-owned-owned construction company stated, "I don't like union-protected wages. We ran for several years an extensive training program, but we could not get the state to accept it. If we bid on government jobs, we could use no apprentices, we had to pay journeyman wages. They said we teach too many categories. Union apprentices were working six to seven months a year. My people were working 2,000-plus hours - more than full time. And my people were being cross trained in many areas of construction, whereas the union ones were being much more specific. They couldn't approve our apprentices. I can't complete when they have jobs when they put apprentices out doing the work and I have to pay journeyman wages. We have been at it a long time. We are constantly busy. My only problem is finding personnel and getting them trained to do the work we do." [#AV239]
- A representative of a business assistance organization stated, "Incentives for unions. Because unions need to be a big player in this, I think, and they aren't. I mean, granted, my opinion is that they've done some things, but they're still on the old-school way of doing things. 'Oh, let's go out and visit a school once in a while and say, this is a great union to join.' ... They're not really putting the information out to let a lot of students understand what the trade itself is all about." [#FG6]

- A participant in a stakeholder engagement session stated, "We've noticed that if you are a union-affiliated contractor, you get all the bids. And they found so many loopholes, and I can give you a list of loopholes I've sent to GCAP advising them that, 'Here's what I've been experiencing as a company.' And it's so unfair where they have to meet certain percentages of women-owned, minority-owned, but they've found so many loopholes to get around that. Well, they're 5 percent more than the union contractor, they're non-union, and a lot of times they send out bids that say 'union only.' That really discourages us from bidding because we're non-union. We used to be union, but we got out of it because the workforce wasn't stable enough for us. And it gets to the point where I have a list of things that I know these general contractors are finding loopholes to get around the disparity requirements." [#PT4]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "Our suggestion: make it mandatory that all public bids are open to all public contractors, not just union contractors. ... We also joined the union to draw resources for a couple of years and then we decided not to renew our contract with the union in 2021. We have faced projects where the GCs indicated that they want to hire us but since we are non-signatory union, that they can't hire us unless we sign a one-time contract for that specific project. Issues with signing this union contract: First, our employees make less money if we sign the union contract. About one-third of their pay (fringe benefits) goes to the union. The base pay that the workers get, after they pay state and federal taxes, they have to pay a \$2+ for union dues. I have data I can share if you'd like to see it. Second, the union work force is unstable. On abatement, there are rules and regulations. We are required to train the workers so they are versed in DEQ and OSHA rules. But when we slow down for a few days or a week, the workers move to another company, so we are constantly training new workers. This is not sustainable for a small business. Finally, the workers provided by the union to a newly joined company to the union is below par (not meeting expectations). So, you constantly getting workers turn over and recycling until we find a gem (very rare). As a small business, we do not have the manpower to keep training new workers." [#WT4]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "They are only allowing union to bid and would only ask ... to bid when there's a requirement to use WMBE. I would encourage you to look into this and make sure that all bids are open to all bidders, not just union affiliates." [#WT25]

7. Obtaining inventory, equipment, or other materials and supplies. Thirty-six business owners and managers discussed challenges with obtaining inventory or other materials and supplies [#4, #12, #13, #14, #18, #19, #20, #21, #27, #33, #34, #35, #36, #43, #44, #53, #57, #58, #AV, #FG4, #FG5, #WT10]. For example:

- A co-owner of a majority-owned construction company stated, "If you get behind on a vendor, you set up a small payment plan, as long as you're showing them that you're making the payments, then they know you're not just going to walk out ... they want to make sure you're still healthy, and we are very healthy. May have \$400,000 worth of bills, but I've got double that that's due to me from different customers and contracts and general contractors and stuff like that. ... But then it affects cash flow. It just does. I mean, there's always to it." [#4]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "Sometimes ... the wait time, the lead time out [for inventory] was couple of months. But I would work with my customers and say 'You gotta give me enough time. Because, the supply may be low

with my distributors,' and they were all very willing to work with me. ... [Inventory] was affected by the pandemic. ... And the cost was phenomenal, where people would just overcharge ... but now the prices are coming down. And I don't know if that was because of lack of materials to produce the supplies ... because a lot of the supplies were being shipped by tankers ... So, I'm not really sure what the state can do in that." [#12]

- The owner of a majority-owned goods and services company stated, "The other challenge that we've been facing is that inflation has caused the cost of goods to go up pretty significantly. So as a result, we've needed to raise our prices. Besides just having a quality product, the factors you need to keep a really, really close eye on at all times are your labor costs and your ingredients costs, those are ... really the only two things that you have control over. Rents and your fixed goods, those kind of stay the same. And they are what they are, they'll scale as you go up and down as far as things like to-go boxes and stuff like that, but rent stays the same, your utilities pretty much stay the same. So really, the only things that you have control over are labor and your ingredient cost, and you kind of always need to make be making sure that you are running as tight on labor as you can. And that you are constantly paying attention to your food costs because the cost of goods fluctuates over the course of the year anyway. So, you kind of need to have a good idea of how those kind of average out but you need to be able to pivot if the cost of something goes up significantly, which it does. There's certain times a year things like lettuce, for example, would triple and quadruple in price, and it happens every single year. And so, you just kind of have to know, just kind of keep an eye on your invoices. And if you need to switch to a less-expensive product, or raise your prices, or switch your menu up pretty quickly. It's a pretty important thing. ... It's gotten a lot better [than it] was during the pandemic, and after the pandemic, it was really, really, really hard. Every week, there was always something you just couldn't find, and you never knew what it was going to be. At this point, that has settled a lot. It still happens that sometimes you can't find something, but in general, it's fine. Prices have been super volatile for the last couple of years, but those seem to have kind of settled, as well. And I do feel like moving forward from this next year on it's going to be more, I hope, but it seems at this point that it's going to be fairly stable. We might see prices go up to some degree, but not nearly as volatile as it has been the last couple of years." [#14]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Materials just aren't available." [#18]
- The owner of a majority-owned goods and services company stated, "Just the cost of things, and I understand that our landlord ... he's a business owner and our lease keeps going up every year. And I understand that part because I am a business owner. We haven't raised our prices in over two years. So, because I have people that come in and complain that even getting a copy of a piece of paper for 25 cents is too expensive. And I'm like, 'You don't understand what it costs to operate the equipment, the toner ink' and there's all this stuff that goes into that. ... I really don't know what to do about the cost of things, because I know everything goes up. And our vendors' prices go up constantly. And so, all I can do is just try to pass that on a little bit. Another challenge is our credit card and debit card transaction fee. When I got my statement from our merchant account company last year, at year end, I was shocked at how much money that came out of the business to pay for people using their cards. And others just like wow, you know, out of the money that we made off of it, it was like, okay, that's not a whole lot. But however, it was in the four-digit figures of credit, merchant fees, was like, wow, it's a lot of money that we could have actually spent on the company. And so merchant fees ... I can't really charge that back to the customer. I'll even turn people down

from using their credit card, because they come in and they get two copies. And it cost them 50 cents, and they want to use their credit card. And I'm like, never mind, I got it. And I'll reach into my pocket and throw it in the register and say, 'You're good, just pass [it] on.' Because I can't do a credit card transaction for 50 cents. I just can't because it'll cost me too much." [#19]

- The Native American owner of a construction company stated, "What contributed to 2021 being so brutal for revenue is almost half of the work ... was delinquent on pain. And I think it's largely due to fuel costs. A lot of my clients will have a fuel bill of \$30,000 to \$40,000 a month. An electrician client that's got heavy equipment, trucks, cranes, excavators ... all of that needs fuel in their fuel bill. And last year, when the fuel prices ballooned, and ... there's just this kind of constriction on the supply. What happened was my clients had to pay their fuel bill. And they didn't have the line of credit enough, probably, to pay somebody like GE. And eventually, they do all pay. They're all licensed contractors, and they all want to establish good relationships. And they all do pay, but a lot of them were six to seven to eight months late. It's expensive. The only barrier there I see is, is costs for me." [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "In my line of business, is more instead of supply, it's more software-as-a-service to keep things going. I got smart and I started buying out some contracts for things ... as a system called active collab. And I could either be paying a couple hundred thousands of dollars a year to use a silly thing for ticketing, or I could buy the license perpetually for \$2,000 ... so I put it on my own server equipment here ... in my home office, and now we own it ... it's ours. We can modify it if we want to, we do what we need to do with it. A lot of the other businesses are struggling still, with like even wood and other materials, building supplies, especially construction supplies. A lot of the time they have to quote way higher than they used to because those materials are very scarce." [#21]
- The Hispanic American owner of a construction company stated, "The hardest thing [to start my business was the lack of] tools. When we started the business, we didn't have many things and we had to invest too much money, every penny we had to start because without tools there is nothing. And we still lack tools. But everything that is manual, small machine, we already have it. But we lack a big machine to be able to be more successful and to be able to grab big contracts. And that is what we don't have." [#27]
- A representative of a majority-owned construction company stated, "You gotta get over the hump where someone takes you seriously. ... I didn't work here when [the owner] first started, but I know he got one equipment dealer to kind of take a liking to him. And that person was providing help and ... more favorable terms than maybe what [the owner] deserved at the time. And that helped start the whole process. ... He is very successful in buying and selling equipment now, but in the beginning, you rented stuff or you tried to buy stuff where you come up with a ... rental purchase option or something like that. Materials, you start off at list price and then you kind of try to work overtime to get down to where you're getting preferred rates. ... It's tough, right? Like right now you can hardly buy new equipment of any kind. And I don't think it's gonna change for the rest of this year, but we have a lot of equipment and we're fortunate we rent a lot of it out. But if you're trying to get something out of a rental fleet, it's tough now too. And you know, that's a huge, I mean, that's a huge expense in our business, our assets are our equipment ... that's where our net worth is in all that gear. ... You can't go buy some old piece of junk and work for the City of Portland or ODOT. You're gonna have to have something new. ... I think that they should probably be exempt from things like that emissions [tests] ... because ... talking about [being] able to buy something for

\$100,000 versus \$1 million because you got something old and used, but it burns black smoke ... I couldn't tell you how many people the City of Portland has, but they've probably got 30 or 40 ... people and I know like four or five of them. ... They get a certain amount of work and I think that those programs probably allow certain contractors, new contractors to rent equipment and pay ... whatever the market will bear. ... I'm sure they got 50 excavators and I'm sure the state has 500 of 'em, and you would think that not, I can't believe they're all getting full hours for the year." [#33]

- The Asian American owner of a construction company stated, "I started with a pickup truck and hauling stuff in a trailer. But leasing the chip truck and a chipper, those are expensive pieces of machinery. ... I was able to over time save up and buy the little six-inch chipper. And I've been still using this really old work truck of mine. I also have relationships with other contractors that have better equipment than me. ... So a big job where it's gonna take two guys to do a removal, I'm working with another contractor. He might have a chip truck or a larger chipper or a skid steer or something else that's helpful." [#34]
- The Black American owner of a construction company stated, "As an installer, if something is not fabricated right or comes out to the field wrong, that is a nightmare, and it happens. And a lot of times those companies won't do that for their bigger clients or some of the clients that they have relationships with. ... But I honestly feel like sometimes with the smaller companies, they kind of fit you in between time. It's rush, rush, rush, and then you have to sort it out in the field." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "So even though we may bid on a project that is, I don't know, maybe a year or two out, I still have to start planning for that because if we get it, then they call us and say, 'Hey, you've got the job' and we're not prepared for it. So, there's preparations that I have to make sure I have in place for anything that may be coming up in the future." [#36]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "Just cost ... everything keeps getting more expensive." [#43]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "This kind of goes along with COVID, but the supply chain issues is huge for our business. The type of work that we do is a lot of underground pipe. You can't get that stuff on time. They can't tell you exactly what the price is, so they ship it. So, it messes with our estimates, puts us at risk. That's a huge impact to our business right now. ... It takes access to capital because the equipment that we use is extremely expensive. It's not like, we're not carpenters where we have a pickup and some saws, we have excavators and dump trucks - each of which cost hundreds of thousands of dollars, so having the credit availability with the banks and the various avenues for that." [#44]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "I had to buy a lot of really old equipment to do what we do. Right now a vacuum truck is \$600,000. ... When I got started, they were \$400,000. And so, I bought one that was probably worth a little over \$100,000. And then having to work on them, trying to get maintenance for that equipment was very difficult. Buying the video trucks, buying the correct lining equipment. We kind of put together our own stuff kind of. We called some of our equipment ... they refer to some of the trucks out there as Frankenstein. But, we're about done with the Frankenstein equipment. So, it is very difficult to get equipment and ... it seems like people who are concerned about a barrier for minority and disadvantaged businesses, they're forgetting that. How are people supposed to get equipment

financed? ... A current problem for me is actually, well, I'm trying to purchase more equipment to expand my company and there isn't any inventory available." [#53]

- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "Supply chain disruptions have been pretty catastrophic for us. We have one project right now where we're waiting now for six months. We've been waiting for a payment of about a \$1 million from the core of engineers because there was one manufacturer of a specific type of paint that the core needs that wasn't available. And we've been waiting until we could get lined up to get that done. And because of the dearth of comparable or alternative suppliers, that's been pretty problematic for us. ... We've had several projects where we've actually lost money because we bid it based on the available materials at the time, and those were no longer available, or, you know, the price of steel went up 300 percent in six months last summer. And a lot of times we can't actually get a change order if the base cost changes, ... we eat it. The ongoing war in Ukraine has caused some supply chain challenges for us. We primarily work in carbon steel, but if we wanna build stainless steel, we need nickel, and nickel is largely sourced out of that region of the world. So, for a while weren't able to source it at all, or it was huge premium or long lead times. So that's forced us to get creative and turn down some projects where we just don't have available supply." [#57]
- The owner of a majority-owned goods and services company stated, "Trying to get a new garbage truck or parts. ... Just in two years, equipment costs are up 30 percent and you can't find parts anywhere. So that's been the biggest challenge. ... The biggest issue right now is just truck parts and getting trucks. ... And I mean, you see 30 percent inflation and they're out two years on orders, and so it's just trying to line up when you can get equipment and repairs." [#58]
- A representative of a Hispanic American-owned construction company stated, "Very difficult: rates, price of materials, qualifications of standards to obtain jobs." [#AV2]
- A representative of an Asian American-owned goods and services company stated, "It's not so much Oregon, but we still have supply chain issues affecting our business. We can't get supplies and if we can, they're more expensive. And labor is more expensive, too. Since the pandemic, things have changed a lot." [#AV17]
- A representative of a majority-owned construction company stated, "Besides labor problems (finding enough help) and the cost of material, there has been no problems. The cost of materials is outrageous." [#AV47]
- A representative of a woman-owned goods and services company stated, "Biggest problem I have is sourcing parts." [#AV52]
- A representative of a majority-owned goods and services company stated, "It is really tough now to get parts." [#AV63]
- A representative of a majority-owned construction company stated, "It's a problem getting supplies because of the supply chain issue nationwide." [#AV81]
- A representative of a veteran-owned-owned construction company stated, "Struggle to keep and keep above water. Everything [is] going up for materials, and rates of pay have gone up dramatically for employees." [#AV125]
- A representative of a majority-owned goods and services company stated, "Parts are often hard to come by. The products and services are hard to come by with the companies we work with." [#AV126]

- A representative of a majority-owned construction company stated, "We have worked with school districts and Marion County and had no issues. We've been in the public sector for over 25 years. We're all coming off a couple of years of COVID. There's been a supply chain impact. Our biggest issue has been electrical equipment. There are projects that are finished on paper, but we are waiting for the equipment." [#AV127]
- A representative of a majority-owned goods and services company stated, "It can be challenging at times with supply chain problems." [#AV130]
- A representative of a majority-owned goods and services company stated, "Just with the pandemic, we've had struggles. Not bad otherwise. It has been hard getting product and everything else, stuff to sell, to get what we need, and general merchandise. It is not like it was 35 years ago." [#AV162]
- A representative of a majority-owned construction company stated, "It's terrible right now. I don't know if it's the interest rate or COVID. I can't get materials. Lighting is the big thing. I've done two jobs where we're completing the rooms other than the ceilings because there's no lights. I've got paint shortages because they can't get the titanium for the paint from China. And titanium is a key component of paint. Who would have thought paint would be an issue? I'm slow right now as far as work goes, but I have connections and I'm not dying. The whole supply situation is just flat amazing to me." [#AV178]
- A representative of a majority-owned construction company stated, "Working with bids for the state and doing projects for the state are sometimes too bureaucratic and slow. We encounter too many delays. Our industry is challenged by labor shortages and chain supply shortages. It didn't happen overnight, of course." [#AV206]
- A representative of a woman-owned construction company stated, "Since COVID hit, it has been a really hard time getting materials. Our suppliers are short-staffed and short of supply on the manufacture level. Even ordering online is difficult in getting supplies." [#AV224]
- A representative of a Hispanic American woman-owned professional services company stated, "The only other thing I would have to add is that, in the consulting sector, the effects of COVID have been ongoing. There is a lag in the supply chain and employee availability that still impacts the scheduling of permitting and regulations projects." [#AV271]
- The Hispanic American owner of an ESB-, MBE-, and WBE-certified construction company stated, "Well, as we just mentioned, [not having funds to cover the] materials is a big barrier. With one of the projects we also had to deal with that, but they did give us the percentage we needed for the material and that helped us a lot because we didn't have to worry about needing money for the material, or maybe by the time they started working for the first month we had what they gave us." [#FG4]
- A representative of a business assistance organization stated, "The access to capital for the construction businesses, because with all these clean air and climate control kind of agendas that we have, it's gonna really challenge a lot of small businesses that have used kind of older pieces of equipment on construction sites that have diesel kind of emissions. And they're deregulating a lot of these pieces of equipment that a lot of our small businesses have still and they're making more of the new air emission quality standards of more your expensive pieces of equipment or programs that help you retrofit old equipment. These mandates are coming at the end of next year. So, people are quickly having to figure out through their traditional banks or any kind of coupled grants and

loans, how to subsidize pieces of equipment that start at minimum \$150,000. So, you're talking about if anybody wants to work on public work, they're gonna have to be able to capitalize the equipment to successfully get a bid, approved to be on a contract for public work. And we know there's a probably deeper recession." [#FG5]

- The owner of a majority-owned goods and services company stated, "The supply chain issues in 2020 lead to huge cost increases in materials, and because you bid on these projects at a fixed price for the goods, vendors had to eat those costs. The state should have reimbursed vendors for those costs or supported their efforts to secure fixed pricing. Moving forward, being paid before delivering material can help small businesses selling goods to the state." [#WT10]

8. Prequalification requirements. Public agencies sometimes require construction contractors to prequalify (meet a certain set of requirements) in order to bid or propose on government contracts. Thirteen business owners and managers discussed the benefits and challenges associated with prequalification [#21, #24, #35, #39, #53, #55, #56, #AV, #FG4, #WT20]. Their comments included:

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "They're starting to require small businesses to register with SAM to get a cage code. It's like they're taking a lazy way out and letting the feds vet you and verify that you are a legal entity or real business by having you go through that arduous process." [#21]
- The Asian American owner of a professional services company stated, "Especially if they're in a regulated industry, in which they had to go seek other licenses and other such things. It's lots and lots of red tape. I think that's probably the biggest barrier to entry." [#24]
- The Black American owner of a construction company stated, "You're gonna have to either make that scope smaller, you have to have some kind of way people access to the market or access to the opportunities without ... having all these different requirements." [#35]
- The owner of a majority-owned goods and services company stated, "They stick in a bunch of qualifications for contractors that frankly, it's just more money. And I really don't see the need for it. ... Not the entire project. And I think that's why you're seeing a lot of people ... doing work here in Oregon wanting to get out of Oregon and go to Washington. Cause it's cheaper and you just don't have as much paperwork and qualifications and ... that frankly isn't reasonable. So, if your bid is over \$100,000, you have to have so many hours of it being [an] apprentice. Well, there's no apprentice program for [line of work]. ... And frankly, I don't really even know because the transparency's not there. If I don't win the job, probably all I'm ever gonna find out is that I didn't win. I'm not gonna know if I was close, I'm not gonna know who won or whatever the situation may be." [#39]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "I just got prequalified finally to be able to bid projects up to \$1 million dollars in Portland, which is much underneath what we can actually perform. We have projects that range from \$50,000 going up to \$5 million. \$5 million is the largest project we landed a couple months ago. Most fall a little over \$1 million." [#53]
- The Black American owner of an MBE- certified professional services firm stated, "We also compete at the \$500,000 to \$3 million range. But the issue there is that they want to see more past performance for our firm formally. They don't care as much about our team experience. ... I was a corporate ... CFO before I started as a firm, and I negotiated billion-dollar contracts and literally

created a billion-dollar firm ... They don't care as much about that when it comes to past performance. They care more about our firm proper. ... We think that that's a mistake. ... because if they were also look at the past performances, they would see that the sum of the parts is greater than the whole." [#55]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "They want financials. And ... I'm not gonna do that. Being prequalified, it's not even a guarantee that you're gonna get it. ... The firms that are gonna be able to [prequalify] are the ones that have staff who submit proposals all the time." [#56]
- A representative of a Hispanic American-owned construction company stated, "Very difficult: rates, price of materials, qualifications of standards to obtain jobs." [#AV2]
- A representative of a majority-owned professional services company stated, "For Oregon Dept. of Transportation, it's difficult to get onto their list of consultants because they want experience with ODOT to get on the list. We do work as subconsultants with prime consultants via ODOT, but apparently, we're not working on enough projects as a subconsultant to get on the list. You have to have a certain number of projects in a certain amount of time to qualify. I do like the state of Oregon adopting the procurement rules based on qualifications rather than lowest fee, which has been successful for us. We get the work because of our qualifications, not because we're cheap. There are, however, loopholes in the rules. If some of the applicants have the same score, they can then interview us and ask us about our fees. It just seems like a loophole." [#AV9]
- A representative of a Native American woman-owned professional services company stated, "Barrier: requirements to submit a bid, Issue: it is a lot of documents, paperwork. preferential treatment for urban cities." [#AV13]
- A representative of a Hispanic American-owned professional services company stated, "Barrier: lots of paperwork, lots certification, like [COBID] certification [they] won't work with you if you don't have certification/[COBID]. We are landing a project, however, the requirements for commercial insurance is costly for small business we have less resources, we are not like bigger companies that can afford those requirements." [#AV71]
- A representative of a business assistance organization stated, "When you enter a bidding process with a prime contractor, which are already very large companies, they do a review, they all have a prequalification, then they ask us what kind of bonding we have, [our work capacity], they often ask us for years of experience, what kind of projects, and in what financial situation we are in. ... I spend hours figuring out where to look for [the requirements to fill out an RFP]. Sometimes they are the correct ones sometimes [they are] not. So that's a challenge for me. Knowing which ones to put in." [#FG4]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "The latest potential barrier we've seen is federal SAM registration requirements, having a CAGE code, which is nearly incompatible with small businesses due to the requirements of having a brick-and-mortar office. SAM does not accept WeWork or shared locations, commercial mailboxes, or registered agents (even attorney offices), which rules out many capable firms. This was part of the Multnomah County RFP as a condition to do business and we're still fighting with SAM on recognizing our business." [#WT20]

9. Experience and expertise. Thirty-one interviewees noted that gaining the required experience and expertise to be competitive in the public sector can present a barrier for small, disadvantaged businesses [#2, #6, #8, #10, #15, #18, #20, #21, #31, #32, #35, #36, #39, #40, #44, #59, #61, #AV, #FG1, #PT12, #PT13, #WT6]. For example:

- The Asian American owner of an MBE-certified professional services business stated, “The 8(a) program [is helpful]. They had some grants from the federal agency. So, I was selected for a program where they mentored us. And they provided us with training on how to identify opportunities, and how to write a response to an RFP. And so, if there is something similar with the state government, it will help, but that assistance will not help unless the contract documents change.” [#2]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, “You have to be a GC to work directly for them. So, I mean, I’ve had multiple meetings with people over at ODOT just talking about the different challenges that are faced by a company like ours, you’re at the mercy of trying to get one of these other large companies to bring you on as a sub. That’s just where you’re at and, there’s not really anything you can do about it unless you become a GC and they want to push you to become a GC.” [#6]
- The Hispanic American co-owner of a woman-owned professional services company stated, “It’s the not understanding the format that everybody else is putting their things in. And I do now understand how to navigate things like the GSA and see what contracts and schedules have been awarded there. So, I can see what other people have submitted, which is nice. But even that, I don’t necessarily understand how to know things like job roles, and then rates related to those roles and descriptions, but they’re not necessarily all the same. ... It seems like all of the people who are getting these contracts have all been in this industry for 25, 30 years. And they all know how to do that. So, I’m sure there’s a balance there of just knowing who you know, but also knowing exactly how to put it in so that it gets looked at properly. There’s a bit of both experience and expertise.” [#10]
- The co-owner of an ESB-certified goods and services company stated, “There are so many hoops you have to jump through. ... I had somebody review a contract that I didn’t get, and they said ‘Well, you know when you answer an RFP, you have to [respond] question by question.’ You can’t say, ‘This is how we’re different, and what will happen if you engage with us. These are the outcomes that we expect to see. This is how you’ll see it played out in your organization.’ You can only answer their questions. You can’t give them the differentiation, or the reasons why their people would get better [services].” [#15]
- The Black American owner of an MBE- and DBE-certified construction company stated, “Finding time to go through those trainings and videos and different things is probably the biggest challenge. I’d say a cheat sheet [would be helpful], more so than a training video. Because the amount of time required to go through the training video is oftentimes, you just don’t have the time. But if there was a cheat sheet that said, ‘Here’s steps one through ten in order to do this process,’ all right. And have it not written as a novel, but more so written as a cheat sheet. With examples of prefilled forms.” [#18]
- The Native American owner of a construction company stated, “I could see how a contractor, who is really just a tradesperson, desires to kind of advance and get into the industry as an owner would be in over their heads. The training through the CCB [Construction Contractors Board] doesn’t

really tell them the nuance of what it means to earn public works contracts. The CCB does a good job saying, you know, establish a contract to need these things. And it's really basic knowledge stuff. ... The CCB training has a big focus on like, residential development, which makes sense, right? But if I were an electrician, who did all the on-site work, and I desired to go start out my own firm, and provide subcontracting service on public works projects, from day one, it would be a different world to be, you know, preparing the submittals and doing all that stuff. So, there's really no path from a tradesperson to a business owner. There's no path for an entrepreneur to learn those skills. Unless they had the privilege when they were a tradesperson to develop the skills in the office setting. But somebody that moves into the office begins to be out of touch with you know how on-site work kind of changes." [#20]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "It's easier now to get [work] now that we're more established and we have more to show in terms of like, reviews online. ... That's pretty prevalent for our fields, our industry. And [the online review website is] mostly for industrial customers, so they really trust it when they go there. It's like okay, well, these people were phone vetted and interviewed that way. It's not something that was made up. So, that's been helpful." [#21]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "That's why Metro was so good. They help us minorities prepare, position us, teach us how to write our proposal. I regret that I didn't invest more money in paying the outside professional writers to help us to write proposals. We did in the beginning, but we should consistently do that. ... We might get more jobs that way. We as minority owners, we don't have, I will say, comprehensive knowledge of how to run a business. There's a steep learning curve. We need to learn about your own business, your marketing, your finances, and management. Every area we have to overcome, and you have to have a good experience with the qualification." [#31]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "When it comes down to bidding on contracts and the timeframe from when you [first hear about] to submit a bid can be so short a bid process that if you don't have the experience to be able to submit that bid in a short period of time and submit a good bid that you don't go bankrupt." [#32]
- The Black American owner of a construction company stated, "The governmental agencies create an opportunity for [new subcontractors] to [transition from residential to commercial] and maybe provide some type of technical assistance. But a lot of this stuff depends on the economics and people's needs, the work is not readily available or so highly competitive that I just get tired of submitting bids and then losing all the time. You just have to put on your problem-solving hat and just try to figure it out and then know that you're going to be ... figuring it out as you go. But that's construction." [#35]
- The owner of a majority-owned goods and services company stated, "I mean, experience is always a pretty big key ... I was fortunate enough that when I started as a project manager at the beginning of this, we did not have computers, and everything was faxed. And so, I had to learn the inside ways of how things moved, or I wouldn't be able to do my job. So, I got educated in that, in that sense. I didn't have the business side of it. So, on the business side, I had to learn on the fly. ... Somebody who's starting off, they need their education right out of the gates. Certainly, you can go my route." [#39]

- The Hispanic American owner of a professional services company stated, “Number one [barrier to starting a business] is knowing what to do.” [#40]
- The Native American owner of an MBE- and DBE-certified construction firm stated, “Number one, start out small. I mean, there’s obviously a reason you got in the business, right? You’re a technician of some sort, right? Either you know how to do electrical wiring, or you know how to be a carpenter, or you know how to dig a ditch, or you know how to pour concrete, right? That’s why contractors start. And then one day they realize, well, I can do this for myself. So, realizing that there’s a large difference between being a technician and being in business is the number one thing you have to realize.” [#44]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, “At the end of the day, [the small business program] can set up programs and say what they’re trying to do, but without facilitating how to really get through [how to run a business]. It’s just fluff. It’s just a piece of paper ... that we’ve spent some money to write down and say, ‘this is what we’re doing,’ ... but we don’t want to help you get there. You got to figure that out on your own.” [#59]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, “The hardest part is getting the first contract, because often agencies ask for five years of past experience and three references, all of which are large barriers to small and new businesses. [A previous business owner] got his first contract because the state contacted him through a vendor list to provide a quote for an emergency contract. He was bidding against two other businesses, and successfully got his first contract through a limited RFQ process.” [#61]
- A representative of a woman-owned construction company stated, “We are a small firm ... The amount of overhead to prepare the RFP and contract management can be cumbersome and costly. The amount of experience that is asked for, especially when first starting out, hoping experience with a subcontract [will lead] to a prime contract; it is a ‘chicken [or] egg’ situation. You have to get a project to get the experience. It was a slow ramp up for three years for us from an ODOT subcontract to a prime on an ODOT project. It takes a while to get acquainted with the system and get working and network that system. Once you’re in, you’re ok, but to get in, it takes time. If you are starting a business, it is scary. I have been in nine years. ODOT was good once I met the right person, but it took a while to find the right person, and it was completely by chance because I was at a meeting.” [#AV15]
- A representative of a woman-owned professional services company stated, “We did a few of the governor marketplaces. We really found that, since we were so new and green to working at the state level, we didn’t really understand how to communicate or process the info needed for the state to consider us. But our services are so unique, we don’t fit in a normal box.” [#AV48]
- A representative of an Asian American woman-owned professional services company stated, “My husband and I have tried to work with government agencies. There was a lack of experience on our behalf, however, since we’re a pretty new business and a fairly small company. I’ve been reaching out to some non-profit companies in Oregon. But I can’t go onto the government side because I’m new. I’m wondering about the whole process of bidding on those types of jobs, because we’re really very interested to subcontract with government entities.” [#AV94]
- A representative of a majority-owned professional services company stated, “The procurement process focuses on businesses with prior experience. Without that experience to add points to our scoring, we don’t compete.” [#AV138]

- A representative of a majority-owned construction company stated, “I have experienced barriers. Early on in contracting I would submit bids and they would require give years of experience in that task. I tried to do soil stabilization contracts and I submitted bids and they were rejected due to lack of five years of experience with the company.” [#AV141]
- A representative of a woman-owned professional services company stated, “The RFP process for my contract was difficult in that it was complex and confusing. I will say that since then, I’ve worked on an RFP for another person who was under contract, and I’ve been able to help that process through my own experience and make things less confusing. The RFP was really the major stumbling block that I had.” [#AV221]
- A representative of a service-disabled veteran-owned goods and services company stated, “Other people get jobs and bids. I don’t know how to bid for them. It seems like it goes to only one person.” [#AV239]
- A representative of a Hispanic American-owned goods and services company stated, “When I go on Oregon.gov, right, a lot of the small business administrative links are more towards filing a complaint. There’s such a small amount of space on the website that even talks about where to receive education.” [#FG1]
- A representative of a Hispanic American-owned goods and services company stated, “Oregon could have more resource links on their website saying, ‘Hey, here’s this organization that’s a nonprofit that offers this type of capital loans; here’s your local bigger banks that offer this; and this is the process for how you get ready to [apply for a loan].’ But there’s more resources on what to do when you’ve been wronged and not enough of like how to properly prepare your business.” [#FG1]
- A Hispanic American representative of a trade organization stated, “It’s difficult to understand what they’re really looking for. And so, you see the same people get the same contracts over and over again, because they’re the ones that know how to answer the questions. They already have that built up relationship.” [#FG1]
- A representative of a construction business stated, “A lot of [businesses] are saying, well, yes, we’d love to work for the city of so-and-so, or for ODOT or for whatever else. And the problem is that they’re not trained properly. And as a general contractor, it costs me a significant amount of money with firms that aren’t quite ready to step into that ODOT environment.” [#PT12]
- A participant at a stakeholder engagement session stated, “Maybe you’re just coming in and you haven’t had the experience with the public sector agency and you’re coming in and say, ‘Well, I am reimagining.’ You want to reimagine your services and your business to go then get government contracts. But you may have had contracts in other areas, like with non-profit organizations or with businesses, other businesses or that sort of thing, but maybe you haven’t had a contracting experience before and you’re coming into it.” [#PT13]
- The Native American veteran owner of a construction company stated, “I have tried for over six months to be an Oregon government-approved business to work with them. I gave up. Too much time and not enough understanding of how to do it. For me, I would have to be full time figuring out their system.” [#WT6]

10. Licenses and permits. Certain licenses, permits, and certifications are required for both public- and private-sector projects. Thirty-three interviewees discussed whether licenses, permits, and

certifications presented barriers to doing business [#4, #8, #14, #17, #20, #24, #32, #34, #36, #39, #42, #59, #AV, #FG1]. For example:

- A co-owner of a majority-owned construction company stated, "One thing we do struggle with this, and it's mostly in the residential industry, for houses is you get what I call tailgaters. What's that? It's a guy that knows how to install residential doors, and they start their own business, but they're not properly licensed and insured, and probably don't carry workers comp[ensation], and they drive around and then they'll go to vendors and buy doors because the vendors don't care. All they care about is you're giving them money for their product. And they'll drive around with doors on top of their trucks and their trucks aren't labeled or nothing. So, I call that a tailgater. And then, that guy, he's out there, he's making a decent living, but he's driving the prices down. So, a guy like me, that's got all these employees that I give full-blown medical insurance to and vacations and holiday pay off and all that it drives down what the industry can make, as far as the income goes, and ... [I] hate that. ... None of these vendors should be selling [to] anybody unless they're completely insured and licensed and bonded, period." [#4]
- A representative of a majority-owned professional services company stated, "Some of them require certifications that you can't just immediately obtain. And so those are things that ... require a year or two of planning to get those certifications. And so, in some cases that can be a barrier." [#8]
- The owner of a majority-owned goods and services company stated, "I would say that it's very difficult to do business in the City of Portland, the permitting process is expensive and takes a lot of time. And it's pretty honest. Having built locations in places outside of the City of Portland, those are a pleasure, those departments of those development offices are usually very nice to work with, and very easy. And it's a pain to do business. ... To reduce this pain ... probably just expand the number of employees that they have at the Bureau of Development Services. And also, the fees are really expensive, and it can be overwhelming, some of those fees are really expensive. And I could see if you're a small business trying to get off the ground, sometimes those fees will make it feel like it's not worth it to do it." [#14]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "[Career] coaching is hard to get started in. We're not a regulated business. And so, your dog can hang up a shingle and say that he knew he or she was a coach. ... My own sister has zero coach training and calls herself a coach, even though she knows how much I hate that. I've gone through the trouble of getting credentialed and making sure that I'm well trained. And so, there's not a level of standardization in terms of the quality of your services offered. ... It's not like you go to a coach and you pay them \$45 an hour, and you just go when you want to be. Coaching doesn't really work like that. It's usually quite a bit bigger investment. And so, there's a process for people to go through to feel ready to do that with you." [#17]
- The Native American owner of a construction company stated, "When you're talking about barriers to get the work, to do the contracts, to ... run the business, like bookkeeping and things, one thing you didn't mention was navigating trucking. And I can't think of a construction business that doesn't need to mobilize to a site. And many, many, many construction businesses use vehicles greater than 26,000 pounds. So as soon as they do that, they have to get trucking authority USDOT number, they have to get registered in a state for MCs [authority to operate number] ... There's just a lot to any construction business. There's no concise resource of what you have to do to run a trucking company, to get your trucking responsibilities taken care of. It seems I have drug testing I

have to do for my drivers. Through the clearinghouse, I have to get my trucking authority, I have to have my insurance straight. I have to have my inspections on my trucks. There's so much to do with trucking, that if you were a DBE getting into this business, and you had no idea, anything about trucking, like I said, I came from the engineering side. And I've been working in the industry as a laborer, operator, whatever. I never until I took ownership of this ever dealt with what it takes to run a trucking business." [#20]

- The Asian American owner of a professional services company stated, "There is no official book certification. I don't want to get my CPA although I could probably sit for the CPA got the education hours ... and I'm just not interested in moving up ladder like that." [#24]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Many [Latino businesses] are now having [an] easier [time] and getting the certification or the license because now there's training in Spanish. ... Now that they can take a test in Spanish or have a tutor in Spanish to do that." [#32]
- The Asian American owner of a construction company stated, "I have ... an arborist certification, and a tree risk qualification that I had. I have gotta renew that, but there's more, you know, you can become a municipal arborist, you can be certified tree care worker, the spray application license. So that would be a certification to be able to apply pesticides, do tree injections and stuff like that. ... There's definitely certifications and more education that you can do. And I think that also helps. I like to stay kind of, on more like what the science is saying and stuff like that. ... I know one's coming up with the City of Portland is tree planting, and ... you need to be an LLCB to do that. And so, I'm working on probably my landscaper's contractor's license as well so that I can advertise tree planting." [#34]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "In the state of Oregon to become a security provider, you have to have a two-day course to get a certification. And then of course you have to have a background check. And depending on the company, so all the government contracts that we do, everybody has to pass the UA [urine analysis drug test]. That's very hard in Oregon and Washington to find somebody that works as a security guard that can pass drug screening because of, you know, it's legal here, but they have to be able to get that background check and they have to undergo that." [#36]
- The owner of a majority-owned goods and services company stated, "If it's a private job. ... You don't need to get any sort of permits and jump through the hoops on that kind of stuff. For a guy to do it, takes his contractor's license test, which I understand that gets his public works. And then they're just hammered with paperwork to get established ... and they're guys who are blue-collar, these are guys that got a truck with all their tools in it. And they're going around remote office if you want most of those things. They don't have a laptop, they don't have a secretary who's doing all this stuff, paperwork-wise. And so, I've got to try to help them to get these things figured out. But there's just a lot of stuff for guys to do in Oregon that they don't have to do ... [in] Washington ... it's just not quite the same." [#39]
- The co-owner of a WBE- and DBE-certified firm stated, "Their program, in order to be certified to make state specification concrete is really, in my opinion, it's not a great program. I've been through it now several times over the last years ... probably in 2021, I think I went back to get some certifications. ... It was my third time to be certified with things. I did not pass the test and I couldn't understand really why or how, although, I mean, I can put a lot of blame outside of myself, but it's

not like I'm not knowledgeable about what it is that I'm doing. But the training, you really kinda have to be self-taught. ... Some of the stuff that they give you during the testing is hard to read. It's hard to follow. And you make one mistake and then you're kind of sunk for the entire test. I had a colleague go with me too, who's also passed the test in the past, and she didn't pass it either. I don't think that there were very many people in that class. We even had an engineering firm here go at another time and take it, and they didn't pass. ... And they're engineers. I mean, they're a lot smarter than I am. ... So, it happened at the time where we were just getting really extremely busy. And so, when they told me that I failed, I emailed. I said, 'I need to know what's going on or why.' And they said, 'Well, we can't share the test back to you. We can give it back to you, but we can't discuss the areas that you failed in.' And honestly, I was just so darn busy at that time. I just couldn't get back to it. In order to go and take the testing, it probably cost me an easy three grand to go and take care of that. ... I might only sell a hundred yards of the state specification concrete, so I have to spread that cost over that amount. But if I was in Portland, I would be selling thousands of yards of this kind of concrete and have the same cost involved in ... getting the certifications. So, it's the ratio, the benefit-ratio of the cost that I have to spend or make, or the commitments and sacrifice that I have to make is so much different than a bigger company would be. If you go a hundred miles and the poor guy doesn't pass it for whatever reason, because they can be sticklers on certain things ... then you're back to square one again. So that part was bad enough. ... I think just in the last month or two, the state and their wisdom decided we aren't gonna give anyone their endorsements on their commercial driver's license without them going to a certified school first. That school could cost \$5,000 easily and take four to six weeks of time for the individual to go to. And then they graduate from the school and they don't even know how to run a semitruck. ... So, I've got a fellow right now that wants a job. He has a CDL, he needs an endorsement on that CDL, it's like a Class A, B, and C thing. He's got Class B and he needs a Class A and the state is making him go to school, pay an exorbitant amount of money to do it. I mean, he's perfectly capable to just go down to the DMV and take a test and get that endorsement, but he can't without doing those other things." [#42]

- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The code, it's required, but every jurisdiction is different. You know, some fire marshals hold people to that. Some people haven't had their building inspected since the building's been built. And some fire marshals don't go out and do those inspections." [#59]
- A representative of a Native American woman-owned construction company stated, "Payment with universities is all grant payment. Hard to navigate. I think it is difficult in industry especially when you relocate here in Oregon. Hard to get building codes, understanding and getting permits to do the work." [#AV8]
- A representative of a woman-owned professional services company stated, "The requirements to constantly go through the certification business. Like open to many inspections. Being a business owner in Oregon, the barrier is [the] amount of licenses and education hours that we have to go through to perform to very like time work and services. Regulations created by union-backed policymakers. The bureaucracy in Oregon is where most successful businesses are leaving for Idaho, Tennessee, or Montana, because can no longer find good help they can train, spend more administrative time for regulations that are never followed up by the state, and cost for trying to provide benefits and health care are barriers." [#AV13]

- A representative of a Black American woman-owned professional services company stated, "Say getting licenses for minority business owners. Ex: Show favor to companies that have those licenses already." [#AV25]
- A representative of a majority-owned construction company stated, "Permitting is too difficult and the bids are not received on time. There is too much emphasis on minority contracts. Honestly yes, we believe [there is] too much emphasis on minority contracts." [#AV31]
- A representative of a majority-owned goods and services company stated, "Allow us to work, people who are willing to work. Now we need work permits." [#AV41]
- A representative of a woman-owned goods and services company stated, "Lots and lots of fees. I now have to buy a license to buy and sell tobacco and fees keep going up and revenue down and down. I have to have five licenses just to be open and I don't sell lottery. For a small business, that is sad. I don't know what to tell people in regards to the type of business. You won't make the money, you would [be] out on the freeway. So, location is important." [#AV60]
- A representative of a majority-owned professional services company stated, "The wetland permit systems and the erosion control system. Why: regulatory nightmares, take a lot of time, and unnecessary resources to require those permits. Biggest problem, gross receipt tax." [#AV70]
- A representative of a majority-owned construction company stated, "Hard to get permits. We do very little public work. We've bid on some things but were not successful." [#AV72]
- A representative of a majority-owned goods and services company stated, "We have issues with new laws with food trucks. Ex: Limited us doing contract work." [#AV91]
- A representative of a majority-owned construction company stated, "The red tape getting subdivisions approved is kind of tough. It would be nice if we could get the approval done easier and earlier than usual. Other than that, I have nothing to add." [#AV120]
- A representative of a majority-owned goods and services company stated, "Often a lot of pipework and the payment system good be better, sometimes they can only use credit cards and we have fee for our [credit card] systems, does not seem friendly, and state doesn't want to incur charges for Oregon. Regulations makes it difficult: licensee regulations, to maintain licenses some many things, hard to keep track of what we need." [#AV149]
- A representative of a majority-owned construction company stated, "We have not had any difficulties with working with the state. Our ESB status was removed after some years ago, so those projects are no longer available to us. Oregon is not extremely business-friendly in terms of rules and regulations. We've been able to survive here. Zoning is always a difficulty. The DEQ EPA 200C [Environmental Protection Agency's diesel emissions quantifier] requirements are pretty onerous." [#AV157]
- A representative of a majority-owned construction company stated, "We don't take any government work. It causes a lot of problems. Licensing, truckers having to go through things like drug tests. We don't do that. We are really busy right now, but I know some people are closing." [#AV164]
- A representative of a majority-owned construction company stated, "We are not currently seeking work with the state. It's not that we don't want to, but we have our hands full doing residential and light commercial work at this point. Texas and Oklahoma treat their contractors better. It's easier

for them to do work in terms of dealing with their individual states. You have to be licensed, bonded, insured in the state of Oregon, and it makes it tough for someone trying to break into the trade on a contract level. Maybe we should loosen it up a bit so that the state doesn't make it so hard for newer companies and established ones to do business in Oregon, speaking as the owner of an HVAC company. We have to jump through a lot more hoops than other states." [#AV169]

- A representative of a majority-owned construction company stated, "The only experience I have with the state is pulling permits, which can be a challenge with COVID. The waiting for permits with the state is terrible, particularly the City of Portland. The City of Salem is great, though. I love the City of Salem. They really are excellent when it comes to pulling permits. They're friendly and helpful. They went out of their way to be helpful to me. Also, what I like about Marion and Salem is that the inspectors make themselves available. When you're trying to blend old materials with new ones in a home, it's nice to be able to refer to the authority of jurisdiction, and they've been great in Marion and Salem." [#AV172]
- A representative of a majority-owned professional services company stated, "Permits, jurisdiction for improvement are clearly understaffed, reviews for government and documents take a long time for us or other in construction industries would like. Within [the] City of Portland, zoning codes is intended to increase housing density, by allowing them to build excessive dwellings on their property. Not enough square footage. Hard to justify housing unit when it doesn't meet potential buyers' needs. Cost of construction is extremely high right now." [#AV180]
- A representative of a woman-owned construction company stated, "We have had some troubles obtaining permits. The process has become ridiculous with the amount of paperwork and there is a staff shortage so we have had to wait a very long time to get the permits due to that on the DEQ level. Since COVID hit, it has been a really hard time getting materials. Our suppliers are short-staffed and short of supply on the manufacture level. Even ordering online is difficult in getting supplies." [#AV224]
- A representative of a majority-owned construction company stated, "There are just too many new contractors and low pricing that's not suitable for this market. There's an oversaturation in terms of new contractors. They're offering services that are far below the average going rate. I have a feeling that some of them are either unlicensed contractors or licensed but not paying their employees any workers' comp[ensation]. The rates should be higher than they are. We're losing business to new companies because [they are] offering way lower pricing, but I have a feeling that, again, they're not licensed and/or not paying workers comp. But I can't confirm that opinion." [#AV234]
- A representative of a veteran-owned-owned construction company stated, "Permitting process is getting more automated, to get information is getting difficult to speak to someone. More is obtaining employees because they have to be qualified, they are journeymen." [#AV243]
- A representative of a Hispanic American woman-owned professional services company stated, "In the consulting sector, the effects of COVID have been ongoing. There is a lag in the supply chain and employee availability that still impacts the scheduling of permitting and regulations projects." [#AV271]
- A participant in a focus group stated, "One of my friends who is a restaurant owner, he's Latino and he has been trying to get this construction permit for him to expand his restaurant for one year, ...

and he's just trying to expand his business. But there is nobody that can help him. People don't know whether he should go to the city or to the county." [#FG1]

11. Learning about work or marketing. Forty-nine business owners and managers discussed how learning about work opportunities is a challenge, especially for smaller firms, and the difficulties they have marketing their businesses [#1, #2, #3, #6, #7, #9, #10, #12, #13, #15, #17, #18, #19, #21, #22, #23, #25, #26, #27, #30, #31, #35, #36, #37, #38, #39, #41, #44, #54, #55, #57, #AV, #FG1, #FG2, #PT5, #PT13, #WT17]. For example:

- The Black American owner of a construction company stated, "I think the next step after that is maybe to see a list of projects that [are] on the on the books that I might be able to get a chance to bid on. I think once I qualified ... I'm hoping they will send me a list of availability of jobs that might be out there and say, 'Hey see if you qualify for this job or put in a bid on this job.' ... And they will say, 'Hey, join our website, and you'll get information about upcoming jobs.' And I think if the city, the state, or the government works that way where they have already assigned architects or general contractors that are actually putting out the bids under government specifications. I don't know that yet. But that would be a good chance to say that if you qualify, here's some opportunities for you." [#1]
- The Asian American owner of an MBE-certified professional services business stated, "The state pretty much doesn't encourage like any kind of marketing. ... [With federal work] I can pick up the phone and call the small business and talk to them, and that's the marketing that is allowed. Whereas with the state government, when you want to reach out to a procurement officer, they'll basically tell you, 'Wait till you see an RFP, and then contact us.'" [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "About a year ago, we did hire a firm where basically they would help do searches for us, and also keep track of like primary contractors in need for subcontractors. Ultimately, it wasn't very fruitful, at least for the type of services that we do. ... For me, I think I had a little bit of an advantage just because our field is very specific and very small. And so, there's very specific places where I can go to market, and where my community and my people are. ... Searching for bids take[s] some time, first of all, to get familiar with, like, what keywords are being used, especially for my field where it's more specialized, but people are using some different words when they're describing what they need. ... Also, we've signed up for like alerts for things that should be a good match. Some of what we get is like, I'm not even sure how that made it to us. You know, like interstate paving or something like that." [#3]
- The non-Hispanic white owner of an ESB- certified construction company stated, "Just getting enough staff to finish the work on time and get our name out there. ... The better opportunities are determined by networking, building a relationship, and then those parties will contact us to help get the name out was reaching out on some proposals. ... Firms show an interest in the projects, but have since learned that by that time, many of the firms have already decided on who they're going to have on bench." [#7]
- The non-Hispanic white owner of a WBE-certified construction company stated, "You definitely have to seek those out yourself. You know, the agency, even the municipalities don't really advertise those too much, except for like, the daily journal commerce, typically those projects are

advertised, but we're not getting invites to bid on those. We have to seek those out. And that's pretty typical for public work." [#9]

- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "My husband and I have this phrase, it's called pounding the rock. And so just getting out there meeting people." [#12]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "When we go after something, it would be like if the state puts out the office supplies, which they're going [after] that's one that we will fit on. For the office supplies that others bid [on] that are out there. We kind of pick and choose if it's worth it to us to go to all of that expense. ... We go out on a lot of that is through trade shows that I go to within the Indian community. I will send local native networking groups." [#13]
- The co-owner of an ESB-certified goods and services company stated, "They buy it because they trust us. So, we have a marketing arm that sends out emails and all of that. But people don't buy from email. Rarely do we have someone buy anything from our website. They see what they see, and they build a relationship with us. We're in the middle of a relationship right now where we just started the work. We started talking to these people, they found us online, we started talking to them 18 months ago. And we just started a project two weeks ago. Every time there's all these electronic barriers, spam control, and all of that. So, every time a new update comes through on one of those, we have to rebuild. We have to call people and say, 'Are you getting our emails in?' That's time-consuming. When we should be whitelisted because we're [an] Oregon business. We're valid. We're in the state registry. And now people aren't even seeing that we're doing a workshop next week or in three weeks." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Making sure I had enough business [was a challenge due to COVID]. But I see everybody by phone. So... It's more had to do with other people's pocketbooks." [#17]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Marketing is always a challenge." [#18]
- The owner of a majority-owned goods and services company stated, "Our community here is the only thing that helps us or supports us. It's not like we're a grocery store where there's a need for people to come in and get consumables. ... We make a little bit on our shipping, [but] not much. So, we don't have something in our store where people really actually have to come in to get like on a daily basis, like food or gas. There's a small group, and we have figured out in the last four and a half years that maybe two-thirds of our community don't even know that we actually are here in this small community. You know, it's 5,200 people. ... We have people come into this store that have lived in the community for 12 years go, 'I didn't even know you existed.'" [#19]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Smaller businesses can't seem to get some of these people's attention. ... I don't think it has anything to do with status ... I just think it has to do with political connections. It's a very tight-knit community here. It's very hard to break that barrier to get noticed." [#21]
- The Black American woman owner of a professional services company stated, "Locally, Portland's a small city, so it's kind of easy to network, but for people who are new, [it's] not so [easy]. ... I'm lucky because I run into these people, but there are instances where sometimes you can tell they

have that one person that they always call on, and there's not enough opportunity to circulate around. That's why I'm so big on the whole freelancer network." [#22]

- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "The hardest thing when you're new and getting started is people don't trust you. They're afraid to use you because you might cost them money. ... I got a lot of work, but it took me a long time to build my reputation with the prime contractors." [#23]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "I don't know how to find anybody. ... I'm scouring all these RFPs trying to find contacts and saying, 'Hey, I see you're interested in this RFP. Here. I can help you.' But they don't [respond]. There's no connection. ... I know that there are companies out there who need what we do, but I don't know how to connect to them. There might be programs out there whose goal it is to do that, but as a native business, I've sent out stuff to the organizations that are specific to native businesses. And it just goes nowhere. ... I've tried Google Marketing and stuff like that. The problem was stuff like that, as with a lot of the public marketing, is that it just leads to tire kickers." [#25]
- The Hispanic American owner of a construction company stated, "No, [the most difficult thing is] not so much the language, but knowing how to bid or where to go, who to talk to, where I have to go. I don't know where those places are." [#27]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "OregonBuys and when I worked through GCAP ... they have someone who works there who has designed a lead pulling thing. And so, I get a daily lead email from them, and then I'm in OregonBuys under certain categories. So, I get those notifications and I make a point to open everything that's relevant, because if I open it, I continue to get the updates. So, if it mentions media production at all, I'm like, 'Give me those notifications!' The other place I get a lot of those sort of leads is newsletters. I'm subscribed to so many newsletters, whether it's like Chamber of Commerce stuff, professional development groups, some organizations that are about BIPOC entrepreneurship. And I tend to pour over those like a hawk. And I'm also in a couple mailing list groups, one of them called Radical Communicators. It's just about communications professionals who have progressive politics. There's going to be a lot of job leads in there. I'll frequently try to network ... this isn't always public, but I'll try to network with an organization. If I see that they're hiring talent, that's adjacent to what I do. So, if someone's hiring a media coordinator or a content manager or a marketing manager, I'll make a point of networking with that organization, because I know they're trying to make some of that sort of work. GCAP has [a system] that sends me leads [and it] is international, which is a little confusing. I get leads through that all the time. That's like, the government of Seoul, South Korea needs video production. I'm like, okay. I don't know what to do with this. I actually, I reached out to one that was Canadian and it was in [British Columbia] and I was like, 'Hey, are you considering American contractors for this?' And they were like, 'Hell no.' So, I don't totally understand why that lead generation thing isn't more localized. It's very impressive. Clearly someone working for GCAP really knows how to pull from public databases and build a system that gives you leads. They did something very impressive, but I do wish it was putting me in touch with more local opportunities. Maybe if they only did that, there wouldn't be many." [#30]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "Because we're a B2B [business-to-business] business, we don't have to go to crowd with a large customer[s] ... The marketing strategy, that's the barrier we have to overcome." [#31]

- The Black American owner of a construction company stated, “Relationships, relationships, relationships ... If you’re just getting started, ... you just have to have the relationships ... you could do the work, but if nobody will give you a chance or if they act as gatekeepers ... that makes it hard in construction in general. ... It goes back to relationships. ... The prime or the owner, they can put specs in it that would limit the competition so that they can end up working with who they want to work with. So, for minority contractors just starting out that don’t have the relationships [or] experience, then you have to run that gauntlet.” [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, “As a subcontractor, when we attend the contractor’s meetings. ... That’s where we find out what projects are going on around the city, whether it’s government or just development.” [#36]
- The owner of a majority-owned goods and services company stated, “One of the biggest problems we had was building relationships, because people were switching jobs. Like, you’d be talking to a guy, he moved to another company, and you just cannot build a relationship when you don’t know who’s working with what company.” [#37]
- The owner of a majority-owned construction company stated, “A lot of these young firefighters around here, I put ink in their task books when they grew, when they were coming through the organization. So, we’ve got a really good working relationship. ... Knowing the people who’s putting together the contracts and then them knowing me and then comparing that with competitive industries rates was the way I was able to get my initial contract. And ... it wasn’t easy. It took a couple years. I sort of really sort of evolved into that.” [#38]
- The owner of a majority-owned goods and services company stated, “Everything is online now. We used to have to go to a plan center, get the plans and review. Now they’re all online, and we’ll get invitations to bid from those general contractors. Well, not everything is put out for advertisement. Sometimes if there’s a construction manager or general contractor, they’ve already negotiated their price with the architect and the school district to build that school. They might not advertise it, they’ll just send it out to the people that used to work.” [#39]
- The non-Hispanic white woman owner of a professional services firm stated, “[Emerging businesses] don’t know how to go out and look for work on their own. And if they go with a marketing company, that’s a shot in the dark. A good marketing company ... won’t bring you work, but they’re just gonna give you a good look. ... It’s word of mouth. It’s your reputation. But when you’re starting out and you don’t have that, it’s hard.” [#41]
- The Native American owner of an MBE- and DBE-certified construction firm stated, “For me, it was just kind of an admission, ‘Hey, I need help here. Can you help me through this process, or point me in the right direction of what I need to learn to do this better.’ I don’t know any specific thing that’s helped me build those relationships other than trying to be vulnerable in my own way to just admitting that I needed help.” [#44]
- A representative of a majority-owned construction company stated, “I almost missed a recompute because somebody at the city put the NAICs code under miscellaneous. I hadn’t signed up for miscellaneous. It was a recompute of a contract we’d had.” [#54]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, “Being relatively new is tough, I think sometimes working with some suppliers. So, having shared values really goes a long way for us. A lot of times [we get work] if we have a connection through a

trade association; we're a member of many minority-focused construction trade associations in Portland." [#57]

- A representative of a woman-owned professional services company stated, "The biggest barrier is in finding projects." [#AV15]
- A representative of a majority-owned goods and services company stated, "Obtaining work is more difficult. We see the economy dropping. Businesses closing just recently. Just in the last couple months we have been seeing this." [#AV25]
- A representative of an Asian American-owned professional services company stated, "Obtaining work is hard. The thing is, it's very difficult to get to know somebody. The big engineering companies don't reach out to me. All I see and hear is contractors reaching out. They don't look at what I'm doing, they just ask, 'Want to construct a building with us?' Big companies don't reach out to minority-owned companies. The system doesn't work. I can't reach out to them, and it's hard to get ahold of management." [#AV43]
- A representative of a majority-owned professional services company stated, "For me, just being aware of opportunities that are out there, ahead of time. That would be it, being that we are a small firm. Not being aware of coming opportunities until they are posted." [#AV89]
- A representative of a majority-owned professional services company stated, "We've been trying to figure out whom to contact in terms of supplying services and products to any kind of [government] office and agencies. We've tried to get back in with the school districts, and, again, we just don't know whom to contact anymore." [#AV92]
- A representative of a Hispanic American-owned goods and services company stated, "Difficulty obtaining work. I haven't been able to connect with private sectors." [#AV111]
- A representative of a Hispanic American veteran-owned-owned goods and services company stated, "Marketing is one of my key things. I market because I meet the business. I'd like more information in terms of minority marketing. What is less expensive for a minority to market? I use television as an example. I am a minority marketer on television. I pay lots of money for those commercials on the TV. I always assumed that television/radio needed minority businesses and they would help with some of that expense to help relieve that business. We're not McDonald's, Wendy's or Taco Bell. I'm a little man who advertises on TV. ... My little ad ... I'm spending \$6,600. Do you know how many tamales I need to sell to make up that money?" [#AV179]
- An Asian American representative of a trade organization stated, "I've been in the field a long time. So, I don't necessarily feel like I need to network and don't really feel that that's helpful for me to really find folks who have the same mission and values. ... I don't spend a lot of time networking and marketing because I'm a sole proprietor." [#FG1]
- A Black American representative of a trade organization stated, "In Oregon, one of the biggest things in business that helps people succeed ... is the development of relationship. Relationships are huge. And the ability for people to have mechanisms, organizations, or partnerships, really are extremely helpful too, for people to connect with others." [#FG2]
- A participant in a stakeholder engagement session stated, "It's more effort on my part to find things out, to actually get inside the fence, and then access relevant information. It's just about more effort than it's worth. Thank God I get a big enough pension that I can just spend my time in meetings like this, or doing such things as I described to kind of see what the layout is. But if I just absolutely had

to make a living from this business, I'd be having a lot of difficulty, if I didn't get the assistance that I do being disabled and retired from the military." [#PT5]

- A participant at a stakeholder engagement session stated, "I looked up all the city municipalities. I got those email lists. I called them. I emailed them. I set up appointments. I walked into their offices, shook their hands. And then, actually, one day, I always take my dogs to the park, and I noticed, I recognized the guy from his picture always on the city website, trying to get a hold of these people, by chance. My husband made me go back and talk to him. He's like, 'Go talk to him.' And that's how I got my first job with the city." [#PT13]
- A representative of a business stated, "Even many of our statewide candidates are not that good at 'job creation' especially when they ship their multimillion-dollar political campaign advertising services/needs out of state. In other words, the few of us local media buyers who do have political campaign media buying experience have found it nearly impossible to earn that work any longer." [#WT17]

12. Unnecessarily restrictive contract specifications. The study team asked business owners and managers if contract specifications presented a barrier to bidding, particularly on public-sector contracts. Thirty-two interviewees commented on personal experiences with barriers related to bidding on public-sector and private-sector contracts [#2, #4, #5, #8, #9, #16, #29, #32, #35, #39, #44, #60, #AV, #FG1, #FG2, #FG3, #WT1, #WT20, #WT5, #PT8]. Their comments included:

- The Asian American owner of an MBE-certified professional services business stated, "There is this MSP contract. And with the MSP, sometimes you do staff augmentation, where you're billing by the hour. And what happens with that, billing by the hour, because of some constraints with the state of Oregon with DAS as a small business, I can work on an hourly contract for only 1,039 hours in a 12-month period. So, say, if I start a project on December 1, until next December, I can work only 1,039 hours. So, I can work with the Oregon Department of Transportation, I cannot go and finish our six months and then for the next six months. ... You expect somebody to just stay out of work for the next six months. So, that's one big barrier. This doesn't happen with other states because we are also a vendor with other states. ... If you're focused on the state government, there are barriers because of the way the contracts are written. That itself makes it very difficult. So, the barrier for entry to for small business to work on state government contracts is very high. ... If you look at an RFP, or a statement of work posted by one of the agencies, they are in the process of selecting a vendor, that contract is going to be between \$10 and \$20 million. But in that contract in the statement of work, there is no mention of anything which says that, yes, we encourage you to work with a small business, local, small business on this contract. Because what these [prime] vendors are doing is any way they are subcontracting. Either they're doing the work in other states, or they're doing it offshore. ... When I see the RFP, I know it's not written for me. There is already somebody in mind. ... We've worked with the MSP vendors, they are supposed to carry very high insurance, they're supposed to carry like more than \$10 million in insurance. And we are a small business, we have like \$3 million or \$4 million in insurance. So, what the MSP vendors do is charge a fee on each of the invoices. So, personally as a small business, we have paid like I would say more than \$100,000 in fees. Just in fees. That is a lot of money for a small business ... If this contract was not written through an MSP vendor, if it was written on OregonBuys, I wouldn't have to pay any fees to somebody for processing my invoices and all that." [#2]

- A co-owner of a majority-owned construction company stated, "It's just a lot. And after the numbers come back, I still have to go over stuff. And I'm like, I don't want to pay somebody what they want out there for that type of work, when I still got to do 50 percent of the work. The estimating phase is not the hard part, the hard part is once the contract has been awarded. And now you've got to go through submittals. And you've got to read the contract and make sure that the contract reflects all the wordage and stuff that you have in the estimate stuff. There is no third party that can do that. And then at the same time [you have to protect] your company." [#4]
- A representative of a majority-owned goods and services company stated, "It's about sharing of power, and ensuring that those smaller minority owned businesses have a voice. That the power isn't so unbalanced, that they don't have fair terms in their contracts. ... I was recently on a big project with a team and worked with two very large architecture firms for this project. And I had to hire a lawyer to negotiate a contract; that took eight months. By the time we negotiated the contract, two weeks later, the contract was over. And, you know, I'm just me and I had to [pay] \$10,000 out of pocket, and I was getting a deal from this lawyer. And it was ridiculous. It was like this [prime] firm was jerking me around." [#5]
- The non-Hispanic white owner of a WBE-certified construction company stated, "Sometimes it's hard to meet their schedule, because maybe you're a small firm and you don't have the right number of guys or gals to do the work. Being able to attend all the meetings that they require and do the work." [#9]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Yes, we're sensing that all the time that that the decision maker on the government agency side has a favorite person in mind. But they have to go through the bid process, they have to go through the proper procedures that are there because the prior contracts are about to expire. And they've gone through [the contract's] past two renewals. And so, it's at the end of the three-year contract with two one-year renewals, for instance. So, it's the end of the five years, and they really, really love the people that they're working with. But they have to go through the process again. And so rightfully, sometimes that agency wins the contract again. And so, part of me says bravo to them." [#16]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "It's kind of ridiculous, to be quite honest, because people need help from consultants ... but a lot of times they don't know what they need. So, they're trying to solve the problem with the same lens of the problem. And so, to me, those RFPs are ridiculous. Some of them are ridiculous because they're trying to solve the problem with the same mind that created it. So, instead of saying, 'This is our issue, how would you do this?' They say, 'we want you to do this, this, and this, and we want you to do it in this time' It's like, okay, so you have a plan, why don't you do it? It doesn't make sense to me." [#29]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "The other thing is definitely when they have an approach toward minority business, they develop RFPs or contracts that have a tone of not trusting. So, they add more requirements in terms of insurance, in terms of liability. ... Does that equal the value of the budget that they're offering you? So, in a way, you're already trying to defend yourself, but also trying to hopefully pay your bills based upon the budget they're giving you. And so, it's a very condescending type of approach. Sometimes when they hire minority firms or organizations the scope of work doesn't equal the dollars or the budget involved. And from a market standpoint, it's more like, this is what we have,

this is what you do. The RFPs, the budgets, the requirements sometimes are more extensive when it comes to certain projects that focus on minority populations." [#32]

- The Black American owner of a construction company stated, "You use taxpayer dollars to limit competition. There was a point in time where [there were no unnecessary] requirements associated with [contracts]. Somebody went ahead and put them in there. ... I've been on the owner side, and I have an education in civil engineering and so I'm looking at [the requirements]. I'm like, wait a minute, some of this stuff you just use a boiler plate contract document that doesn't really apply this particular work. All it serves to do is limit the competition by onerous or unnecessary specs that weren't there in the beginning." [#35]
- The owner of a majority-owned goods and services company stated, "Now, I'll bid on a job. I'll never get a bid tab. I'll never know if I was low, middle, high. I don't know. It's just crazy, and it costs a lot of money to do it that way because nobody's really watching the buck. And then they stick in a bunch of qualifications for contractors that frankly, it's just more money. And I really don't see the need for it. ... Not the entire project in order to keep my doors open and my company. I feel like ... if you have to hire this many people, minority, or women, then give me some resources to find them. Because I've never found them. I'd use them. I'm short on installers because I can't find anybody who wants to get their business license, jump through all the hoops, do all this stuff, and do work." [#39]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "I keep seeing these requirements increase and I'm just like, it doesn't make sense. Or then, everyone says, 'Well, we're breaking down barriers.' No, you're not. You're making them harder. Those things are expensive." [#44]
- A representative of a majority-owned goods and services company stated, "Projects that are federally funded [in city] ... they're not allowed to use our concrete anymore because of certain stipulations that they require to go green. Because we use pure cement to make our concrete instead of using like flash or additives to meet the carbon emissions footprint. It impacts not only us, but our community and our contractors that use us quite often on those projects. They get really frustrated that they can't use us because of these stipulations that now federal and state are putting in place, even though we are a green company because we don't have any waste. [We] went into all this green stuff and why we're green and tried to get it approved and everything, and they just said no, it wasn't going to happen. That's just with [city], the feds have a different requirement for their concrete. They require an SR mitigation, which means that we have to put lithium in the concrete to mitigate." [#60]
- A representative of a woman-owned goods and services company stated, "We used to try to do bids though the state. They deal with paper, and they are asking for a specific recycling content of paper that is unattainable. It is too costly. We were never estimating apples to apples. The pricing was too competitive. The problem with us is we were in Southern Oregon and a lot of the jobs had to be delivered to the Northern part of the state, so we had to deal with shipping costs, which kept us out of the market." [#AV56]
- A representative of a majority-owned construction company stated, "We work with a lot of government agencies in Oregon. Our experience has been fairly great and we have learned a lot of things. We've also been able to educate government agencies about the types of concrete we distribute. It has opened up opportunities to make road work more efficient so costs become

minimum to the state. In the city of Eugene, we have failed to be able to produce concrete for specific jobs because of fine print and stipulations within the city codes. I think it's for the federal government. They ask us to use an additive instead of using pure cement because they are wanting to go green, but we already are green because there is no waste just all concrete. It is metered to the project, and we don't make extra." [#AV85]

- A representative of a majority-owned professional services company stated, "We don't do proposals for very many state or government projects because we find the qualifications and the process to be too time-consuming for the way we do business. We found the paperwork associated with the bidding process to be time-consuming. We find enough work to keep us busy in the private sector. We managed to stay busy during the pandemic." [#AV101]
- A representative of a majority-owned goods and services company stated, "The rules for doing business with the state and doing business in the state are astronomical. They're costly and too much. It's a headache to deal with all the rules and regulations to do business with the state of Oregon. We have an inability to obtain work; the work is there but there are no quality workers to do the work. Parts are often hard to come by. The products and services are hard to come by with the companies we work with." [#AV125]
- A representative of a majority-owned goods and services company stated, "Difficult given regulatory oversight like DEQ. Creates difficulty from time to time with operations, growth, and expansion." [#AV127]
- A representative of a woman-owned construction company stated, "Good to have more clarification on electronic restrictions. Restrictions on technologies, particularly Chinese-branded products." [#AV132]
- A representative of a majority-owned goods and services company stated, "There is a private company called GovBid. They manage to procure a lot of local government contracts because of their name. We are in the same line of work. We run into situations where local county management can only use GovBid." [#AV155]
- A representative of a majority-owned construction company stated, "Sometime the requirements for a state job are challenging for a small business. The state tends to be a challenge for very small business to meet. And the product we provide, which is ready-mixed concrete in our specific area, is only available from very small businesses. There are no large or medium businesses in our area that produce ready mix." [#AV241]
- A Black American representative of a trade organization stated, "There is a requirement now on public agency jobs that workers must be covered by health care. It's a double-edged sword ... our members believe in people being able to be covered by health care, but from a competitive standpoint, it's a cost that almost prohibits them from winning a contract, because of the cost of health care. And because they are competing against larger entities who have group health care, and therefore their prices are a lot less." [#FG2]
- A representative of a trade organization stated, "They require very specific software that not very many people in this industry use, so I have to spend thousands of dollars just to get specific software that nobody helps me pay for." [#FG3]
- The non-Hispanic white woman owner of a company stated, "It just seems a lot more like jumping through hoops as opposed to getting a contractor out there to put their crew on site to feed their

families. It's more like, 'Oh, we have eighteen forms you can fill out. It has to be perfect on this date, at this time. And we've lost the point of what people go out to do work for.'" [#PT8]

- The co-owner of a professional services company stated, "Another prime example of this practice was the IT HVAR [IT Hardware Value-Added Reseller] contract that the state of Oregon established with [technology company] in 2016, replacing the NASPO agreements that we used to be able to sell under to state and local and education. This effectively set up a monopoly, shut us out of that market, cost us our hard-earned relationships with dozens of accounts we had established over the years, and we lost millions in sales over that six-year contract period. All that business was routed to [technology company] from 2016 to 2021. This time it wasn't just the larger accounts, it was all the business in the state, local and education market. We are just now trying to start all over again to build relationships, and now that the contract has expired and it has not been renewed, it is expensive and time-consuming. It's going to take years to recover from this and of course the pandemic and supply chain issues are also having an impact." [#WT5]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "[There are] bizarrely written RFPs that contain unobtainable goals and the staff doesn't want to recognize that they don't know how to write an RFP. Most are boilerplate and it creates barriers, because those requirements are either legally dangerous for the contractor (high degree of failure due to expectations) or can only be executed through a large prime contractor due to administrative overhead." [#WT20]

13. Bid processes and criteria. Eighty-one interviewees shared comments about the bidding process for public agency work. Business owners or managers highlighted challenges with the process [#3, #6, #10, #13, #15, #16, #18, #20, #21, #23, #24, #25, #27, #28, #29, #32, #33, #39, #40, #43, #44, #46, #50, #55, #56, #AV, #PT3, #PT4, #PT7, #PT13, #WT2, #WT9, #WT22, #WT28]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "The systems are hard. And it [is hard] both intellectually and also ... the way that it is structured. It's a bit antiquated, the menus are not intuitive. And depending on what you're applying for, and where. For example, I've had the opportunity to work with [many departments]. None of those are in the same place in the government. And I've had three very different experiences of applying, like putting the bids together going through the process. Do they use OregonBuys? Do they not? So, it's never the same process, even though all of those were the state of Oregon. And depending on what it was and what they needed, et cetera, the more changes and the more antiquated it is, the more time it takes. And that's again, that's like free time. Right? Like, reimburse for it. So, there's that cost benefit analysis of is this proposal worth it? Do I think I'm going to get it? What is a proposal that is of a large enough cost that it makes sense for me to spend 10 hours putting it together and trying to put it through the system? So, there's the barriers and the detractors are increased with those factors. I think we got there is no allowances for any sort of neurodiversity or physical accessibility, especially in the proposal process. And I mentioned that specifically for myself because I do have a specific flavor of neurodivergence. And as part of the proposal process for the city, there was a form where it was like, even if it doesn't apply to you, you're still supposed to sign and also submit this form but separately from the proposal that you're supposed to put through this other way. And with my brain, it was like this form does not apply to me. And I completely forgot about that requirement. And so spent the rest of the time on the proposal, it was a great one. But they ultimately couldn't review it because of that requirement to still turn in that form that had nothing

to do with me. So, it was like, okay, like that is very much a symptom of how my brain works. And it seems like such a stupid thing. In this very specific case, there was no allowances for that.” [#3]

- The Hispanic American co-owner of a woman-owned professional services company stated, “Understanding the bidding process for anything related to the government is something that we had not only haven’t managed to do ourselves, but we also haven’t really been able to locate anyone that we feel is genuine in regards to that. So, it’s sort of a wild west out there. Anytime you try to Google contracting, or government contracting consulting, you just get a big list of people that half of whom don’t really feel like they’re legitimate, and then you don’t know if the other half are. So that one has been a challenge. It would be nicer to know how to navigate that. ... We’ve only really made it into that bidding process maybe once or twice outside of the other ones, and we never really got any response. So, I’m assuming that we are just so far outside of the scope that we didn’t warrant a response. It’s just, not understanding the necessarily the format that everybody else is putting their things in. And I do now understand how to navigate things like the GSA and see what contracts and schedules have been awarded there. So, I can see what other people have submitted, which is nice. ... And I also don’t know if there is an Oregon like equivalent to the GSA. Like if ... there a place that all of the contracts with the state of Oregon are and they’re searchable by NAICS code or whatever it might be. And I can see everyone who’s tendered on everything with the state. I don’t know if that exists.” [#10]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, “It is challenging just because we don’t have a whole lot of people. We’ve had to cut back with the COVID. And now we just have to try to start rebuilding the company. It’s a very time-consuming task, whether it’s furniture, which probably takes months maybe to bid to office supplies, that you’re at least looking at a couple of weeks, maybe a month to put all the pricing together, and fill out all the forms and answer all the questions that each one of them ask, but definitely we have to pick and choose which ones we do when they do make it so detailed from time.” [#13]
- The co-owner of an ESB-certified goods and services company stated, “Much more difficult. ... There are so many hoops you have to jump through. ... I had somebody review a contract that I didn’t get, and they said ‘Well, you know when you answer an RFP, you have to [respond] question by question.’ You can’t say, ‘This is how we’re different, and what will happen if you engage with us. These are the outcomes that we expect to see. This is how you’ll see it played out in your organization.’ You can only answer their questions. You can’t give them the differentiation, or the reasons why their people would get better [services]. With the state, bidding for contracts is a challenge. And it’s just time-consuming. Oftentimes, you don’t know what they’re looking for. Sometimes I’ll read an RFP and say they’ve already decided who’s doing this RFP. So, I don’t know why I would respond to this. But sometimes I do because we fit in the niche. And I need to get my name in there as a niche product.” [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, “The RFPs ... can take a week and a half. ... [I’d] like to see some state employees spend 40 hours to try and get their job. ... They don’t even give it many times you don’t even get the courtesy of a reply communication. You will get one sometimes that we’ve received your proposal. Thank you. That’s all you get sometimes. So that doesn’t help. ... It’s too much work that goes nowhere. ... Bidding for state contracts is an absolute nightmare.” [#16]

- The Black American owner of an MBE- and DBE-certified construction company stated, “The amount of paperwork involved is challenging. A lot of times it takes me out of the field and getting at the table filling out forms and reporting, rather than actually out doing the work.” [#18]
- The Native American owner of a construction company stated, “It’d be nice if I could have access to the bid documents after the bids close. I don’t know why all the bid documents are available prior to bidding and then have to disappear after the bid is completed. ... The state DOD has to close their bids on Thursdays. So, I may become aware of a project that I’m bidding on Tuesday. From my motel room, I’m looking at it through my phone. Or if I bring a laptop I guess I have that. And then I put a number together in QuickBooks and I send that out, say, on Wednesday. And then, you know, next week, I’m informed that I want a bid [from your company to be a subcontractor]. And I say that’s great. But now I don’t have access to the bid documents. ... And it doesn’t make sense ... the bid documents [are] public records. [It] really doesn’t make sense for those to be unavailable.” [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, “The RFP was asking for, like really critical information about our overhead cost, ‘if you have contractors, what are you paying these individual people? Who are they where are they from?’ ... I’m not going to give you that information.” [#21]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, “I don’t really have problems doing that. It’s just a matter of the work, checking ... every day ... and contacting people and finding out they’re gonna be bidding it. Taking a lot of time putting bids together that you don’t ever turn into work because they end up using somebody else ... That’s a cost that a small company incurs in bidding and doesn’t always result in work.” [#23]
- The Asian American owner of a professional services company stated, “RFP processes [is] just [to] write all these paragraphs ... I get these requests and there’s a 35-page RFP with 30 bullet points that I have to answer ... it just it’s too much work.” [#24]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, “I don’t know how to mark it up for the state. ... The state says, ‘Oh, we want you to do the work.’ I don’t have a clue how to bid a project. ... I think that they know that they can actually get a better product from a company like us. ... A [potential prime] knew right immediately we weren’t going to get in. ... But she couldn’t tell me ... because of the requirements for law. So I go in, I get my butt kick[ed]. I embarrass myself. I actually lose credibility in the industry. ... If I’m running into this everywhere I turn, I’m not going to be here in five years, so you’re not going to see that grow. So, until you stop the same process over and over again.” [#25]
- The Hispanic American owner of a construction company stated, “No, [the most difficult thing is] not so much the language, but knowing how to bid or where to go, who to talk to, where I have to go. I don’t know where those places are.” [#27]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, “We have certainly received requests for proposal with a very short, let’s say a week deadline to respond with very specific parameters where almost, it does seem like the RFP is written for a specific organization. So again, in those respects, we don’t respond because we don’t feel like it’s a good use of time to do that. It doesn’t seem reasonable, when, again, you receive a very lengthy document and you’re expected to respond within a week.” [#28]

- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, “Early on in my business, I submitted a lot of RFPs, and I never got one [project]. ... I was spending a ton of time. And so, to me it’s like a waste of time at this point.” [#29]
- The Hispanic American woman owner of an ESB-certified professional services company stated, “All the paperwork involved can be a hindrance that many just don’t wanna deal with. When it comes down to bidding on contracts and the timeframe from which you access to submit a bid can be so short, that if you don’t have the experience to be able to submit that bid in a short period of time and submit a good bid that you don’t go bankrupt over the compliance for COBID, [it] can be very overwhelming and minority business don’t have the personnel.” [#32]
- A representative of a majority-owned construction company stated, “We had an example of someone who bid a job a week or so ago and he didn’t bid it by the format that the owner wanted. ... And the guy who was in our office who was working on it, he was trying to work some magic, you know, like one of those programs where you tie the strength to the picture and you make this web. And he was trying to figure it out and I told him I would’ve just thrown it away. ... His prices weren’t that far outta line, but he didn’t [format it correctly], ... we didn’t know that until after we had more time to look at his quotes. So, that’s an example where it’s a real barrier when somebody actually bids a job and then, you know, if it’s a unit price job and you just give me totals, then I have to do all this extra math that I shouldn’t have to because you used those unit prices to multiply by the quantity to come up with the total. Your bid’s due in 20 minutes and you got 20 minutes to figure it out, that’s where when you start having problems like that, ... it doesn’t work. ... We can’t expect if we give someone a week and we’ve had three weeks, to think that they’re gonna be in any better shape than anybody else. ... We gotta get those solicitations out early so people have the [time] to make the decision to, say, ‘I wanna bid this job’ or not.” [#33]
- The owner of a majority-owned goods and services company stated, “Back in say ... 2002 ... you might be able to get an inside track on saying, ‘Hey, why don’t you give us a voluntary alternate because might not be low bid. But we have items that our competitors don’t have. So last thing you wanna do is find out I’m \$5 high and you don’t use me’ ... Now ... it’s pretty much just low bid. And nobody even wants to talk to you about advantages or why your stuff might be better to at least have a voluntary alternate bid.” [#39]
- The Hispanic American owner of a professional services company stated, “Even though everybody’s cordial, everybody takes your bids, everybody does that. But a lot of time in business, their mind is already made up because the players are cemented in.” [#40]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, “It’s kind of a time-consuming thing. It’s not always the easiest to find those announcements of when those things are being released and then responding to them. Writing the proposal ... it takes a week of unpaid time, basically.” [#43]
- The Hispanic American owner of an MBE-certified goods and services firm stated, “Another big problem as for small business owners is that there’s a lot of spam out here. There are a lot of spammers and a lot of scammers. They’re typically either overcharging for their services or they’re trying to give you some information that they think they know that isn’t too good. You also can’t listen too much to the procurement offices and the government agencies that are trying to help you because they don’t really know what it’s like on this side to do, to actually procure the contract.” [#46]

- The Black American owner of an MBE- certified professional services firm stated, “There’s 50 different vendors [scraping for opportunities] ... and I think that is the reason for the noise. There are so many vendors out there doing that, that everybody got the same email, everybody got the same thing, and they’re writing to the proposal. ... Whenever they’re coming up with ... their purchasing criteria cards for example, they don’t actually look at the values of the organization. If they were to look at the values of the organization, then they might have a different card. ... If things were independently reviewed, then different decisions would be made ... if everybody under the public entity is supposed to follow trustworthiness and all, ... that should be part of the purchasing criteria and it should also be part of the review criteria.” [#55]
- The non-Hispanic white owner of a WBE-certified professional services company stated, “For the state, the proposals are cumbersome. They are lengthy. There are a lot of hoops ... I have colleagues who will not do it anymore. They’re tired of doing the RFP process because it takes so much time, especially if you’re a small entity. ... I compete against some of these larger 30-member firms, even local ones, but I don’t have a department that’s set up to respond to RFPs ... for those of us like my peers, we’re all smaller entities ... we’re doing it ourselves. And that’s a lot of work to respond to those RFPs. ... Being prequalified, it’s not even a guarantee that you’re gonna get it.” [#56]
- A representative of a majority-owned goods and services company stated, “Difficulty with Forest Service. Because anything over [a certain] dollar amount must go through a contract process. We have more than enough work most of the time.” [#AV5]
- A representative of a majority-owned professional services company stated, “Difficult for requirements for proposals. We don’t have time to do that. We do not get enough business in Oregon, as getting in other states. Possibly because I am foreign maybe.” [#AV16]
- A representative of a woman-owned professional services company stated, “Barriers – Timely response on bids, hard to navigate portal online, long response time on RFP.” [#AV18]
- A representative of a woman-owned professional services company stated, “Sometimes for quotes, not much time is given to put things together.” [#AV19]
- A representative of a majority-owned professional services company stated, “It’s a lot of paperwork. ... It’s just a very time-consuming process.” [#AV21]
- A representative of a Black American-owned construction company stated, “Not simple: [the] application process, get stuck on wording, same question but different wording, in another section of the application, very difficult.” [#AV22]
- A representative of a Native American-owned professional services company stated, “The lack of understanding and the RFP process so structured, [it’s] really hard to work through. So much documentation [to] just get into the bidding, 50/60 hours to put a [proposal] together.” [#AV23]
- A representative of a woman-owned professional services company stated, “We have found Oregon to be very difficult to work with. Little response to proposals when we submit them.” [#AV29]
- A representative of an Asian American-owned professional services company stated, “I don’t try for much work in this area. The state process is a month long, so not worth my time really.” [#AV30]
- A representative of a majority-owned goods and services company stated, “I have a couple of problems. I have been trying to get ahold of the state of Oregon for a while. We think our competitors are not paying the prevailing wage rates, and that they have not been upfront with

some of those items. We think we are being low-bid and would like more transparency of who is bidding, and better follow-through. There's so much. A lot of federal money is going to public schools, but there is a huge demand for massive paperwork and requirements that are running our subcontractors out. They are asking for way too much. They consider us to be the same as an electrician, even though we are only selling \$20,000 worth of lockers. We've got to do paperwork for a small little contract that includes massive background checks, apprenticeships, and so on. Our guys say they'd rather work in Washington. It is chasing our guys away." [#AV31]

- A representative of a woman-owned professional services company stated, "I feel that the contracting process is not easy to obtain. I have gone over jobs for state of Oregon, but difficult to navigate procurement process." [#AV36]
- A representative of a Native American woman-owned construction company stated, "So much rhetoric [in the] submittals and paperwork that it almost isn't worth it." [#AV40]
- A representative of an Asian American-owned professional services company stated, "When you've got to have a project, you need time to write a proposal. It costs close to 20-30k in time to write proposals, so it's not worth it, just to get a proposal together. How can I invest that much time when I might not get the project? Obtaining work is hard." [#AV43]
- A representative of a majority-owned goods and services company stated, "Sometimes procurement and listing processes are difficult to navigate." [#AV51]
- A representative of a woman-owned goods and services company stated, "We used to try to do bids though the state. They deal with paper and they are asking for a specific recycling content of paper that is unattainable. It is too costly. We were never estimating apples to apples. The pricing was way too competitive." [#AV56]
- A representative of a majority-owned professional services company stated, "We choose not to work with public entities because of the contract and procurement overhead associated with it." [#AV58]
- A representative of a majority-owned construction company stated, "A lot of times the bidding processes for bidding equipment takes to 20 to 30 times rather than dealing with a private entity." [#AV62]
- A representative of a Hispanic American-owned professional services company stated, "The system to submitting a proposal takes a lot of labor, so large, I just put them in pile, I work to see who gets the bid, then I try to network with them to subcontract." [#AV67]
- A representative of a majority-owned construction company stated, "We have submitted bids for [government] bids, process has been fine." [#AV82]
- A representative of a woman-owned construction company stated, "There is a lot of regulation. A whole lot of hoops you have to jump through. Tons of paperwork. Difficult to be notified of jobs coming up to bid. You have to be proactive. There [is] not a good way for me to see what work is out to bid. It takes a lot of time to locate and find work to bid on throughout the state." [#AV84]
- A representative of a woman-owned professional services company stated, "It is quite a cumbersome process. I don't spend a lot of energy on it. ... When an entity has several bidders, it seems to me as if the state already has its favorite bidder and they're just going through the motions with the other bidders because they're required to do so." [#AV89]

- A representative of a majority-owned construction company stated, “Red tape paperwork is ridiculous. The state has up to 100 pieces [of paperwork] to fill out for one piece of work and it is confusing.” [#AV91]
- A representative of a majority-owned professional services company stated, “It costs me more money to put a bid out than it’s worth.” [#AV93]
- A representative of a majority-owned goods and services company stated, “Paperwork lengthy, a lot to go through. We had bid for the government, and they wanted us to give them a bid of five years out. That’s impossible, and you don’t know what inflation is going to be like.” [#AV101]
- A representative of a woman-owned professional services company stated, “The biggest challenge is dealing with the level of bureaucracy versus work productivity. The contracting process can be burdensome compared with dealing in the private sector. This results in less products for the state.” [#AV136]
- A representative of a majority-owned construction company stated, “The state of Oregon gave one of our bids to another company, which was actually located outside of the state. The state gave them the job and, as a result, that unfair decision cost me 25 percent of my business. The bidding process at that time was controlled by someone who didn’t know anything about what they were doing.” [#AV139]
- A representative of a majority-owned construction company stated, “Found that jobs in government are difficult and cumbersome to bid.” [#AV145]
- A representative of a majority-owned goods and services company stated, “They require firm numbers and in this business, [it’s] hard to give them. In repair do not know until you go through [the site]. Hard to give hard numbers for [our] time.” [#AV145]
- A representative of a majority-owned professional services company stated, “In a lot of government work, you have to put it all out to bid. And that’s fine. Unfortunately, my feelings about the subject—and this is not from experience, it’s just my thoughts on the matter—are that those big bidding processes don’t come up with a lot of wiggle room to fix potential problems that we might be addressing. So, the process by which you win work with government agencies doesn’t allow for opportunity of discussion concerning how to go about addressing the need for the work.” [#AV171]
- A representative of a woman-owned professional services company stated, “In submitting or answering RFPs, their process is very lengthy. Sometimes, it is not even lucrative to answer, as answering would be a long project itself, especially for a small company like us.” [#AV172]
- A representative of a woman-owned professional services company stated, “Contracting process [is] very challenging. [For] state agencies, the process of procurement is very slow, long time, and competitive bidding is a specialty.” [#AV189]
- A representative of a majority-owned construction company stated, “Working with bids for the state and doing projects for the state are sometimes too bureaucratic and slow. We encounter too many delays.” [#AV206]
- A representative of a woman-owned professional services company stated, “The RFP process for my contract was difficult in that it was complex and confusing. ... The RFP was really the major stumbling block that I had. ... In term of getting contractors who suit the need, the most important part is having a clear, concise and accurate RFP. I look at my work from the standpoint of the user.

That's my job, to make things easier for the user in terms of their reading what I've written. But, as is, the RFP is just less efficient than it should be." [#AV221]

- A representative of a woman-owned professional services company stated, "My experience is that trying to bid as a sole proprietor, is that the amount of work asked is inordinate, so I mostly don't do it. In one case, we had a conversation, an information session, and I put an incredible amount of work into the proposal, and they gave it to two other huge companies. That's not worth it. I don't have staff and can't delegate. It's challenging." [#AV234]
- A representative of a majority-owned goods and services company stated, "It's just that the bid process is very cumbersome, and it always seems as if the person who had the bid before always gets the current bid/project. Sometimes the chase isn't worth the chase. Once the buyers get set in what they do, that's what they do." [#AV248]
- A representative of a service-disabled veteran-owned professional services company stated, "In order to bid any government work, I need to interpret what I am being asked for. If I get a bid, it is a two- or three-hour process. It's disappointing as a one guy shop, difficult [to] do all that and my job." [#AV251]
- A participant in a stakeholder engagement session stated, "I think that our biggest issue doing business and marketing our certification is that the people we are going up against are not actually certified in the same commodity codes that we are, yet they are quoting the work and placing bids for the work that they don't have a certification for. So, I think that's something that we run into actually quite a bit, and so I was just seeing if there's anything that you guys are looking at to see the people that actually have been awarded the contracts, if they've been awarded it in the commodity codes that they're actually certified. ... An RFP ... has the COBID questionnaire in it. You have a COBID number, but you are told, really, we're not going to consider your COBID certifications within the RFP, even though it's written in there as if those that are certified will be in a clear front-runner status to be able to be considered, because they've done the legwork of COBID. Will you be looking at, when you are COBID-certified, and yet, you are put to the bottom of the list, as well as businesses that have five or less employees going for RFPs, even though they have other business partners that will partner with them on a mid-size or large RFPs, but they are only being considered as a small business that doesn't have the bandwidth to handle the work." [#PT3]
- A participant in a stakeholder engagement session stated, "So what happened to us was that ODOT came out with a RFQ for flares and I submitted all the data to have an alternative product considered. And the buyer came back and said, 'Well, I'm sorry there's no provision in the request for alternative products.' And I said, 'Well, yeah, I know that because the buyer, or the person that requested the flares doesn't know that we exist. How can I get that fixed?' He said, 'You can't.' So, I ran it up the flag pole and I got it up, I don't know, two or three levels above them and so forth and so on. And nobody ever returned my calls. ... The point I'm trying to get at is the missing link in state procurement systems in Oregon, Washington, California, and I've experienced this in all three, is that if you have a new mouse trap, it's really hard to get an audience to present your mouse trap. And unless the mouse trap gets into the bidding process with the right codes and everything, it doesn't matter whether it's a better mouse trap or not, because people aren't going to buy it. ... A lot of the decision makers are buyers that will say, 'Well, we'll be happy to use your product if the people in the field will use it or if the department will use it.' And a lot of times the people in the departments in our case will say, 'Well, the safety officer has to approve it.' And so then we go up to the safety officer. ... All I'm suggesting is that if there were a central authority or central group, it

doesn't have to be a big bureaucracy, within the state that said new products or systems and so forth, if they go to this group, [they say,] 'We'll give you a hearing, come on in, sit down with us for an hour, tell us about your mouse trap, tell us how it's benefits to us, and then we'll help shepherd you through the process.' That's the missing link. ... A lot of times we are introducing [a] newer product that some of the larger manufacturers aren't introducing because it's something that a small company invented. We got excited about it, we're trying to introduce it into the marketplace, and the hardest place to introduce it to is state. We can introduce it to retail, manufacturing, hospitals, but it's harder to get into state and local, for the same reasons he was talking about with the buyers saying, 'This is what I'm supposed to be buying.' And they're not looking at other options for new technology that could be a competitive solution. It's just difficult." [#PT4]

- A participant in a stakeholder engagement session stated, "Some companies don't want to jump through all the hoops to do business with the state of Oregon, such as OregonBuys, when they have plenty of business that only require a quote. This could be a reason why smaller businesses don't want to participate but may also affect other businesses as well." [#PT7]
- A participant at a stakeholder engagement session stated, "What's asked for in the RFP also is sometimes onerous or laborious to get the content material that they're asking for. Small business owners in particular have... they don't have the staff. They don't have all this information at their ready fingertips, or asking questions about, what's your availability for this project? Well, those are just really questions that are intended to rule out certain groups of people. And that, again, is where you create the bias and that's why it's... I say it's rigid. It's not welcoming. It's not flexible in any way. And so I get that you're trying to rule out who is qualified to do the work, but the rules sometimes get in the way of trying to be getting the work done and just being equitable and fair. ... I've seen also this happens also a lot with professional services, where there's a licensing requirement and they use the QBS or qualifications-based selection. And it is not clearly defined what that means exactly. It's so subjective when it comes to defining whether you're qualified to do work and how many projects you have to show to demonstrate that you have the qualifications and how does the... It's the matrix systems that's used to score a proposal, to try to be fair in that way, doesn't allow for also deviations or complementary skills or relevant skills that weren't direct but have indirect application. So you're not able to count that indirect. It's so rigid that it asks for, you must have this specific project type or this specific service, this specific scenario. And every scenario is different and you're not going to be able to honestly find a company that's going to have every exact kind of experience that the RFP is saying, you need to, in order to qualify to do the work. I think that becomes a barrier for a lot of small businesses. And I've heard small businesses say... it's almost like the cart before the horse, or the opportunity. If I don't have the opportunity to demonstrate my qualifications, how am I going to get the experience to show that I can do it? So it's like how many experiences and how large of experience does it need to be in order for you to trust that I can do the work?" [#PT13]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "The requestor has allowed one week—calendar-wise, this is actually four business days—to respond. If you view the attached files, there are multiple requests for external client references and items that it could take several days to receive back from an external client or entity. So it's not realistic to think that a small event planning business can gather all of this information in four business days, even if we have every day wide open. We all know no real businessperson has wide open free time days to just work on responding to the lengthy paperwork required of a government

contract. As we all know, summer 2022 was 'the return to events' and every event planner was completely slammed with requests." [#WT2]

- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "One way of finding loopholes [is that the requestors] select the vendor that they already planned to before the bid goes out. The bidding process is just a formality. ... Based on the lowest bidder, my company is clearly the winner. But they've decided to use a scoring process (which is purely subjective) and they don't have a list of criteria for the scorer to select pre-selection. It is based on verbal discussions. So, this is highly subjective, which is an unfair practice. Several areas in the scoring summary that are concerning. ... The bid documents asked for project name and amount. How [does this turn] into a scoring of 12 for my company and 18 for [another company]? I seek to understand but they didn't have anything to show. Inclusions - not sure how [that company] gets a perfect score and my company gets 50 percent of [their] score. This is purely speculation on my part, but the only way for [that company] to win this is to get a perfect score. So, they score them high in this category but [are] unable to explain what this is or how [they] were able to get a perfect score. ... Rather than using actual data to select a vendor, they use a subjective scoring process in order to favor the company they want to choose in the first place." [#WT9]
- A representative of an Oregon government agency stated, "Complicated legal forms and processes only being available in English and not meeting WCAG 2.1 AA criteria. ... Requiring all vendors to use OregonBuys without communicating the change to them or providing language and accessibility supports." [#WT22]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "I was invited to take part in a travel trade show at University of Oregon. The cost to participate was \$250 for our booth. We paid the fee and attended and met many U of O employees who have meetings and travel needs. When we asked if they would be interested in getting more information, they asked if we were in U of O's Concur system. We didn't know what that was, so we followed up with the show management afterwards. We were then told that there were already three preferred travel contractors at U of O and university staff were required to use them. So there turned out to be not a lot of benefit in participating in the show, and no one had told us about needing to be in the Concur system beforehand. We were promoting our service that U of O staff were not allowed to use. We had spent \$250 on the booth, as well as travel and staff time, and overnight hotel rooms, for our staff to attend the show, probably over \$1,500 in expenditure. But no one told us that U of O already had a travel program in place. This is a barrier to woman-owned/minority-owned business to participate if there are pre-existing contracts in areas we are asked to bid/participate, but we are not notified that there are already incumbents." [#WT28]

14. Bid shopping or bid manipulation. Bid shopping refers to the practice of sharing a contractor's bid with another prospective contractor in order to secure a lower price for the services solicited. Bid manipulation describes the practice of unethically changing the contracting process or a bid to exclude fair and open competition and/or to unjustly profit. Eight business owners and managers described their experiences with bid shopping and bid manipulation in the Oregon marketplace [#6, #16, #20, #23, #25, #51, #52, #PT4]. For example:

- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "We very rarely get brought in at the beginning of a process or anything like that ... A lot of times, we get a contract, and we're supposed to be on site in a week or two weeks. And obviously, they

had to bid that work. In general, I would say that you have two options: either they bid it, and they're trying to get a lower price. So, they bid shop and they get a lower price, or they actually bid the work themselves and can't do it because they're at capacity or whatever. And so, they have to sub that out. ... I would assume that they would do it quicker than a week or two out." [#6]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "It's all open policy. ... So, we can see all the new runner up proposals and so we can see what everybody has offered as far as their wonderful ideas. And so, what does the client do with [the] winning agency? Well, here's all the other runner up proposals that we didn't hire. So, [the] agency takes all of our gold, all of our proprietary information, all of our speculative work that we worked at least 40 hours on to hopefully win the business. And they had the opportunity to use them and emulate it, steal those ideas, embellish, and make money on others work. It's rotten. It happens all the time." [#16]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I have suspected it from some primes when I [have] given them numbers before that only because I've heard from other primes that said 'Hey, you were low.' ... Then I wasn't used by the prime contractor that got it. So, I'm assuming they went to my competitor and said 'Hey, can you beat [this vendor's] price?' That's all assumptive I don't know firsthand ... but I think that's a possibility for sure." [#23]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "My family has been in business for a very long time. And so, I know that it's real. They get bid-shopped. And it's incredibly aggravating for them. Doesn't happen a whole lot because what they do is they just stop working for those companies." [#25]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "I did not know about people shopping bids until I started sending out bids and I'd get bids from people and I'd send them and they never responded. They never said if we got it or we didn't get it. Then I realized, they're just using our numbers as a benchmark or best effort and they're not actually thinking of using us." [#51]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "No, nothing on manipulation, not like with us directly. I wouldn't say bid shopping, but there's definitely some issues with the bidding process in the ESB set-aside program for ODOT." [#52]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "I mean, I would say 99 percent of the time, we are the subcontractors where we see a disparity in bidding process where ... a lot of times we know we bid at cost to keep our guys busy in the winter months and the GCs are coming back telling us that, 'Sorry, you're so close, you're 5 percent off.' Things like that, and a lot of times if it's under the GCs, we do not see, we have no visibility on the other bids. So, if the state of Oregon is serious about this, I would highly encourage [them] through the recommendation [to establish a process where] if it's a public bid, everybody has to see the bids, they have to share." [#PT4]

15. Treatment by prime contractors or customers. Fourteen business owners and managers described challenges associated with treatment by prime contractors or customers during performance of the work [#18, #21, #25, #35, #36, #56, #59, #AV, #FG1, #WT16, #WT24, #PT8]. For example:

- The Black American owner of an MBE- and DBE-certified construction company stated, "It's not so much the discrimination getting the job as it is, once you're in the job. You're running to individuals who make it difficult for you to complete the job." [#18]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I'm very upfront about [being a] service-disabled veteran business enterprise. And I've had very frank conversations with clients about it. ... Just private sector only, some folks had some issues, and they weren't so sure about hiring [our business] because they were very ignorant ... and I just decided it wasn't a great fit. I didn't want to take a risk on that. So. I referred them to others. But overall, it's been a positive experience." [#21]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "They call us but we're kind of like the Wizard of Oz where we're the man behind the curtain turning the knobs and the Wizard of Oz gets all the credit. ... When the project is over, we don't get the benefit of that. Because we don't have brand recognition. We don't have the direct client relationship that comes from that. ... As the engineering industry has grown, and mechanical contractors and plumbing contractors have had to, because they didn't want to touch this stuff, because it's just, it's hard. And it's expensive, and it's extremely expensive labor scale." [#25]
- The Black American owner of a construction company stated, "Oftentimes, on the public side, you have to meet these different percentages and stuff, but I just don't know what the motivation is for [primes] to make sure that you're also successful. ... Oftentimes they just want to use you just like any other subcontractor because you had the lowest bid, ... and then at the end of the day beat it out of you. But I don't know how sustainable that is for anybody." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "Security companies, we all got together and we're like, 'Hey, let's kind force these clients to pay us' and to take it to our board and to the state to say, 'Look, you know, security, although we don't have a prevailing wage yet, we're worth it.'" [#36]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I did finish the work with them, but I felt like we were used. I know I was valuable to the project. They were happy. They asked me if I would be on other projects and I declined." [#56]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The contractor was in the parking lot talking to one of his coworkers. I've never met these guys in person ... I walked up and ... I had my business shirt on and said [vendor name]. I had my reflective vest on and said [vendor name]. The guy looks at me and he's like, 'You're at the wrong job site.' And I just laughed off thinking he was just trying to crack a joke. And he said, 'No, I'm serious. You're at the wrong job site.' Clearly he knew we were coming out there. My project manager told him in the schedule we were going out there that day. ... But what he was telling me, being a person of color, [was that I] was in the wrong part of town. ... I didn't respond to that. I just wanted to address what we were there for and the issues and take care of those to hopefully leave a better perception." [#59]
- An Asian American representative of a trade organization stated, "For me, I think it's working with other contractors and consultants ... that share the same type of mission and values, and not just tokenizing us because we're COBID[-certified] and then treating us badly." [#FG1]

- A representative of a construction trade association stated, "There's a project over in Hillsborough with Port of Portland where there are some significant challenges getting the port to recognize that a contractor isn't just poorly performing, but that there are inflationary issues, labor availability issues, supply chain issues, all of which impacted that bow shock of economic effects that came out of the pandemic in late '21 into '22 and throughout '22 and continuing period. It has been documented globally, and yet, these jurisdictions seem to kind of ignore that and basically say, 'Well, you're just not performing.' Or, 'Because we're late getting started, we're going to have you pick up the cost of trying to stay on a schedule, the original schedule.' There's things like that that I hear all the time. And that kind of gets, again, down into the question of, these jurisdictions need to understand that when they ... have projects, they've got to have the design work done well, they've got to actually not have somebody do the design work sitting in an office somewhere." [#PT8]
- A representative of a construction trade association stated, "They got to get out on site and see what's going on because there assuredly will be unforeseen circumstances, that's number one. Number two, sit down with the contractors and do have a constructability discussion. What's it going to take to get this done? Number three, I have been gobsmacked frankly by the fact that these relatively large jurisdictions don't seem to understand that there's been global economic effects as a result of a global pandemic that are very real, that have been extremely well documented, that contractors are on the front edge of dealing with. And yet all of that seems to be ignored and these jurisdictions, because they are running into their own schedule issues or cost issues or inflationary issues, they look to offload the cost from themselves to the contractor, and that's just not okay. And it's particularly egregious when you see them doing it to smaller contractors who do not have the ability to defend themselves in many cases." [#PT8]
- A representative of a business stated, "Here is some specific feedback about why our team decided to discontinue working with DHS clients: the client had multiple mental health diagnoses and was combative, argumentative, and unpleasant to work with. The client burned through a number of caseworkers (red flag), and it was difficult at times to figure out who to contact at DHS. [We] had to contact five or six people at DHS on an email chain (lots of grinding/red tape)." [#WT16]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "We've been largely pushed to the side and not taken seriously by many state or local agencies, despite having a track record." [#WT24]

16. Approval of the work by the prime contractor or customer. Two business owners described their experiences getting approvals of their work by the prime contractor or the customer [#60, #AV]. For example:

- A representative of a majority-owned construction company stated, "Getting approved as a contractor is pretty hard. After the signup, you don't get a lot of communication. There are a lot of follow-ups, fallbacks, re-dos, and resubmissions, so you never end up doing anything. We need a successful team, or we don't get anywhere." [#AV30]

17. Payment issues. Thirty-eight business owners and managers described their experiences with late or delayed payments, noting how timely payment was often a challenge for small firms [#2, #3, #4, #5, #10, #11, #13, #15, #18, #20, #22, #23, #32, #33, #36, #44, #51, #53, #54, #57, #62, #AV, #FG1, #FG3, #PT8, #WT16]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "After we submit the invoice, it takes another 30 to 45 days. So, we are out about three months. But obviously, that's part of doing business. ... As an example, like I told you, we are 90 days out. So, if I'm working with an employer or a hire a contractor to work with me, we are paying them almost every month. So, we need to have a buffer to cover all the costs and everything for at least 90 days. And depending on the project size, if you have four or five people working on it for the next 90 days, you need to have at least a few hundred thousand dollars set aside to cover all the payments until you actually get paid. ... As long as we are aware of that time duration, we are fine." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "Definitely slow payment. And part of what seems to be the factor there is our project contacts are usually as on top of it as they can be. But they're usually not. They're either new or not sure of what the accounting process is. So, we have to go through that learning experience each time with each new project contact. And then depending on the accounting and how it's set up, and who goes to, for example, Oregon, as states, it's going through a different accounting procedure, but they're still cutting checks. It's like, I can give you my bank account, like, why are we doing this? ... Again, I think that's partly antiquated, but also there's several different processes, depending on who it is what they're supposed to do. And it's each of those things just takes more time." [#3]
- A co-owner of a majority-owned construction company stated, "As you grow, what I learned during that, we grew a million dollars in one year, ... and it choked my cash flow. Because although you got a lot of work out there being done and stuff, it takes time to collect that stuff. And the minute you pick up those doors or product, you got 30-day clock time to get it paid to the vendors. ... I [am] still struggling on that right now. So, because you have a lot of outgoing money, and sometimes not as much money coming in, but you handle it. ... If you get behind on a vendor, you set up a small payment plan, as long as you're showing them that you're making the payments, then they know you're not just going to walk out and declare [bankruptcy], they want to make sure you're still healthy, and we are very healthy. May have \$400,000 worth of bills due, but I've got double that that's due to me from different customers and contracts and general contractors and stuff like that. One of the things that we need to start doing and I haven't done it yet, is, when we get on all the residential and private, every private job out there period, we get a 50 percent deposit. So, we can order products and stuff. And then when the job's done, we bill for the rest. However, what I'm running into lately, and it seems like it's getting worse and worse is especially on the residential end of it. They're slow paying, a lot of customers sloping and there is a program out there that you can use. I gotta find it though, that when have them sign the estimate everything, you have them sign a way to lead, right to linking. And I haven't used that yet. And I don't know where to get it online, it needs to be a part of our estimating phase. So that when people sign that they know, 'Hey, I gotta pay this or they're going to put a lien [on] my property.'" [#4]
- A representative of a majority-owned goods and services company stated, "The other one is payments. I've done nine months without getting paid, because there's task orders. And so, [what] I've been able to negotiate with a couple firms is that they pay me on a monthly basis. I mean, usually my contracts are less than \$25,000, which is just pocket change for some of these, but some of these firms just said, 'No, we can't do it.' And I know, they can know they have it in their pocket. Just making sure that their subs get paid on a monthly basis, not by task order basis and making putting that in the contract." [#5]

- The Hispanic American co-owner of a woman-owned professional services company stated, "The government contractor that we no longer do work with has not paid us for stuff from last July and July. And we are trying to figure out how to enforce on that. Our main private, the big guy has paid us all the time. I guess my experience on trying to collect this one has been that it would be nice if you could go to whoever the prime contact for the contract with the government is, and there was like a process to say, 'If you haven't been paid by the primary contractor, please reach out to so and so.' And there's a process there. I think this was a GSA contract, and ... as far as I know, you still have to sue on the other one. And then maybe you get a judgment. And then maybe you can go to the GSA at that point and file a complaint because they're no longer in compliance with whatever and maybe they'll lose their contract. But at no point have I been told there's like a collection mechanism or a like, 'yeah, we'll just pay you off the prime,' or before all of that, come reach out to us. And we'll reach down to the primary contractor and go, 'Hey, pay your subs [that] worked for you before ... [or] we will stop operating on the main contract. Pay your subs.' So, if that mechanism existed, that would be cool to know." [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "The getting paid thing is a problem. And I feel like it wouldn't be as big of a deal if we were allowed to invoice the clients directly. You know, if I have a project with Multnomah County or the City of Portland, rather than having to invoice the prime, and then they invoice if I was just allowed to invoice them directly." [#11]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "They are getting a little bit better, but they do stretch us out on some." [#13]
- The co-owner of an ESB-certified goods and services company stated, "We require a deposit upfront because sometimes there's a lot of front-end work that has to happen. So, we require that deposit and some agencies are reticent to do the deposit piece. And that makes it difficult because, like I said, if you're buying assessments and stuff like that, you know that can run into thousands and thousands of dollars. And if they're not paying me until the project is well underway or something like that, then it makes it hard for a small business to manage that." [#15]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Oftentimes, a prime prefers not to pay until they get paid. And it can drag out two to three months." [#18]
- The Native American owner of a construction company stated, "What contributed to 2021 being so brutal for revenue is almost half of the work. Almost half was delinquent on pain. And I think it's largely due to fuel costs. A lot of my clients will have a fuel bill of \$30,000 to \$40,000 a month. An electrician client that's got heavy equipment, trucks, cranes, excavators. You know, all of that needs fuel in their fuel bill. And last year, when the fuel prices ballooned, ... there's just this kind of constriction on the supply. What happened was my clients had to pay their fuel bill. And they didn't have the line of credit enough, probably to pay somebody like GE. And eventually, they do all pay. They're all licensed contractors, and they're all, they all want to establish good relationships. And they all do pay, but a lot of them were six to seven to eight months late. ... The larger clients I work with seem to hold themselves to the retainage in the contract, the smaller contractors I work with, they'll have retainage in the contract, just because I think maybe they had a warrior in there. A lot of my smaller projects, they won't even hold the retainage. And then I always seem to receive it. When the contract on the bigger clients, I always receive the retainage at the time I need it." [#20]

- The Black American woman owner of a professional services company stated, "A lot of corporations like to pay with paper checks. So, like, for example, right now, I'm waiting on \$1,000 to come in the mail. And that actually brought a new problem for me. I need capital to be able to [hire] freelancers early because as soon as they're finished with service, I like to pay them right away. ... So, a lot of I think the process is for a lot of businesses is really old fashioned. When it should just be paid like QuickBooks, you should be able to pay right away. I shouldn't have to wait two or three weeks, sometimes a month for his money to come through. That's way too long. When I'm relying on it. ... Maybe there should be guidelines around payments, especially for small businesses, because we don't have capital, so maybe [there] should be specific guidelines if you are going to work with small businesses. The Kudo app, maybe that might be a way to get people pay me fast. ... They're working on trying to get people to use the Kudo app. ... It's important to have where you can get payment. ... We were given like 10 free dollars to use for small businesses. And like the way it works ... you pull up the business and you can put 'pay now' and then pay them immediately and they get their money." [#22]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I have had quite a few difficulties with that. And it's not the city not paying or being willing to pay so much [as it] is the prime contractors, project management side of things not getting my work submitted for payment to the city. ... It'd be nice if they had some way to pay smaller companies more timely and ... if maybe we can be treated separately from the prime contractor." [#23]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Getting paid on time in terms of making sure they're paid quickly, but also having the upfront money to start a project. ... They don't pay 'em [Hispanic workers] on time. ... Many white people that hire them for residential, for whatever, they don't pay 'em on time, or they charge or they pay 'em less, or they come with excuse as to, you know, why they're gonna pay 'em a whole lot. You know what I mean? They do exploit them. ... Workers, they're exploited because they don't complain. Many are afraid or fearful. So, they don't see anything, you know, they don't know the system very well." [#32]
- A representative of a majority-owned construction company stated, "I'm building a house now and I know those people are in a different world than we are. ... They wanted ... 30 percent down and then pay me every week or pay me once a month and ... so we have to wait 30 to 45 days on a good owner to get paid. And that's a lot of money to have on hand for someone who's starting a business. And that is clearly the most, I don't think anyone can appreciate how much money it takes to make your payroll for a month. ... [The] City of Portland has something where they would pay every two weeks ... ODA tried to do that. ... It never worked, cuz they can't physically work that fast. But that to me is the biggest thing. ... You can get decent prices for materials, ... but those vendors aren't gonna wait either, though you know, they gotta be paid too. ... You can't teach that, really. You can say it all you want, but until you live through it, you don't understand the impacts that it has." [#33]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "So, with each project that you're on, there is an audit that's done where they send you to ... see one, if the person is paying on time. ... Are they compliant? If they're not, then every month when I go in to do that audit, that's my time to say, 'This person isn't doing this, or we haven't received this.' ... But because I've had to borrow money from the bank, more money besides our line of credit, ... it's gotten to a point that ... if we don't receive money in two days from them, I'm pulling my people. I have to, because I can't go another month not being paid." [#36]

- The Native American owner of an MBE- and DBE-certified construction firm stated, "But getting paid in a timely manner ... when you start out, cash flow is king. And having the funds paid promptly to allow you to continue is critical. [At] least when I was first starting, that was a huge thing for me was having the cash to pursue those kinds of contracts. ... We certainly have had our fair share of that over the years. And it's just been highly variable between who the owner is, who the general contractor is. ... We just got paid from a City of Portland job from an invoice from October ... it's April. ... Over the years as we've been more successful and have more financial capability, you tend to get more relaxed on that ... but I remember, in 2008, 2009, if we didn't get paid, it meant I wasn't making payroll. There's been some rough weeks, months before where you gotta tell your wife that, 'Hey, we gotta borrow money against our credit cards [so] we can pay our people.' ... They all have the prompt pay clause, it's in the Oregon revised statute prompt payment, but it never happens. I mean, all the prompt payment says is the prime has to pay its subs within 10 days or whatever of getting paid. ... If it takes the prime or the owner 60 days to pay the prime, that really doesn't help anything." [#44]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "Unfortunately there is not [a difference between public and private timeline for payment]. They all are extremely slow to pay. I heard a rumor that some of them pay twice a week, but we've never been paid faster than 45 days. Most of the time it's 60 days." [#51]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "I'm still waiting to be paid for a job from 2020. ... The construction manager got sick and left and he instructed us to do a lot of extra work and change orders that we did. And now they won't pay for them. They're working on paying for them. I've been fighting this for years." [#53]
- A representative of a majority-owned construction company stated, "Lackadaisical processing and procurement. Like task orders that I have to wait two months to get working at risk." [#54]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We've been waiting for a payment of about \$1 million dollars from the core of engineers because there was one manufacturer of a specific type of paint that the core needs that wasn't available. And we've been waiting until we could get lined up to get that done." [#57]
- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "One surveyor was talking about when he does construction staking for projects ... corporations that are contractors in construction, taking advantage if they can. At least not paying him for months and months, long after they should have been paid, and sometimes maybe not getting paid." [#62]
- A representative of a woman-owned construction company stated, "I did work on a project had issues with getting payment with one of the subcontractors that hired me. Would make it easier if small businesses can call and go to if issues they have and get advice. One area where you can call, resource center you can go." [#AV18]
- A representative of a Hispanic American woman-owned construction company stated, "With their gen[eral] contractors on a project, we had an issue: no payment." [#AV20]
- A representative of a veteran-owned-owned goods and services company stated, "Some of financing and pay has a delay and finance people are overwhelmed." [#AV104]

- A representative of a majority-owned professional services company stated, "The subcontractors submit bills on [the] 25th and generally payment goes to the prime contractor, and then maybe we don't receive payment for a month and a half. The subcontractor has to make a certified payroll every two weeks, so we are out of pocket. Makes it very difficult especially because of procurement issues in this day and age. A lot of companies are really struggling over that." [#AV184]
- A representative of a majority-owned construction company stated, "We have a hard time getting payment and contact with people in payment. We had a technician at a government site and he had to leave because of the hostile environment of a supervisor yelling at employees." [#AV191]
- A representative of a majority-owned construction company stated, "The only issue I've heard of is slow pay. It definitely depends on location." [#AV198]
- A representative of a majority-owned goods and services company stated, "Contracting, the regulations: fixed payment bases, that we fight for reimbursement from the state Medicaid program." [#AV208]
- A representative of a woman-owned professional services company stated, "Sometimes, I haven't been paid in the 30-day time period. It varies every month because I invoice monthly. There have been times where it's been almost 60 days before I got paid. It's unpredictable." [#AV221]
- A representative of a majority-owned construction company stated, "Getting paid timely is a problem. Need more money for infrastructure funding." [#AV222]
- A representative of a trade organization stated, "I don't have an accounting department. The invoicing process for these projects takes me eight hours to do an invoice because they are so detailed and nitty gritty about everything. I've had them rejected and sent back to me, it takes me forever to get paid. I've missed their invoicing deadline - I'm a subcontractor, I had to loan my company money a month ago, because I ... had six digits and open invoices and nothing was getting paid." [#FG3]
- An Asian American representative of a trade organization stated, "One [solution] is just making sure that their subs get paid on a monthly basis, not by task order basis and making putting that in the contract." [#FG1]
- The non-Hispanic white woman owner of a company stated, "It would be great if there was something that you guys could work with where if you are a COBID[-certified] firm that there's some help to actually get paid for your work. Don't mean to bash on the City of Portland, but that's the only place in Oregon where my certification was supposed to be used for, I do a lot of my work in Washington now because it's easier to get paid. So, we would be directed to do work and I don't know if they were taking advantage or maybe the wrong person was [working] as an inspector to work when they shouldn't have been, but we would do the work and then we wouldn't get paid for it. It was like they kind of tricked you into it like, 'Oh, you didn't do the right paperwork even though the inspector directed it.' I'm trying to get paid currently from a job in the City of Portland from 2021." [#PT8]
- A representative of a construction trade association stated, "I have theories about why this is, but clearly one of them is that there are undertrained, under-engaged staff at the government level that do not understand the business considerations that contractors have to deal with. So, they tend to be rather laissez faire about. To [the] point about paying on time, for example, and that has massive downstream effects on a contractor, particularly smaller ones. So yes, it is beginning to happen in

multiple places and it is not limited to one level of government. It's starting to, we're seeing it everywhere. I don't want to overstate it, but I don't want to understate it either." [#PT8]

- A representative of a construction trade association stated, "Payment issues, that's a real thing. And most contractors now are finding themselves in the position of having to settle for 20 or 30 cents on the dollar through a long, protracted claims process and long engagement of legal resources that frankly they don't have or would rather not spend that money on simply to get what they're entitled to under their contract." [#PT8]
- A representative of a construction trade association stated, "I think the best way to help small contractors, DBE, MW, ESB, women-owned, minority-owned, is to get them paid on time, work with them to administer the contract well, respond to requests for information, sit down and work with them as a partner, not see them as an adversary or somebody that is there to offload cost of government or the cost of the project to, because it's inconvenient to government to pay them properly. I see that over and over and over and over again and my worry is that it's only going to become worse." [#PT8]
- A representative of a business stated, "Also challenging to figure out who to contact for payment, and then had to follow up two to three times to receive payment." [#WT16]

18. Size of contracts. Sixteen interviewees described challenges associated with the size of available contracts. [#16, #18, #30, #33, #34, #53, #55, #61, #AV, #FG3, #PT13] For example:

- The non-Hispanic white owner of a WBE-certified professional services company stated, "Don't brag to me about all these sustainability issues and gold standard LEED buildings, standards of sustainability when the money's not enough for all the work that you want. And sometimes you don't know how much work it really truly is until you get into it. Then they pile it on." [#16]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Some contracts are just too big for us to take on. It's the amount of money that it would require us to maintain payroll is oftentimes prohibiting for us to take a project." [#18]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "In terms of not going after even larger contracts, I literally just don't have like the administrative or organizational capacity to do it." [#30]
- A representative of a majority-owned construction company stated, "The City of Portland, ... they're really hard to work for, but they have a shelter[ed] market program. And, to me, you're better off, if you're gonna take the public's money and you're gonna spend it and you're gonna try to bring people along, you're better off carving out small jobs and working with people and making sure that they don't bite off more than they can chew." [#33]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "I just got prequalified finally to be able to bid projects up to \$1 million dollars in Portland, which is much underneath what we can actually perform. We have projects that range from \$50,000 going up to \$5 million." [#53]
- The Black American owner of an MBE- certified professional services firm stated, "We don't go for anything lower than ... like a \$50,000 contract." [#55]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "There are lots of programs, webinars, and workshops to help small businesses, but what they really need are contracting opportunities. Good size contracts for small businesses are between \$100,000 and \$1 million." [#61]
- A representative of a woman-owned construction company stated, "I have had several projects that have come my way in terms of bidding opportunities. I haven't pursued them because the state typically bundles projects and doesn't divide them up. As a result, some of them were too high to bid on, and I couldn't get any bonding for them. I'm one of the few prime contractors who is a woman in the state of Oregon, and it appears that the state has a preference for large firms and, because of that, I feel like I don't have an opportunity and the work force to compete with the bigger companies. My bonding costs me more money per million, as opposed to a bigger contractor who has been doing this for more years than me. I think there's a lot of talk about women-owned and minority-owned business having better opportunities with the state, but it's still all about having the lowest bid and it just makes it harder for a small business like mine with higher overhead to compete with the bigger contractors." [#AV106]
- A representative of a majority-owned professional services company stated, "I worked for the US Forest Service for quite some time. And I worked for the National Park Service after I got out of college. So, I feel comfortable working with state and/or government agencies. If the state of Oregon had a smaller project that I could do, I'd be interested." [#AV153]
- A representative of a Hispanic American-owned professional services company stated, "Some of requests are too big, because we are too small. I would lose my employees from daily jobs to fill a government job." [#AV195]
- A representative of a veteran-owned-owned professional services company stated, "The insurance requirements were raised a couple of years back to a point where only large businesses can get the work. I don't think it was well thought out. ... Only large companies tend to compete for those contracts based on the requirements. It is hard for a small business to get into the state of Oregon. Especially one that isn't minority- or woman-owned. Often times we are solicited by very large companies to be subcontractors because of small business advantages but only a small sliver of business is given." [#AV212]
- A representative of a woman-owned professional services company stated, "Most of jobs are too big for me to take on." [#AV260]
- A representative of a trade organization stated, "These are big transportation projects, really big engineering firms are taking these projects and piecemealing them out. The sections that they want to give to me have such a huge, detailed scope." [#FG3]
- A representative of a trade organization stated, "It's just extremely challenging for me to take on these projects. We have these big lofty goals of working with DBEs and minority businesses and that's great, you give us this work, and then the support just completely falls out the bottom of it ... I'm over here just under a mountain of what feels like impossible work, and nobody's helping me out. And then you have to travel up this chain to get to a person who is a key decision maker." [#FG3]
- A participant at a stakeholder engagement session stated, "Direct hire and the intermediate competition, those are the ones that are more likely for small businesses to pursue rather than

those large ones. ... If it's above the 250,000 threshold of what's considered large, then their small businesses are not going to be as attentive or know the ins and out of how to find where the next pursuit can be for them, the next opportunity. ... It would be great to have more openness and transparency on direct and intermediate hires, where small businesses could be the prime, or even partner if it's a large enough with one other company." [#PT13]

19. Bookkeeping, estimating, and other technical skills. Forty-six interviewees discussed the challenges of back-office work such as bookkeeping, estimating, and other technical skills present [#1, #3, #6, #7, #9, #10, #14, #18, #21, #24, #25, #28, #29, #32, #33, #34, #35, #36, #37, #38, #39, #40, #42, #44, #53, #61, #AV, #FG2, #FG4, #PT6]. For example:

- The Black American owner of a construction company stated, "Electrical estimators that can give you information about or at least be 80 percent accurate on the information they give you. If you're bidding on government jobs, then what are those parameters that you need to have?" [#1]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "Some of my challenges, especially in that growth period, is I don't have an HR or like tax account background. And so there are some great resources out there, some of which the state of Oregon's website provides links to, but other pieces of it is so overwhelming. It's one of those [things], where it's like, 'Can I have like one hour of an HR person's time so I can ask 20 questions and then figure out what I need to focus or invest in?' So that part was definitely overwhelming and took a while to figure out. ... I used a spreadsheet for the first couple of years. And fortunately, I have a partner who is very financially literate. They helped me understand, like, what is the difference between gross revenue and net revenue? Tracking expenses, things like that. It has only been this past, I think year and a half. And because of my growth, ... it made financial sense to hire an accountant, and now use QuickBooks. So, we have those now, but we did it for like four years. ... In this specific case, access to tools. Like, I think QuickBooks might have a free version. Did I know that? No. Okay. But yeah, having access to the tools, or even if it's like a spreadsheet, but like, giving people things like, you can use this to track like basic expenses, incoming or outgoing. With [tools] to like, oh, you can send invoices this way. I created my own invoices, again, for like four years in a Word doc. And so, it's one of those [things] where it's like, all of that takes time. And there's so much more room for mistakes. Just because we couldn't afford or didn't know that there were some better tools out there, that is a huge one. In my first year, I fortunately was able to work with a business coach. And she is the one that taught me how to estimate appropriately, because I think for so many of us in the beginning, we only think about the time spent on the activity, versus needing to account for all of the indirect costs. When you're it's not like a specific client hourly, invoice double. So, when you're only thinking of that, you're only charging like one-third, really, of what you need to charge. And that can really damage people, especially in that first year, to the point where I think they go out of business. I think that's part of the reason why it's so hard for people to survive those first couple of years of business." [#3]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "You really need a bookkeeper that's working with your CPA to help make sure things are in the right category, and everything's done properly so that you're not in a bad spot at the end of the year." [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "And so it was other support [services] that were not available. And that was a key element I needed because I

didn't have enough time to be doing everything. And within the business plan, it's important to know where the business is gaining the most value from my time. As far as utilization last year, I was the worst one, [because I was] doing too much back-office work." [#7]

- The non-Hispanic white owner of a WBE-certified construction company stated, "I brought in a partner, I didn't have like a full-time estimator, really, I was doing the estimating myself before. And I just didn't have the bandwidth to be able to do all the things. So, I needed someone to come in and help me with that. So, I hired an estimator." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "We've only really made it into that bidding process maybe once or twice outside of the other ones, and we never really got any response. So, I'm assuming that we are just so far outside of the scope that we didn't warrant a response. ... It'd be a great starting point to really see what what's been bid on whose pay or what the rates are. So, we know whether we can be competitive." [#10]
- The owner of a majority-owned goods and services company stated, "In the beginning, that was one of the more overwhelming aspects of being in business, is just knowing." [#14]
- The Black American owner of an MBE- and DBE-certified construction company stated, "It's hard to find people that have those skill sets, as well as the price of the applications that are used for estimating and record-keeping." [#18]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "We didn't know what the price points were. But when we did the research, it all became a lot more clear. ... I actually took some of those cases [and] have consulted some of these small businesses during the pandemic. ... A lot of the misconceptions that they had ... were surrounding accounting and bookkeeping in general. ... It really came down to if they thought that they had cash in the cash register, the business must be doing well. Right. I know that's really simplifying it, but some of them, they just don't know some of these accounting skills." [#21]
- The Asian American owner of a professional services company stated, "I'm a believer in entrepreneurs and believer in small business and people working for their own benefit ... to build something for their future. And there's so much red tape out there. You know, how many liberals are seeing turning conservatives as a bookkeeping owner? I'm speaking from more [of a] bookkeeping firm perspective here. Right. But most of our small businesses, they struggle with the compliance piece. Most of the payroll companies don't work with Oregon safes. So, you have to go hire a third party, or you have to manually do it yourself. ... It's doubled the time to do payroll for all small businesses, because every time you're on payroll, now you gotta go manually." [#24]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "It's really challenging to me ... estimating is especially the biggest one. All of these different organizations have a different way of posting their estimate requirements, ... styles ... needs for their estimates. ... So, I have to go to this bid board for one organization and download the files ... and scour it and tweak their formats. And on top of doing all of that, I've got to make sure we have a company that does our books ... that helps because it's really literally [is] my worst nightmare. ... But it's just the diverse requirements. The admin effort that has that has come upon me as the owner." [#25]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "We have a bookkeeper and I'm a good estimator myself, but because of the number of requests we

get and sometimes the time involvement or the time deadline of these requests, it can be very difficult to produce those estimates in the amount of time that it's being requested in." [#28]

- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I'm at a stage in my business growth that I need help, I need administration, I need logistics, communication help, but I'm also not making enough to pay somebody full time or even part time. So, I just need, like, eight hours a week [to do this work] would be really nice. ... It's like that growing pains where I need the help, but I don't necessarily have the money to get the help." [#29]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Dealing with certified payroll. Many minority businesses that I talked to, they're being told by big companies, 'You're charging too low. You need to charge more.' ... They're afraid of either the lower cost, because many minority businesses can do things sometimes for lower cost compared to mainstream wide businesses. And so, they're scared of that competition model that they're gonna lower their prices, and many are afraid. And they've been told that they're charging too low." [#32]
- A representative of a majority-owned construction company stated, "If you're in this business, you should be able to estimate your own work, even though if you've got someone else maybe doing it. But you can't be in this business if you don't know how to bid to some degree. I mean, I'm not the only estimator here, and they were estimating work before I got here. So, that's a crucial part of the business. ... I mean, accounting is a little different, but the operationally estimating and field work in construction, those are the two most important things that you gotta know." [#33]
- The Asian American owner of a construction company stated, "I'm not saying like, come in cheaper than the other bids, but like, be accurate as far as the time and how long it takes. And that's how I make my estimates, [they] are based on how long it takes at a certain rate and I wanna be kinda right in there, on budget, so good. My bank account have used QuickBooks ... not really good accounting, you know, some folders with receipts and my credit card statements and my bank statements." [#34]
- The Black American owner of a construction company stated, "Some small companies don't realize how much time and money it takes to do the back office to process that stuff." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "Take a look, go to the procurement pages. So, for the transit security, if you go to their procurement page, you can see the contract from there and you can take a look at what the contractor bid, the subcontractor, and all of the things that are kind of entailed in that. Usually if you're running your business right, you're taking a look at all your expenses, the taxes, the payroll, and you should know how much it is that you need to make to basically get a profit. The paperwork. But ... you have to weigh the tradeoff. You have to kinda look at that, like, what's the tradeoff? The tradeoff is the job, you know, if it's worth it to me to do all the paperwork. So, it is good for the business. ... I have to get another scheduler. ... But yeah, I'm wearing many hats that at once we had this ... well-oiled machine so that the president could come in, go search for contracts, how to keep the business running, make sure that I constantly have some revenue coming in." [#36]
- The owner of a majority-owned goods and services company stated, "They had a third party that was doing it. When we started, when we took over the business in 2020, I had to do that myself and kind of learn as I go. I thankfully had an old friend who is a corporate accountant who gave me some tips. ... I know that seems obvious. ... I'm also helping a couple others across the country, kind of get their start, get a feel for it. Also, I think bidding jobs appropriately, you get nervous thinking

that you're charging too much and you don't wanna look greedy, but at the same time, you have to just look at your bottom line and making sure that the revenue that you're bringing in is paying the bills." [#37]

- The owner of a majority-owned construction company stated, "The paperwork pre and post is what's really what the challenge is, once I get all my contracts in place... I have to do it every year. ... When I was first starting out, I just started tracking everything. I just got QuickBooks and I set up a separate bank account, one for personal use and then one for my company. And so, I was able to segregate the expenses and keep 'em in two different basic buckets. ... I actually went and got myself a CPA who at that point helped me navigate the legal aspects of running a business. At that point I actually formed an LLC, started getting insurance and they sort of guided me on what I really need to do." [#38]
- The owner of a majority-owned goods and services company stated, "There's the paperwork, the amount of paperwork that comes into not just signing the contract, but everything prior to signing contract. When you're bidding a job public, it's time-consuming to the point to where it's just crushing. For a guy to do it, it takes his contractor's license test, which I understand that gets his public works. And then they're just hammered with paperwork to get established ... and these are blue collar ... guys that got a truck with all their tools in it. ... They don't have a laptop, they don't have a secretary who's doing all this stuff, paperwork-wise. And so, I've got to try to help them to get these things figured out. But there's just a lot of stuff for guys to do in Oregon that they don't have to do... [in] Washington. ... It's just not quite the same." [#39]
- The Hispanic American owner of a professional services company stated, "To me, it's not so much, 'Oh, here, get a business license and here's where you look for work and all that stuff.' It's all the tax stuff and financial stuff that ties in with the federal government work that is really daunting." [#40]
- The co-owner of a WBE- and DBE-certified firm stated, "I truly believe in hiring people that are smarter than you. I was really fortunate to have a great office manager for about 13 years that was pretty adept at ... bookkeeping." [#42]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "When you get into specifically public agencies, versus private, [there are] all the different rules, specs. You gotta have an office staff just to handle the paperwork they throw at you." [#44]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "I was really lucky. My brother's wife ... had done payroll for her whole adult life, so she agreed to work with me for a few months before we could find a replacement for her. So that was a rocky road finding someone, because I wanted to do the payroll in-house. That's a huge problem I think for a lot of people, who's getting the certified payrolls, the MEUR [Monthly Employment Utilization Reports], all the payroll taxes. I was very lucky to have her because, if you pay like ADP or somebody, you basically have to do it all for them and send it off and just hope that they're going to help you. ... I thought maybe when I got COBID-certified that there would be someone to help you with those things. ... That wasn't the case either. You're really on your own. The certification didn't do anything. We've struggled with finding the correct process for estimating. ... A lot of our stuff we just do off of Excel, which has been the best way for us. It's very difficult to find a program that is helpful for doing what we do." [#53]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He learned to estimate from his father and uncle, both of whom have worked in the

industry before. Prior to starting his business, he was a mechanical engineer, and [he] finds the past experience breaking projects into smaller components useful." [#61]

- A representative of a Native American woman-owned professional services company stated, "Barrier: requirements to submit a bid. Issue: it is a lot of documents, paperwork. [There is] preferential treatment for urban cities." [#AV13]
- A representative of a Hispanic American woman-owned construction company stated, "Paperwork and requirements." [#AV16]
- A representative of a Hispanic American-owned construction company stated, "I think the initial paperwork is very complicated. ... We would be busier if someone could help us out by making the paperwork a bit easier. English is my second language, so it's hard for me to understand some of the paperwork. So, if they could make the paperwork easier to understand, I'd really appreciate it." [#AV19]
- A representative of a majority-owned professional services company stated, "My only comment is that the development industry has gotten very difficult. The processes through the state and cities have become cumbersome, expensive, and inconsistent. You submit things to the city, it goes in for approval, it's unapproved, it comes back, they want more signatures, and it just goes on and on with different bureaucrats being involved at each turn and all of them wanting something different than the predecessor. So, it's totally inconsistent in terms of what's expected of us from the state and city." [#AV11]
- A representative of a majority-owned professional services company stated, "There are a lot of administrative tasks required to do work with the state. We are busy." [#AV35]
- A representative of an Asian American service-disabled veteran-owned goods and services company stated, "No. The GCAP agents—which stands for Government Contract and Procurement officer—who are the liaisons between us and the state have been very helpful with information on contracts with bidding. ... There's plenty of work out there in contracts, but bidding the price of stuff between the price of goods and actual materials is tricky. I mean, the companies who won the bid, the prices that they quoted as far as materials were less than the materials themselves. The winning bidders undercut other bidders with prices that are not realistic. For example, the state wanted a per linear foot price for some fencing and it came out to \$7.25 a foot from our end, but the people who won the contact bid that same material at \$2.75 a foot. And getting one's initial contract is one of the biggest hurdles, because the state looks first at people who have won contracts in the past and don't look at the ones who have not yet won any contracts." [#AV36]
- A representative of a majority-owned professional services company stated, "Barrier: My work [with ODOT is] so overrun with paperwork, not worth my time for small contracts. I spoke with the procurement officer and he agrees." [#AV65]
- A representative of a majority-owned professional services company stated, "Barrier: Paperwork, for example: the bid was \$5,000, took a day to fill out paperwork, not worth my time, just the bid for \$5,000, was fees higher, they wanted me to submit schedule to complete work, and scheduling software, not worth my time." [#AV72]
- A representative of a majority-owned professional services company stated, "They are difficult to deal with. Bureaucracy also ways drag things out, meeting after meeting." [#AV79]

- A representative of a majority-owned professional services company stated, "The mountain of paperwork is difficult. Additional paperwork has increased cost. Given that Oregon is [a] leader in regulations, the need for our type of work is solid and will continue." [#AV94]
- A representative of a majority-owned professional services company stated, "Barriers would [be] the forms or bureaucracy." [#AV97]
- A representative of a majority-owned professional services company stated, "We don't do proposals for very many state or government projects because we find the qualifications and the process to be too time-consuming for the way we do business. We found the paperwork associated with the bidding process to be time-consuming. We find enough work to keep us busy in the private sector. We managed to stay busy during the pandemic." [#AV101]
- A representative of a majority-owned professional services company stated, "Too much paperwork involved. Anything for [the] government will eat up overhead time. Professional services should always be qualifications-based, not price-based. [There is] more work in our industry than people to provide it." [#AV107]
- A representative of a majority-owned goods and services company stated, "It's a very, very complex system with the changes in the payroll and the time off, certification for EMF providers. The COVID vaccination requirements were pretty profound in our rural area, so staffing has been an issue. It's unprecedented the challenges we're facing in this EMF industry and being reimbursed appropriately for it." [#AV115]
- A representative of a majority-owned professional services company stated, "They'll write that an engineering firm has to do the cost estimating. I've got an argument in that line of thinking. Cost engineers use the stochastic historical estimating approach. Independent estimators use deterministic estimation processes. I'm president of the American Association of Cost Estimating International. We're very keen on how to make estimates. It's much better when it's done by an independent party than when it's done by the engineers. Being in an objective party is key to success when you're managing the money. The state of Oregon is not as actively, directly contracting with independent cost estimators." [#AV121]
- A representative of a woman-owned construction company stated, "Invoicing can be difficult with US Forest Service." [#AV231]
- A Black American representative of a trade organization stated, "The paperwork itself is just often very, very difficult for people to manage, particularly when you think about small firms who are focused on delivering the product or the service that is expected." [#FG2]
- A representative of a business assistance organization stated, "When you are going to make a contract, because there are contracts that requires making estimates, as a [Hispanic] I am not very well informed about estimates. ... Then, to make estimates to companies that are already more or less big, because you are a beginner, you have a hard time in these situations. I have a hard time because they make every rule and all that you have to study." [#FG4]
- A participant in a stakeholder engagement session stated, "Purchasing offices laughed at us, the way where in submitting our invoice. I say, 'Because I don't know what's your system, what is the procurement requirement?' So, I asked, 'Can you train us at least, do you want to see our invoice look like?' They actually have the training and I submitted an application about how to have the billing rate come out. Oh my goodness, well now I'm facing another barrier, as I do need help. ... I

mean, every agent has their own invoice or billing rate method, I didn't deal with city portal. ... But [as a] small business, I did not have the resources or finances to hire a professional to do that for me. I need to learn how to do that, I need someone to help. So, if this is the gap between us and larger firm that they can fulfill whatever the agent's requirement for the finance, for the invoice, for the billing rate, I try to learn, do my best. I try my in-house bookkeeping person, but I found out there's no way I can meet their third-party auditor's standard. I don't know, how can I learn how to meet their stance?" [#PT6]

20. Networking. Twenty-eight interviewees discussed barriers they experienced when networking and building relationships [#3, #5, #6, #7, #8, #10, #12, #13, #15, #17, #20, #22, #26, #30, #32, #33, #34, #35, #37, #40, #41, #42, #61, #AV, FG2, #FG5, #FG6]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "Working with the government, it's harder to get your foot in the door, like, you either win the contract or you don't. There's not a lot of relationship building. Whereas I experienced the opposite with nonprofits. There's usually a lot of good relationship building but maybe you don't work with them right away. There tends to be repeat work with nonprofit clients, whereas government, it really seems to be like just this specific project in this specific area of the government, and then we may never work with them again." [#3]
- A representative of a majority-owned goods and services company stated, "I don't necessarily feel like I need to network and don't really feel that that's helpful for me to really find folks who have the same mission and values." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Networking events were part of several organizations ... that are essentially small business or minority business, run promotion, promoted agencies. So, you go to ... networking events there, and you get to meet other people who are like-minded businesses, that kind of thing. ... The most difficult thing when you have these network events, you're trying to get your day-to-day stuff done, but also go to these events. ... It's actually always refreshing when you can make it. I always encourage other companies, emerging small businesses, minority business, I always encourage them to go be a part of these things, because actually it works, [it] is a great refreshment for your soul. But also, at the same time you meet other likeminded people and other large GCs are there as well. So, you get a chance to network and meet them and get a chance to get your foot in the door that otherwise you might not have." [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "Going to the networking events and meeting with them, and then following up in the future with another one-to-one meeting, and then teaming up on projects and being awarded. That's how that works. And it works that way in the public sector as well. Some associations will add that you have to meet each person for a period of time. ... Those are much better networking events. Going to reverse vendor trade shows ... those events, the people see so many people that no relationships are developed, it's just gonna get a stack of business cards, and hopefully made an impression two days after that event are out." [#7]
- A representative of a majority-owned professional services company stated, "The biggest networking happens [at] professional conferences." [#8]

- The Hispanic American co-owner of a woman-owned professional services company stated, "Networking opportunities can sometimes be challenging. I know that my wife doesn't necessarily feel comfortable going to all of them. ... She's a younger woman in a space where networking opportunities are oftentimes older men. And they're intimidating for a couple of reasons, one of which being that you get a lot of people hitting on her and, like, they're not really there to network as much anymore. And so that's a challenge. And then I mean, we're also both were parents, and we've got a young girl [in her] teens and a young daughter. So that also, [is a challenge]." [#10]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "I just kept pounding the rock. I was part of the chamber. We had morning meetings at different businesses, I was able to introduce my business and what we do." [#12]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "I would say just getting in the door because even our certificates don't help us do that. And then it's hard to get face-to-face in front of people anymore. Because all the mediums are via video, and it did a lot to be in front of people and to be able to walk into businesses and meet new people and get new customers. But ... it's still hard to find people in the office to meet." [#13]
- The co-owner of an ESB-certified goods and services company stated, "They buy it because they trust us. So, we have a marketing arm that sends out emails and all of that. But people don't buy from an email. Rarely do we have someone buy anything from our website. They see what they see, and they build a relationship with us. We're in the middle of a relationship right now where we just started the work. We started talking to these people, they found us online, we started talking to them 18 months ago. And we just started a project two weeks ago. ... Every time there's all these electronic barriers, spam control, and all of that ... every time a new update comes through on one of those, then we have to rebuild. We have to call people and say are you getting our emails in? That's time-consuming. When we should be whitelisted because we're [an] Oregon business. We're valid. We're in the state registry. And now people aren't even seeing that we're doing a workshop next week or in three weeks. They're not seeing it because they've put this spam filter in, and we no longer get through." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I did see something that I thought would be good [for bidding on public work]. And I reached out to somebody, to see if she wanted to [coach] with me. So, we'd have more people power to work in case there was volume. ... I've certainly been part of a number of networking groups [and] started a networking group. ... I can't say that any of it ever resulted in business." [#17]
- The Native American owner of a construction company stated, "I don't think I have a relationship with any company where if I called that they would bend over backwards to help me finish the project on time." [#20]
- The Black American woman owner of a professional services company stated, "I'm really big on directories. ... The whole reason for creating directory so is just to make it easy for people to find. ... I know there's a small business resource page, I'm sure I don't really use it that much, but I would assume there is. But it'd be nice if that was one of the resources and just like how names, that of people, accountants, or people in that field that would be willing to provide service at an affordable rate. ... How would I find these contracts? You know, these [are] just people referring them to me. ... [With] Prosper Portland ... basically, business owners come out and see different service providers.

... I got a few clients from there ... but maybe if there's like an event like that, for business owners." [#22]

- The Asian American woman owner of a professional services company stated, "I'm a small business here in Oregon. If there's any program that ... the state ... can help us connect to other businesses to get clients." [#26]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The way I've primarily been pursuing is noticing who wins contracts and making a point of networking with them, whether it's a contract that I wish I could get, but I'm not large enough or a contract that I'm also proposing for, that tends to be how I find those folks. I'll frequently try to network with an or this isn't always public, but I'll try to network with an organization. If I see that they're hiring talent, that's adjacent to what I do. So, if someone's hiring a media coordinator or a content manager or a marketing manager, I'll make a point of networking with that organization, because I know they're trying to make some of that sort of work." [#30]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "I learned to meet people, develop relationships, get involved, committees, boards, commissions, wherever that is. So, I learned [to join] organizations, I learned our local chamber commerce, other associations. And then definitely, I learned to research and develop and meet people. It's all based on relationships and the work that we've done in the past. You know what I mean? I tell people that the best marketing is your work." [#32]
- The Asian American owner of a construction company stated, "The woman who built my website is one of the women I met through OAME." [#34]
- The Black American owner of a construction company stated, "On the private side, I'm trying to contract directly with owners, [I try] public organizations where I might know somebody ... if they have some kind of program, I'll give it a shot. And then lastly, I'm trying to partner with people, [and communicate], 'Instead of hiring me as a sub, why don't you carve off the whole scope and give it all to me? And then I could be a mini GC or a mini prime to you.' ... I just haven't thought enough about it to see how you would [build relationships] on the public side." [#35]
- The owner of a majority-owned goods and services company stated, "I don't have the [professional sports team] tickets or the luxury box. There's a couple of people that I compete with that have millions of dollars floating behind them. I'm just one guy in my truck trying to say, 'Hey, please go with me.' I think that's in a nutshell, the biggest complication I have to develop those relationships." [#37]
- The Hispanic American owner of a professional services company stated, "I would say [the] number two [barrier to starting a business] really is contacts prior to financing. ... You meet a lot of people, run into a lot of people, and in this federal government work, like it's getting the people to take a chance on you because even if you're the cheapest bid, that doesn't guarantee you're gonna get a job, getting your name out there. I came in over 50 percent cheaper than my competitor. Why I did that? To show them what I could do. Then after my first six months there, I started raising my prices, then they didn't hire me, then they went with another company. ... [Now] that company's more expensive, so they came back to me. ... So, word gets around really quick, especially when you're in an industry that's huge and small at the same time. ... Everybody's gonna know who everybody is, you know? And it's hard if you get a bad name to even get through the door." [#40]

- The non-Hispanic white woman owner of a professional services firm stated, "I did a lot of networking. And networking as an older female was difficult because they're gonna go for the younger guys because ... they have more energy. That was tough. I gave that up completely. Networking was not for me because I got nowhere. Finding new clients on a cold call is hard. ... You just have to be out in the community and let people know what you do." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "How you get things done is by networking with people. It's all about people in the end." [#42]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Organizations around Portland are very helpful for networking, and there are many groups geared toward small businesses." [#61]
- A representative of a Black American-owned professional services company stated, "I would say in one of our divisions we did try to get information. My partner went to several meetings and could never get anything going. Wanted to start as a subcontractor and could not get any information for those who can be subprime. Could never get connected." [#AV10]
- A representative of a Black American, service-disabled veteran, and woman-owned professional services company stated, "It is difficult to get business. Do a lot of networking, meet a lot of people. Just started business." [#AV57]
- The Hispanic American woman owner of a goods and services company stated, "[Immigrants] do not have the same opportunities. There are very few networking opportunities. ... We bring our product from our countries, and it is difficult to show it here in this city, ... where is OUR market? [#FG2]
- A representative of a business assistance organization stated, "Across the board, maybe the Black community of contractors maybe have a little better relationships than most in the industry, but I think the relationship thing goes across the board as well." [#FG5]
- A representative of a business assistance organization stated, "People are starting to realize networking is important, and that kind of thing. But Oregon, being somewhat unique, not having a whole plethora of minorities in Oregon, it is hard to help them try to find the right niche as well as the large companies who wanna help expand DEI, find the companies that are there that want work." [#FG6]

21. Electronic bidding and online registration with public agencies. Twenty-nine business owners and representatives discussed online registration and electronic bidding with public agencies [#1, #2, #3, #16, #28, #34, #39, #43, #54, #AV, #FG4, #PT7, #PT8, #PT13, #WT10, #WT28, #WT8]. For example:

- The Black American owner of a construction company stated, "I think once I qualified, ... I'm hoping they will send me a list of availability of jobs that might be out there and say, 'Hey, you know, see if you qualify for this job or put in a bid on this job.' You know, he has so many I don't know, yet six weeks put a bid on the job. ... What I'm experiencing now, there are certain clearinghouses, they will get an A, usually, they could be a general contractor or they could be an architectural firm, one of the two. And they will say, 'Hey, join our website, and you'll get information about upcoming jobs.' ... I don't know if the city or the state or the government works that way where they have assigned already architects or general contractors that are actually putting out the bids under

government specifications. I don't know that yet. But that would be a good chance to say that if you qualify, here's some opportunities for you." [#1]

- The Asian American owner of an MBE-certified professional services business stated, "One more gap is ... some counties have worked together and they have their own portal. Some of them are using OregonBuys, some of them are using some third party. So that is also not consistent. So as a small business, if you're getting started, just to find out where to look for, it's too overwhelming. There are too many places." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "The systems are hard. And it both intellectually and also like the way that it is structured. It's a bit antiquated, the menus are not intuitive. And depending on what you're applying for, and where, for example, I've had the opportunity to work with Oregon state, as well as Oregon archives, as well as Oregon Heritage Commission. None of those are in the same place in the government. And I've had three very different experiences of applying, like putting the bids together, going through the process. Do they use OregonBuys? Do they not? So it's never the same process, even though all of those were in the state of Oregon. And depending on what it was and what they needed, et cetera, the more changes in the more antiquated it is, the more time it takes. And that's again, that's like free time. Right, like, reimburse for it. So, there's that cost-benefit analysis of, is this proposal worth it? Do I think I'm going to get it? What is a proposal that is of a large enough cost that it makes sense for me to spend 10 hours putting it together and trying to put it through the system?" [#3]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I'm not successful with it was called the ORPIN system. ... There's a lot of job stability in everybody changing website titles and reinventing websites where we have to, you know, re-input ourselves as a vendor, and it's just laborious time-wasting. ... This is another reason why the private sector is a delight, as far as the business work codes, there's nothing that says marketing or communications, and of course, not anything advertising. I did find something in there, I did my best to be registered in there, but that, I don't have any experience. And I tried to look around for contracts, but you know, put in your job code number and your work code, whatever those are, and I got nothing." [#16]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "There are so many different websites that you may have to subscribe to find these bidding notices and they seem to change frequently. I mean, I know recently the state went to OregonBuys, but there are still requests coming in from SciQuest and all kinds of other different bidding systems. So sometimes it's honestly hard to keep up with where you should be looking and where you should be responding. And the onus is on you as somebody who's interested in a contract to keep up with every addendum and every Q&A that gets posted to multiple different sites. It seems very complicated and, again, time-consuming, and that it's another thing that just drives people away from even trying." [#28]
- The Asian American owner of a construction company stated, "I don't remember their names, but I had to be registered with them. I know there's one through the City of Portland." [#34]
- The owner of a majority-owned goods and services company stated, "If they were gonna try to do the same thing that I was gonna have to do, I don't think that they could start [without] having to learn the bidding system. So, they would have to get education ... because you wouldn't know how to get a bid out. ... So, they would have to have some sort of training. I'm not even sure that colleges

are specifically gonna answer that. ... Unless you went to something more specialized like a construction engineering management ... you'd have to learn how to work the system or you're not gonna ever get a bid." [#39]

- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "I don't know if you've ever looked at the City of Portland's procurement page, but it is bizarre. It's byzantine and the submittal process is like two pages long of instructions and it's just the strangest thing." [#43]
- A representative of a majority-owned construction company stated, "Another option for improvement for DBEs. Not all platforms are created equal and keeping them all straight is a nightmare. The fact that I have to spend an arduous amount of time making sure that I checked all 20, there seems to be a better way. ... If I were to look at Vendor Connect for the Port of Seattle, it's very clean. It has a, like, current awarded and ... there's something about the user experience on the Vendor Connect for the Port of Seattle that's a lot more user-friendly [than OregonBuys]. And then you can track it in a really good way. So, if I were to use an example of a platform that's working and working well. But what's hard on DBEs? Imagine that you're new to the game, you don't even know where to start to look. If they really wanted to do a service to making sure that everyone knew about everything, there's gotta be a one-stop shop. ... It shouldn't be a mystery as to what's coming out. Did you have the staff to track it? ... That's just crippling." [#54]
- A representative of a woman-owned professional services company stated, "The actual contracts and work to be done, state just changed its system and complicated." [#AV14]
- A representative of a Hispanic American woman-owned construction company stated, "Paperwork and requirements improve: make website easier to access." [#AV16]
- A representative of a woman-owned professional services company stated, "Barriers ... hard to navigate portal online." [#AV18]
- A representative of a majority-owned professional services company stated, "OregonBuys, not easy to use for procurement." [#AV30]
- A representative of a Native American veteran-owned-owned construction company stated, "I have a really good time working with them as a subcontractor. It's easy to find work. I can access bids documents and results to facilitate with ease of results. I can see what projects are open for bid and who is bidding on it and call." [#AV50]
- A representative of a woman-owned construction company stated, "Everything has to go online, [we have] limited internet access because of where we are located. Paperwork and reports has to be uploaded and limited access for internet. Hard to get started. Started in 2004, and never been able to get through process. Takes six months to get through process." [#AV64]
- A representative of a majority-owned professional services company stated, "It's just a matter of signing up for the Oregon bids on their website. It can be a bit of a hassle, but that's the case with any bid or proposal that you work on." [#AV87]
- A representative of a majority-owned professional services company stated, "The RFP system they have now could be a lot better. The online system and trying to get to what the RFP is actually looking for in a quick and easy manner could be improved. Summary of the systems they are looking for without having to download all of the forms." [#AV108]

- A representative of a majority-owned professional services company stated, "Procurement website, data place where opportunities is not a good website. Ex: OregonBuys, difficult to find what you are looking for. Cannot find projects on it even knowing ahead of time." [#AV161]
- A representative of a majority-owned goods and services company stated, "The new procurement system has some challenges. Learning curve meant we missed out on a couple of bids. We are a solutions provider. A state or government entity when they design a solution or proposes a solution they don't always have the criteria to evaluate what is the best solution. Bids sometimes get awarded to a solution that doesn't meet the requirements." [#AV204]
- A representative of a Hispanic American-owned construction company stated, "The main thing is that I'm not able to easily find the places online to bid for state work. I tried to get into those websites, and it's hard to find the resources for bidding with the state. They're difficult to find." [#AV222]
- A representative of a business assistance organization stated, "For example this girl helped me ... log in to the site. On the computer I shared my screen and she was telling me, 'Look for it here, click on it there.' Things like that. If it wasn't [for] her, there's no place where you can do it." [#FG4]
- A participant in a stakeholder engagement session stated, "Some companies don't want to jump through all the hoops to do business with the state of Oregon, such as OregonBuys, when they have plenty of business that only require a quote. This could be a reason why smaller businesses don't want to participate but may also affect other businesses as well." [#PT7]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "The other potential barrier that we've seen most recently is with the vet[eran] cert[ification] program through the SBA. Some of the county programs, well actually county postings now are requiring SAM and CAGE codes for the feds, who are using that as a screening tool. And if any small businesses really tried utilizing that, they're going to find out very quickly that this is not for a small business. These folks don't care." [#PT8]
- A participant at a stakeholder engagement session stated, "You have to really be almost digitally savvy in knowing how to work, navigate through OregonBuys, and even when you set up those searches and get those notifications, I don't think those are really enough, in my opinion, because there's so many variables that you could miss something if you didn't know to include a certain filter on a search." [#PT13]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "When we try to get information on the bid website, half the time we never get our questions answered and are dismissed and not fully engaged." [#WT8]
- The owner of a majority-owned goods and services company stated, "OregonBuys is not a user-friendly platform, and it is no better than ORPIN was. It's nearly impossible to get the basic information about upcoming contracts from those platforms. There are national procurement depots that list current prices for various goods and services used by many agencies across the country, including cities and counties within Oregon. However, that information is not available at the state level." [#WT10]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "Was invited to take part in a travel trade show at University of Oregon. The cost to participate was \$250 for our booth. We paid the fee and attended and met many U of O employees who have

meetings and travel needs. When we asked if they would be interested in getting more information, they asked if we were in U of O's Concur system. We didn't know what that was, so we followed up with the show management afterwards. We were then told that there were already three preferred travel contractors at U of O and university staff were required to use them. So there turned out to be not a lot of benefit in participating in the show, and no one had told us about needing to be in the Concur system beforehand. We were promoting our service that U of O staff were not allowed to use. We had spent \$250 on the booth, as well as travel and staff time, and overnight hotel rooms, for our staff to attend the show, probably over \$1,500 in expenditure. But no one told us that U of O already had a travel program in place. This is a barrier to woman-owned/minority-owned business to participate if there are pre-existing contracts in areas we are asked to bid/participate, but we are not notified that there are already incumbents." [#WT28]

22. Barriers throughout the life of the contract. Fourteen businesses discussed various barriers they experience throughout a contract that may make it more difficult for them to perform work or may influence their decision to work with a client in the future [#6, #21, #23, #33, #35, #39, #42, #44, #AV, #FG1, #FG3]. For example:

- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "I think the barrier, the struggle with that, is that every GC has the language in the contract that they don't want to remove or that they don't want to include the documents you actually need. ... There's a certain way that we perform work that has to be stipulated. ... And a lot of people, a lot of times, they just want to keep their contract as it is their standard contract." [#6]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "For the public sector stuff. It's really important to find people that are here locally, it seems like that's their focus. They want to try to keep the business here in the state. I totally get that. Also it's a tricky thing, because not all of these guys have all of their staff here in Oregon, either some of them are distributed throughout the United States and some of them are distributed across borders, which is totally fine, but you still find some of these agencies that get really squeamish about that. ... I feel like they don't have an understanding of how the tech sector works here. ... Local and county and sometimes state officials that they've run into don't place as much value in a virtual or home-based operation, as they do for a brick-and-mortar, despite the fact that we all have to pay the same taxes and pay this same registration fees. And, in fact, those of us that are running out of our home have way more regulations because ... there has to be only certain types of deliveries throughout the day. We can't have employees here ... we can't generate traffic ... that's gonna make it not look like a neighborhood anymore. So, there's all these extra things that we have to do. But it's like we don't have the same opportunities as the other businesses. ... Being realistic about the expectations ... you have a business that's getting certified as an emerging small business, they're an actual small [business] ... getting on their feet. Be more realistic with your expectations regarding capital outlay ... the promise to pay you based on milestones ... [is] exceptionally unrealistic. ... The county recognized that, and they changed they were like, 'We can work with you on the net 30 on the monthly ... as long as you're providing documentation about what you're working on, and you can prove it anytime that you are actually working on it. We're fine with that.' But a lot of these state contracts are just not worded that way and a lot of the local ones aren't either. It's like a lot of the promises are on very loosey goosey milestone terms that they get to manipulate and control that doesn't really feel like they have an understanding of how a project like this is ... managed." [#21]

- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "Working with any big entity, state or otherwise, is difficult. There's just a lot of hoops and paperwork ... anything that can be done to make those things simpler and easier and more streamlined for the public and the people that wanted [to] work for the state of Oregon and larger municipalities. It is a very important step in trying to increase the amount of people that can bid and work for." [#23]
- A representative of a majority-owned construction company stated, "Their paperwork regime is pretty robust. ... They're normally 30 to 45 days occasionally, and you can sit there and argue with them about whether something's done or not. ... We would call that they short paid us \$100,000 on a \$1 million billing. And that doesn't seem like a lot, but it is." [#33]
- The Black American owner of a construction company stated, "I don't [bid]. And then next thing you know, a year later - now, the people that really shouldn't have been in business are kind of either dropping out or they went out of business." [#35]
- The owner of a majority-owned goods and services company stated, "Several times when I'm bidding these jobs, I have to put on my bid sheet. 'I don't meet any of these qualifications.' I have to just be upfront and say, so if you're gonna force me to go hire somebody that meets those requirements, I don't know of them ... we need to give a little bit more support to these people if we're gonna force them to [fulfill contracting requirements], give them some help." [#39]
- The co-owner of a WBE- and DBE-certified firm stated, "We're 175 miles to the nearest metropolitan city ... There's nobody else to service the area but us. ... So, getting to that point was really difficult. A lot of hurdles to jump. I remember, in order to get the testing taken care of, I had to travel from here to Salem, Oregon, which is a good six-hour drive. ... And then that requires overnight stays because you can only travel one day and then you have two or three days of testing and then you can't really travel back. That was an impediment, a big one to me. ... Why do I have to be the one that travels so far, why isn't the state serving me instead of me serving the state? ... So, we'll bid it at the specification that's required, and then we might not get it because we have to charge a little bit more because we know we're gonna meet this specification, somebody else will get it, and then they waive the specifications. ... We don't feel supported ... like there's arbitrary rules. ... They're more than happy to come and fine us for all kinds of things when we don't comply. But when you reach out to get assistance, it's just not always there." [#42]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "The complicated nature of public specifications for projects can be hard to understand, reporting the labor hours it takes just to comply with a public contract." [#44]
- A representative of a Hispanic American woman-owned construction company stated, "The vaccine requirements are an issue. We won't get the vaccine, some cities require it and maybe the state. No concerns or issues." [#AV5]
- A representative of a Hispanic American-owned construction company stated, "Amount of insurance of required for subcontractor, when project [requires] \$10 million for liability insurance ... that means the contractor/sub, has to get that much, that can be a barrier. Contracts required and paperwork can be a barrier, lack consistency in the paperwork requirements, sometimes you think you have it, then they want something new or different ... why? More consistency in paperwork. They often demand [an] apprenticeship program, which requires union membership, [but] small business may not have any union members ... [and] therefore don't take part in the

apprenticeship programs. Some special trades are not represented in the union. We do geo tech work and there is none in the union or apprenticeship program." [#AV17]

- A representative of a majority-owned goods and services company stated, " There's so much. A lot of federal money is going to public schools, but there is a huge demand for massive paperwork and requirements that are running our subcontractors out. They are asking for way too much. They consider us to be the same as an electrician, even though we are only selling \$20,000 worth of lockers. We've got to do paperwork for a small little contract that includes massive background checks, apprenticeships, and so on. Our guys say they'd rather work in Washington. It is chasing our guys away." [#AV31]
- A representative of a majority-owned construction company stated, "I have tried a couple state jobs. Such a massive amount of paperwork." [#AV53]
- A Native American representative of a non-profit organization stated, "We're jumping over a lot of hoops to provide something that we have the expertise to provide. And we need to be given the freedom to do it in the way that we deem fit without all those extra obstacles that inhibit our work." [#FG1]
- A representative of a trade organization stated, "Some of the financial challenge for me having to use certain equipment or certain software." [#FG3]

23. Size of firm. Sixty-five interviewees mentioned barriers they experienced due to the size of their company [#2, #3, #5, #6, #7, #8, #10, #15, #16, #18, #19, #21, #23, #28, #30, #31, #35, #38, #39, #40, #42, #43, #44, #50, #59, #61, #62, #AV, #FG1, #FG2, #FG3, #PT4, #PT8, #WT5, #WT24]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "I know a lot of big companies, even now, if you go back and look at all the contracts, which have been posted on Oregon, especially IT projects, you will see that there is no incentive for a big company. They may hire people in India, but they will not hire somebody or subcontract with a local business here. Because there is no incentive for them. There is no reason for them to hire you. ... The biggest barrier is the way the contracts are written. They're written for big businesses, not for small businesses. So, it's like, there is nothing you can do, you look at an RFP, and you know, they're going to pick one of the guys from the vendor pool, which is like, maybe they can be anywhere in the country. And then again, they are going to subcontract with people from anywhere in the country, because there's nothing in the contract [that says] they have to subcontract in Oregon. So that is the biggest barrier. ... I would say double standard in the terms [of] like, what happens if there is a bigger company? If the work which I'm doing probably, if I am saying getting paid, like say \$150 an hour for the same exact work, a bigger company is charging \$400 or \$500 an hour three or four times? And it's easy for them to get that than for me to justify why I should be getting one. That discrimination is there." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "A lot of the proposals that we tend to go for tend to be small business set-asides, or like, there's an incentive or encouragement, like, 'We want small businesses to apply for this opportunity.' And so small business can be anything from like one to 100 people, depending on the definition of how many people are in this business to be small. And so, when I've applied before, and it's been like, maybe me, just me, or like me and one other person, while my proposal is ranked as like the best quality, and I have the best experience, some of the commentary is like, 'But you're only one person, so

we're concerned about your ability to do it,' even though the hours of the project is like totally feasible for a person to do. There's a bias that I have experienced against small businesses where it could just be one or two people. ... There's bias, but they're also like things that could be of benefit, they only are taking as negative, like, 'Okay, you only are one person.' However, also, I am only servicing for clients, and you're getting the majority of my good focus, instead of seeing things as an opportunity or benefit, they're taking ... very negative views of what they're interpreting as flaws." [#3]

- A representative of a majority-owned goods and services company stated, "The other piece of it too, is the capacity of our or our companies to a larger scale. It kind of goes back again to the revenue creation. Many times were when we look at bidding opportunities, they want to know that we have the capacity right now. Many projects that are larger government projects or city projects, state, or city municipalities. It's not like they start tomorrow, and they take years to complete. But yet, they want us to have the trucks, the working capital, the staff today, and it's like, how can we invest in something when we don't know whether or not we're gonna get that bid or not? So, you know, help us cross that bridge. It's this. It's you know, transitioning from being a small to midsize, midsize to large, you know, the expectations are just way too high. So, the wealth continues to stay in the same organizations, and they find loopholes in order to meet the ricotta so that way they can say, you know, they honor diversity." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "So if I need five project managers, you have to get five project managers. Well, how do you get your new company, if you don't have the overhead, to carry bringing on five new project managers without getting the work done. Well then, how do you bring them on? ... The [larger companies], they have this huge number, you've got \$5 million projects that you're working on, you have a lot of overhead that you can actually spread around and move over to different areas, it allows you to actually wiggle your prices a lot more and be a lot more aggressive. If you want to go after something. The smaller companies don't have that." [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "But then, some firms require more management and it's more difficult for people to do. And you hear the stories about how they're more expensive if they're small, those cuts from the contractor. We demonstrate how that's not an actual, it's more than contractors, but a lot of tasks." [#7]
- A representative of a majority-owned professional services company stated, "It's just the barrier of getting of being able to develop, find time to do the marketing with the state ... and in many cases, the state projects are larger projects that we just don't have the full services to, to support." [#8]
- The Hispanic American co-owner of a woman-owned professional services company stated, "We're have an odd size. We are large enough that we don't qualify for a lot of them anymore. But we unfortunately are because we bought this business. Our cash flow isn't necessarily tax deductible or deductible against income, because we're paying off the old owners. So, we're in that weird thing where the business itself looks like it makes a lot of money on paper, but we have no cash flow at the end of the day. ... We're still a small business by the SBA standpoint, but an SBA qualification for small business can be pretty big." [#10]
- The co-owner of an ESB-certified goods and services company stated, "In our view, I think the RFP process is discriminating towards small businesses. Small businesses, if you're devoting 20 to 30 hours to do an RFP, if you're a single provider, and you're having to spend 20 to 30 hours doing an

RFP, that is money out of your pocket that you never get back. So, for us, we in some way represent single providers, then our spending that 20 to 30 hours, for a group of providers in responding to an RFP, if we get it, [it] means that it was worth it for them and for us. But it's still, we are a small business. And you know, my husband who runs the business is like, 'If you're answering that RFP, you better make sure that you think you really have a chance for it. Or it's really something we can address. Because if you're spending that kind of time, you're taking money out of the business pocket.' And because they're so obtuse in what they really need, they're not presenting the issue. They're just presenting the, 'Give us this, this and this,' and they're not presenting the problem. So, you don't even know if you're addressing it." [#15]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "They don't want a one-person business anymore. ... No, they're gonna hire an agency. They need a media buying job done. Well, they're gonna hire the agency to Portland based but their routes, their home offices, Austin, Texas. And so, they got 25 on staff here, 25 on staff there, there's only one or two people in the Portland office that are going to do this work. But the decision makers at the state get dazzled by 'Oh, this agency and their specialties and exactly lined up and oh, this and that.'" [#16]
- The Black American owner of an MBE- and DBE-certified construction company stated, "A lot of times companies prefer to use the bigger electrical contractors. ... Probably because of the staffing, which is more consistent for the bigger contractors. ... I think a lot of times, agencies as well as private agencies, they presume that because you're a smaller contractor that you can't grow to meet up particular size project. So, they tend to give you only the opportunities at the smaller projects." [#18]
- The owner of a majority-owned goods and services company stated, "Because we're such a small business. We can't compete with online companies, the billion-dollar-a-year industry businesses, so even the businesses in town that call us to do printing for them, they won't because our prices are a little bit higher than what they can get online. All right, so it's like I can't compete with these printing companies online, there's just no way, I would have shut my doors a long time ago." [#19]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I feel that a lot of the large projects for state and county are really written for larger firms" [#21]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "If you're a larger company, you have a whole bunch of jobs to spread all those costs for your insurance and the cost of your equipment over lots of jobs. Which means that they don't have to charge as much to bid on a project as I do to be able to break even or to make a profit." [#23]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "It's time. All of the tasks that are involved take a great deal of time. And when you have a small team, your time capacity is limited on what you can do that is not making money. So, for example, filling out a lengthy and complicated response to an RFP does not contribute to actually making money in the moment. So sometimes you do have to decide, what project am I going to work on? And those will definitely be pushed aside. I wouldn't have any evidence of it, but if you look at the type of folks who seem to get certain kinds of contracts, I mean, you can see that it's some of the same large organizations over and over again. Certainly, you can attend networking functions, but, like, if an organization has 40 staff members who are all working on a government contract, they have a whole department who their only job is to respond to that, that's going to be a disadvantage,

even if ultimately, we could produce the same or similar event, we just don't have that kind of office admin." [#28]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "When I was doing the Business Oregon proposal, which I was happy to do and managed just fine, there was a feeling of like, I actually changed the composition and like pitch of my proposal, because I knew that I was competing with firms that were going to have half a dozen employees working on this contract. And a big part of my pitch was like, well, here's some advantages of working with a solopreneur like my shit, the shit I'm going to give you and produce for you, those are art objects, those are appreciating art objects. You know, it's like I almost position myself differently because of that mindset." [#30]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "When we're talking about barrier, I would think about limitation also because we're small, so we're very limited. We have limited capacity." [#31]
- The Black American owner of a construction company stated, "Then not being able to scale up, people wanted to give me more work, but I didn't have the capacity to do it." [#35]
- The owner of a majority-owned construction company stated, "The bigger the company is, especially sometimes in the government agencies, the slower they are to evolve. I was able to evolve pretty quickly, because if I saw a need for something, I would just do it and I'd train myself so I didn't have to purchase the equipment, get the training program in place, recruit the people, do the training, implement it, and all of a sudden that particular mode is obsolete." [#38]
- The owner of a majority-owned goods and services company stated, "My old bosses that I bought the company ... they were fortunate that they've hired some good people and I still have those people under the roof now. ... So, I think the challenges are trying to get people to understand exactly the little nuances of the company. ... We sell all of our labor out. We don't have any in-house labor. We don't have employees ... our schedule's difficult. So, some years ... it's difficult for us to have guys sitting around and not doing work. So, there will be a lot of occasions where if we had employees three or four months outta the year, there's nothing happening." [#39]
- The Hispanic American owner of a professional services company stated, "When you're starting out, ... it's one or two of us that start the company. And then as you grow, you obviously realize you need to bring people on to fill in these positions, but it's hard to get that big." [#40]
- The co-owner of a WBE- and DBE-certified firm stated, "Because we're so small and tiny, we haven't really had to worry a whole lot about competitiveness in the supply world. Again, because we're the only game in town, but then again, if we wanna do state work or specification work, we do have to be competitive. We have to operate just like the big boys, just like the same, we have the same rules we have to follow as the people in Portland who make a lot more money, have a lot more resources than we do, a lot more staff. ... Being so small, having few resources and not easily accessible resources. And then not always having the same financial resources that other people have." [#42]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "You're competing with some of the larger firms [that] have marketing staff and whatever. So, a small firm, we're competing against people that just have different and better resources than we do for that." [#43]

- The Native American owner of an MBE- and DBE-certified construction firm stated, "It's hard to be competitive in this world where, in this area where there's a lot of large contractors in our industry that they eat up a lot of the work. ... I don't know if they're better at it than we are, but they bid work cheap and it's hard to beat a lot of the competition in this area." [#44]
- The non-Hispanic white woman owner of a professional services company stated, "[I did not have] any idea what I was doing. I never really wanted to start a business. It just kind of happened. But I knew nothing about accounting. I didn't know what P&L [profit and loss] meant. I didn't know how to build clients. I didn't know how to use QuickBooks. I just knew how to do the thing I know how to do, which is marketing. But I didn't know how to manage people. I didn't know how to interview people." [#50]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "They want to do these 'joint check agreements' with companies that are small businesses. But then I learned that from the federal guidelines, that's against the federal guideline policy. So, it's like, why are these general contractors forcing small businesses to do this because of their own independent business practice or discrimination against small businesses?" [#59]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Most of the work seems to be won by the large businesses, leading to a high concentration of dollars in a few companies." [#61]
- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "I think that there's a lot of discrimination by certain corporations, huge corporations that have a ridiculous amount of support because they're so big. There's a lot of discrimination against both small businesses. When I say discrimination, just basically taking advantage of us for our local connections, the work, the quality work that we're doing." [#62]
- A representative of a majority-owned professional services company stated, "Small business difficult to get a 'piece of the pie.' We have specific set skills, it is hard to compete with the bigger business. Contracts they have, for example: cut up piece pie or work for small guys, so can get involved, work with bigger companies to work together. Have a liaison, get together, getting some big organizations to work with smaller organizations." [#AV1]
- A representative of a veteran-owned professional services company stated, "Often times they think we are too small to work with the state and we are not. They told us we could not handle the amount of business, but we can we use tech to scale." [#AV12]
- A representative of a Hispanic American-owned construction company stated, "Hard to compete: large contractors they have lot more people/staff, more office staff." [#AV13]
- A representative of a Black American woman-owned professional services company stated, "We are new, small marketing budget, awareness issues. Our industry somewhat 'niche,' most brands are contracted brands. Example: bigger brands are outsourced." [#AV14]
- A representative of a Black American-owned professional services company stated, "Barrier, the big companies, always get the projects, we are a small company. 30 percent of our business is private developers, we are working on a project with ODOT. There is [a] small contractors program, and they do not give us that either." [#AV15]

- A representative of a majority-owned professional services company stated, "Sometimes we do not pursue because process is too involving. Small firm, so sometimes workload does not allow us to spend a lot of time on marketing." [#AV22]
- A representative of a Native American-owned professional services company stated, "Yes, it can be very challenging. If you are a business that does not have background working with the state, it is very difficult to propose to write and to compete with architects and engineers that are currently being used by the state. These are large companies with marketing departments that their sole job is to pursue work. And it makes it impossible at times for small companies to represent themselves in a competitive way. The large A&E firms pursue small projects in an effort to land the big projects which the small projects would be perfect for a small company like mine, but cannot get in the door because these big companies are taking the work." [#AV24]
- A representative of an Asian American-owned professional services company stated, "Difficulty the state and regional especially when state. 2022, [company] is my client and working with ODOT and for my [company] to provide interpretation. Could not go with my [company,] have to go through companies with master, have to work with someone which has administrative services first because our process comes up every four years only. I think [it is] more difficult for smaller businesses especially minority to get contracts with government. Smaller business harder to compete." [#AV33]
- A representative of a Native American-owned professional services company stated, "It seems like in Oregon, we are always in subcontractor teams. Ex: For Oregon Dept. of Transportation, we typically would not prime it because [of] capacity, but still think put in a box. Projects are large, but still have a tendency to go with larger and well more known. One prime contract was for the Bureau of Labor and Industry, workforce development services. Marketplace is still competitive and we are competing with larger firms. Oregon should look at breaking out projects in size range that we can perform for prime without having to assemble large teams. Have to have a comprehensive or large team that perform a variety of services to get on their roster." [#AV38]
- A representative of a majority-owned professional services company stated, "Barrier: [government] general want large corporations, not small businesses." [#AV39]
- A representative of a Black American woman-owned professional services company stated, "I will say the way some of the way state contracts bill. They want an hourly or no retainer but is hard for small minority owned businesses. State nickel and dime on pay structure that put you out on a limb and they don't bill or let you have get retainer. Hard to know hourly until you are in it. Still designed for pre-existing businesses where people have money. I am very successful in retaining work. Government agencies submission are too long to be uncompensated. Takes too long and is billable time. More streamlined types of contracts." [#AV40]
- A representative of a woman-owned professional services company stated, "For some of the contracts for which small businesses are encouraged to bid, the feedback we get is that they worried we are too small." [#AV44]
- A representative of a Hispanic American woman-owned professional services company stated, "The difficulty has been as a smaller agency with a very niche service competing with larger agencies that really do not have the experience we have. The government agencies have tendency to go with larger agencies rather than smaller agencies that have particular expertise. Ex: Our expertise is in how to reach multicultural or Hispanic markets. The agencies tend to be more comfortable that

have worked with larger agencies that have worked with them before. I feel that the general market in Oregon is very soft. Ex: I think that people are not spending money or uncomfortable. They are uncomfortable with economic situation and companies budget in wanting to advertise. When a company decides to cut their advertis[ing] budget, the first to drop is to communities of color." [#AV45]

- A representative of a majority-owned professional services company stated, "I definitely think there are big barriers for small engineering firms. Specifically, the RFP and RFQ requirements. Larger firms have entire staffs that can write grants and can hire someone with a master's in literature to prepare those. Another disadvantage, with ODOT, is that they determine the rates we can charge. There is a form every year where we give our pay and benefits, and they determine what our billing rates can be. A lot of projects are just given to 10 firms in Oregon. The system is not set up for smaller firms. I think too much emphasis is on who you know in the industry on the public side. There seems to be a large relationship between ex-ODOT employees at certain companies and how much work they get. That's not how it should be. Also, RFPs and RFQs want specific examples of projects that have been done in the last five years. Often, we don't have enough projects to even qualify for those, whereas a huge engineering firm can easily meet those requirements. Some requirements are skewed towards bigger firms, who have done lots of projects." [#AV46]
- A representative of a Native American woman-owned construction company stated, "From my level of business in transportation have difficulty in participating in the bidding process without a scope of the job to bid on. My work will not be able to use until six or seven contractors into main bidding process. Most of work is outside of Oregon. Very little opportunities in Oregon. Competing against large brokerage firms in Oregon." [#AV47]
- A representative of a Hispanic American woman-owned goods and services company stated, "Need more help for smaller businesses." [#AV58]
- A representative of a majority-owned goods and services company stated, "We are a small business so we don't have to follow stringent policies from the state of Oregon. It is to our benefit to be a small business. I get frustrated that they keep putting more constraints on the employer to benefit the state but not the business. Like the Paid Leave Oregon [program] and like a bill to pass forcing large businesses to have to provide 25 percent of their staff a way to not be on the road. Either offer them to work at home or have electric scooters. They are forcing employers to mandate this." [#AV71]
- A representative of a majority-owned professional services company stated, "When it comes to engineering, the state of Oregon is not small business-oriented. They're more large business-oriented and they really should be more small business-friendly. We used to be an emerging small business and that seems to be worthless. We're registered as a HUBZone company. But, unless you're in the top-seven engineering firms in the state, you don't get the work from the state of Oregon. And those large firms will list you on a project but never give you any work. They're required to have smaller companies listed on their proposals, but they never give the work to the smaller firms; they keep the work for themselves. We do good work and have honesty combined with our integrity when we do the work." [#AV84]
- A representative of a Hispanic American woman-owned goods and services company stated, "Harder for small business to compete with corporations." [#AV87]

- A representative of a Black American-owned construction company stated, "Do not own any of my trucks, so hard to work with the state. Rent my equipment currently. As a startup [company] in transportation industry, [it is] hard to compete with anyone. Do not have enough capital and as starting up in my business." [#AV97]
- A representative of a woman-owned construction company stated, "I have had several projects that have come my way in terms of bidding opportunities. I haven't pursued them because the state typically bundles projects and doesn't divide them up. As a result, some of them were too high to bid on, and I couldn't get any bonding for them. I'm one of the few prime contractors who is a woman in the state of Oregon, and it appears that the state has a preference for large firms and, because of that, I feel like I don't have an opportunity and the workforce to compete with the bigger companies. My bonding costs me more money per million, as opposed to a bigger contractor who has been doing this for more years than me. I think there's a lot of talk about woman-owned and minority-owned business having better opportunities with the state, but it's still all about having the lowest bid and it just makes it harder for a small business like mine with higher overhead to compete with the bigger contractors." [#AV106]
- A representative of a majority-owned professional services company stated, "We are a small consultancy with a specialized niche. We are too small for many things. Our contract sizes are of a small scope. We are not interested in larger work." [#AV113]
- A representative of a majority-owned professional services company stated, "In the past, they have been extremely slow to pay and it has been difficult to collect. We are a small business, trying to work and pay bills, not being a bank for state or country governments. It should not take 120 days to pay a bill. Time is money. I don't think the state is very friendly to small businesses. There are a fair amount of barriers. There are pay issues, it is difficult to land contracts. I do not feel the current government is interested in small business. Projects seem to be farmed out to large companies." [#AV128]
- A representative of a Asian American woman-owned professional services company stated, "A lot of times we have to compete with male-owned and well-funded agencies and they are able to subsidize their work or pitches to the state of Oregon. That puts us in a disadvantage. You are fighting David versus Goliath. There are really unfavorable market conditions in Oregon because of taxation. It makes the margins so low that we are unable to compete or profitable. That is why we have moved out of state. Another 1.5 percent gross tax on top of everything else. We are being taxed as a procurement entity. We have to buy media, pay for production, et cetera. All of that flows through the company and we are taxed on that. Those aren't things we are making money on. We are administrating for the client. They are necessary for our line of business." [#AV134]
- A representative of a majority-owned goods and services company stated, "The state of Oregon has, however, been very good to our company. The biggest thing that comes to mind is that Oregon signed on to the NASPO contract. It's like a co-op agreement. When a state jumps onto a contract like that, they have a choice to choose which vendors they want to work with and, in turn, they excluded our company to bid directly on that contract. But they allowed ... the larger national companies, but did not allow any local Oregon companies to bid on it like ours." [#AV160]
- A representative of a majority-owned professional services company stated, "We get overlooked because we're a small business. In our business, there are entities like [large consulting companies]—these are large research companies that have their thing that they do around

leadership development, so we get overlooked because of those entities, in that public agencies know those names. Each of those companies have their own prescription for how they think leadership should be done. The state just overlooks us. That's the biggest issue we have. We bring specialized resources to the table that are tailored to the organization that we're helping." [#AV187]

- A representative of a Hispanic American-owned construction company stated, "Never tried working for the state. It would be nice. It can be hard at times. Large companies take over." [#AV203]
- A representative of a woman-owned professional services company stated, "100 percent yes. Ex: Was a lot easier to get work, and now do not want individual people. Want an office with a staff. Lowest state bid wins and do not want to work that way. Clients are always looking for cheaper and cost of living has gone up." [#AV232]
- A representative of a woman-owned professional services company stated, "My experience ... trying to bid as a sole proprietor is that the amount of work asked is inordinate, so I mostly don't do it. In one case, we had a conversation, an information session, and I put an incredible amount of work into the proposal, and they have it to two other huge companies. That's not worth it. I don't have a staff and can't delegate. It's challenging. I live in a high-risk germ pod, and my husband is COVID-sensitive. I also have three folks over 85 in my house, so it has not been business as normal. All of my work since the second year of the pandemic has been online, and now everyone wants to do everything in person again. This is a major barrier to me securing work now." [#AV234]
- A Hispanic American representative of a trade organization stated, "Many projects that are larger government projects or city projects, state, or city municipalities. It's not like they start tomorrow, and they take years to complete. But yet they want us to have the trucks, the working capital, the staff today, and it's like, how can we invest in something when we don't know whether or not we're gonna get that bid? Help us cross that bridge." [#FG1]
- A representative of a trade organization stated, "While it's amazing to have these set-asides where I can have people seeking me out. ... Not all of them are prepared for the challenges of working with a firm that's as tiny as mine. I wear all of the hats. I'm held to the same standards as these giant firms with a lot of other resources." [#FG3]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "My experience has been that the contracting's not really built for the small businesses. It's more towards those traditional firms. I've seen a lot of, even on scoring sheets, a lot of discriminatory writing regarding having employees from other countries, for example, or leased employees. I don't want to be very specific, leased employees through firms, and that's not very appropriate and I don't really feel that that's a big deal. It was explained to me by an ombudsman for the state that they are in kind of an old mindset when they're scoring these things that they want to see employers here that are employing people here within the state." [#PT8]
- The co-owner of a professional services company stated, "We started selling it before [large technology company] was even a publicly traded company. ... Our business grew but the larger enterprise accounts that we worked so hard over many years to establish became attractive low-hanging fruit for the manufacturer, in this case, [large technology company], to take that business direct under new contract agreements. We were eliminated from the accounts under the new direct contracts but were told at the time, that we could continue providing services and survive that way."

We had just lost 40 percent of our revenue along with relationships with customers that we had spent years developing and there was no way to replace that with sporadic service needs. After this happened a few more times in the enterprise market with other products we introduced, we learned not to pursue the larger business but to focus on the mid-market and the manufacturers generally would leave us alone in that arena. Another prime example of this practice was the IT HVAR contract that the state of Oregon established with [technology company] in 2016, replacing the NASPO agreements that we used to be able to sell under to state and local and education. This effectively set up a monopoly, shut us out of that market, cost us our hard-earned relationships with dozens of accounts we had established over the years, and we lost millions in sales over that six-year contract period. All that business was routed to [technology company] from 2016 to 2021. This time it wasn't just the larger accounts, it was all the business in the state, local and education market. We are just now trying to start all over again to build relationships, and now that the contract has expired and it has not been renewed, it is expensive and time-consuming. It's going to take years to recover from this and of course the pandemic and supply chain issues are also having an impact." [#WT5]

- A participant in a stakeholder engagement session stated, "They look at us, 'Oh, you're so small.' I'm like, 'Well, yeah, we're small, but we're capable.' And I can give you a perfect example right now is that we have a project [in] downtown Portland, and because they're a union contractor, they can only hire the union contractors to do the work. Well, guess what? We're so small that these union contractors can't even deliver, so they ended up hiring us to go in and do the work. And so, we're down there downtown doing the work right now, even though they tried to get us to sign a single contract with the union, which we'd refused. ... They're finding all these reasons just to kick us off because we're, 'Oh, we don't want that charity case to be right in there.' And somewhere along the line I think it would be great for, at the end of the day when you guys are giving feedback, that these loopholes that these large general contractors have found, has to stop. But there are some out there that take this very seriously, and we've noticed that since we've proven that we are very good to their eyes, that we no longer need to be part of that requirement. They ask us to bid on every project somewhere along the line, I would like to see the end of, next August or September when this all surfaces is that these general contractors, in order for them to do business with the state of Oregon, they have to take this seriously and don't treat the mandate as a charity case. ... We are more than capable as some of these contractors that claim that they're big, but they're not as nimble as we are. So not to toot our own horn, but I have to mention that, come on, get over it. And hopefully what you' guys are gathering here will surface those things and make a difference, because right now people talk about it, but they don't walk the talk." [#PT4]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "It always comes down to 'they have staff in India' which is irrelevant, as most firms in Portland have staff in India, South America, Vietnam ... and other locations. Some are upfront about it, others lie about it." [#WT24]

24. Obtaining the first contract. Fifteen interviewees described the challenges they faced trying to obtain their first contract in either the public or private sector [#3, #6, #13, #21, #31, #35, #61, #AV]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "Working with the government, it's harder to get your foot in the door, like you either win the contract or you

don't. There's not a lot of relationship building. Whereas I experienced the opposite with nonprofits. There's usually a lot of good relationship building but maybe you don't work with them right away. There tends to be repeat work with nonprofit clients, whereas [with the] government, it really seems to be like just this specific project in this specific area of the government, and then we may never work with them again." [#3]

- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "The next part about it is actually securing work. When you're starting out, people don't want to work with you, it already makes you behind the eight ball to start out. So, you're constantly trying to build a relationship and find somebody who will give you a shot." [#6]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "I think it's hard to get in the door initially, and you have to really prove yourself. With the colleges. with the universities, they leave their buying up to each individual buyer. So, they can really go out and buy from anybody that each buyer wants to buy from that's on their approved list. And it's very common that you'll find people that just keep doing the same thing over and over again. And you have to really get in front of each buyer, which was very difficult to do with how spread-out schools are. And you don't know schedules are people and it definitely is not easy to sell to them." [#13]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Of the times when firms struggle, they don't grasp what it is that the client is looking to do. ... A lot of them don't even read the RFPs. They don't understand the RFPs and they're asking a lot of ridiculous and redundant questions. ... I would say probably two-thirds of the firms in there I haven't even seen before, like there's been a huge surge since COVID, of unknown names just popping up for software projects that we don't know who these people are, and it shows that they're not experienced. So, I think there's just been a big surge of a lot of people thinking this is easy money and it's really not, it's very difficult to do. ... Most people come from other states ... [have] a big barrier [of] people not really knowing who you are. And you not being from here. And people ask that. I mean, it's just it was a weird experience for me when I first started like people ask me, 'Well, where are you from?'" [#21]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "For the startup company, all they need is ... opportunity of the first job, [the] first contract." [#31]
- The Black American owner of a construction company stated, "People keep acting as gatekeepers and like closing the door behind them. ... [For example,] when the owners have experience requirements that, at some point, nobody had that doggone experience. How can I be a GC or a prime to these things when I'll never have the opportunity to get that experience? Because you can't get in as a startup - it's not allowed." [#35]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The hardest part is getting the first contract, because often agencies ask for five years of past experience and three references, all of which are large barriers to small and new businesses. [We] got [our] first contract because the state contacted [us] through a vendor list to provide a quote for an emergency contract. [We] were bidding against two other businesses, and successfully got [our] first contract through a limited RFQ process." [#61]

- A representative of a Black American-owned construction company stated, "They know they have not dealt with us before. They question our ability, and they hold monies back because they feel we are not going to complete the job. They hesitate to do business with us, mainly out of fear. [When working with] POC business they want to look at our funding first, what is in the bank and line of credit. They say they go by the book. ... It is not wrong or illegal, but they are set up to weed out people of color." [#AV4]
- A representative of a woman-owned construction company stated, "The amount of experience that is asked for especially, when first starting out, hoping experience with a subcontract to a prime subcontractor it [is] a 'chicken [and] egg' situation. Got to get a project to get the experience." [#AV15]
- A representative of a Native American-owned professional services company stated, "If you are a business that does not have background working with the state, it is very difficult to propose to write and to compete with architects and engineers that are currently being used by the state. These are large companies with marketing departments [whose] sole job is to pursue work. And it makes it impossible at times for small companies to represent themselves in a competitive way. The large A&E firms pursue small projects in an effort to land the big projects which the small projects would be perfect for a small company like mine but cannot get in the door because these big companies are taking the work." [#AV24]
- A representative of a Black American woman-owned professional services company stated, "It seems like when I apply for RFPs, they move past my business. They should be asking, if I have what they need, do I have the bandwidth? We are a new company, we are small, but we haven't been picked or given a chance yet. ... Instead of just looking and moving on, give the opportunity to those who you might think can do the job. Give companies like mine a chance. ... I want a hand up, not a handout." [#AV88]
- A representative of a majority-owned professional services company stated, "We did bid on a project but we were going to be working for a developer who was doing a project for the state. So, our contract would have been with the developer, not the state. But the state had a say in it, and they wanted to go with an architecture company which had a history of the state—and we didn't have a history with the state, so we didn't get the job. So, I guess that means we'll never get any jobs working with the state since we don't have a history working with them." [#AV90]
- A representative of an Asian American woman-owned professional services company stated, "My husband and I have tried to work with government agencies. There was lack of experience on our behalf, however, seeing as we're a pretty new business and a fairly small company. I've been reaching out to some non-profit companies in Oregon. But I can't go onto the government side because I'm new. I'm wondering about the whole process of bidding on those types of jobs, because we're really very interested to subcontract with government entities." [#AV94]
- A representative of a majority-owned professional services company stated, "I feel like they prioritize past service, which I understand. They look for a track record of government contracts. We don't have a lot of experience with state of Oregon contracts, mostly with non-profits and traditional associations. I don't know how to crack that nut. We do continue to bid on them but feel like we are being excluded. My biggest opinion is that we can't show success on past government accounts as a prime contractor. We have done this as a sub but can't bid as a primary consultant. I'm just not sure how to get my foot in the door. Once you get your first, and can show successful execution, it is a feather in your cap, and you can move on from the next to the next." [#AV183]

25. Barriers to formation. Twelve interviewees shared the barriers and challenges they faced when starting their company [#4, #14, #15, #19, #20, #30, #34, #39, #40, #42, #56, #59]. For example:

- A co-owner of a majority-owned construction company stated, "As you grow, what I learned during that, we grew a million dollars in one year ... it choked my cash flow. Because although you got a lot of work out there being done and stuff, it takes time to collect that stuff. And the minute you pick up those doors or product, you got 30-day clock time to get it paid to the vendors. ... I [am] still struggling on that right now. Because you have a lot of outgoing money, and sometimes not as much money coming in, but you handle it." [#4]
- The owner of a majority-owned goods and services company stated, "One of the most important things to keep in mind for a new businessperson is you need to be flexible with [what] you're doing. People who start a business usually have a vision of some kind, 'I'm going to create this product, and the people are going to love it, and we're going to be super successful.' But sometimes it becomes pretty apparent that's not necessarily what the people want. You have to be able to recognize what the people want and be willing to adapt to what that is. I've seen a lot of very high-quality businesses closed down, because they were very obstinate about what the people wanted. The business wanted to be one thing that people wanted them to be something else. They were not willing to adjust. And they went out of business, and it's expensive, and it sucks." [#14]
- The co-owner of an ESB-certified goods and services company stated, "It was already started. We actually purchased it from someone else they had put it on the shelf so we just really restarted it. There are some challenges when we first started it, restarted it in 2002. Because the person that we bought it from thought that we could just restart it. And, you know, it had been on the shelf for 18 months. The main product that he sold us was a really fine product. Two products that he sold us. But organizations had to find another resource. And so, rebuilding those relationships and people coming to what we had was that it was more work than we thought it would be." [#15]
- The owner of a majority-owned goods and services company stated, "Both my wife and I have never been in business like this before. So, we don't know of the programs that are out there. We don't even know how to do a grant because I've never. ... I was a welder for 30 years, I ran steel shops. I've done rail cars and barges and ships and helped put buildings up and project managers for several different job sites and different things. I didn't know anything about operating a business until I bought this and now I know a little bit. But I've learned a lot in the last four and a half years." [#19]
- The Native American owner of a construction company stated, "The IRS, when I put the responsibility of the EIN [Employer Identification Number] in my name, it took the IRS about sent it in July. ... It took them seven months to process that one document, which to me was wild, because I thought they'd have the manpower since it we were out of tax season. But I submitted the transfer responsibility for the IRS in July. And I didn't get a response until February." [#20]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I didn't really know what I was doing. I'm sure that's like a pretty standard answer, but like I had no idea what I was doing. It's really easy to start a business in Oregon. You know, you pay \$100 and set up a couple of bank accounts and you have a business. But I didn't know what to offer, who to offer it to, how to go about offering it, who my clients were, what to charge." [#30]

- The Asian American owner of a construction company stated, "If I had learned in like high school or college, I probably would've gotten the field sooner, finding consistent work. I was looking at stuff on Craigslist. I painted houses, I built fences, I did some landscaping. I did odds and end jobs until I got clients that could pay me well enough to just kind of do it full-time. But really getting licensed opened things up for me. I think just being able to advertise and feel legit about my work." [#34]
- The owner of a majority-owned goods and services company stated, "Years before I came along, they started kind of getting more into the contract end of it, which is running through general contractors. Not through the school district, owner end user for telescopic bleachers, metal lockers, the gymnasium, basketball backstop that hang from trusses. ... I think we started feeling there's quite a few furniture people out there that can get prices almost like, I guess Costco, for lack of a better analogy to it, that that would just peak pants off of us in pricing. We couldn't beat 'em. They work in volume and warehouses and stuff. So, the contract ended up being something that we were looking to get into because you're hiring installers at that point, subcontracting out laborers, it's much more involved." [#39]
- The Hispanic American owner of a professional services company stated, "I left high school early, started painting houses. I wasn't a very good student. I managed to start painting custom homes and then I moved into industrial equipment and tried to do some other things that always came back to painting." [#40]
- The co-owner of a WBE- and DBE-certified firm stated, "It took us three years to build our own home, and we built it ourself with hammers and nails and the whole thing from bottom to top. So, then I was feeling pretty confident in the construction industry. We had learned a lot through that experience. And he was unhappy with his position with the federal government. [He] had a background in construction and heavy equipment. So, he was looking for opportunities and we came across the business that we own now. It was a failing business, when this opportunity came up to take this failing business, we had some friends that were also in construction, and they're like, something's gonna have to happen because we can't get good service here for our needs in the concrete industry." [#42]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "At no point in my career did I consider that I would be a business owner. Although, ... at some point when I was trying to figure out in college what I wanted to do, I thought [of] working with lots of different organizations and people in some kind of capacity. ... I don't think I had the language to think of it as entrepreneur or consultant." [#56]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Twelve years in this business. And we still run into challenges and this is our specialty. So, it's interesting to see, cause contractors do try to go, 'Well, we wanna own the whole thing. We're gonna just pick up the pieces and do all this ourselves.' And they realize once you get to doing doors and frames, it's not easy. And then everything goes sideways and then you need somebody to come fix it. ... I thought my niche was gonna be going into business was just doing inspections. Cause I figured if I can do something where I can control whether I'm there or not, and I'm not waiting on someone else or a manufacturer where people are gonna be upset because, well, your delivery is late. ... I can't control that. So I wanted to just go in inspections thinking if I don't show up, you can be pissed off at me that I didn't show up." [#59]

26. Other comments about marketplace barriers and discrimination. Seventy-five interviewees described other challenges in the marketplace and offered additional insights [#5, #10, #16, #17, #26, #35, #37, #38, #39, #41, #42, #44, #55, #57, #59, #AV, #FG1, #FG2, #FG3, #FG4, #FG5, #PT6, #WT17, #WT20]. For example:

- A representative of a majority-owned goods and services company stated, "I think is really important for us taking consideration as well as small businesses that the owners work with it. They don't have a social security number. They have [it] more difficult and more issues to access to capital. [It] is really hard for them to access capital or even for rent. You know, all fees or rent. Any commercial building is really hard for them, even if they have good credit. As soon as the corporation or people who is renting the facility, they know that it's an IT and they deny the access to have a lease agreement. I think a big problem right now is that there is a lack of accountability in the system. When we look at the construction field, you know, you look at the general contractors, the general contractors are pretty much white, or white institutions. The government hasn't taken the opportunity to look to see what's wrong with our current system when it comes to the construction industry. Because not only in those white institutions, we don't have very many skilled foreman on the job sites, architects, project managers, estimators. And so there is not a real clear pathway when you think about training and developing in the construction industry, for people of color. When you look at the requirements, that general contractors [must] use people of color, yes, we know, like, especially the Latino population. We are the super majority, when it comes to the working force and construction. That's not a good tool to measure because we're not being paid appropriately. Typically, the general contractors are going by the lowest bid possible. We're not creating any sort of generational wealth here, or we're creating as a bigger profit margin for the general contractors." [#5]
- The Hispanic American co-owner of a woman-owned professional services company stated, "In Portland specifically, the tax compliance with the all the various layer layers of such stuff that need to be figured it's been a nightmare. For [the] computer to try to keep on top of that stuff for compliance and expensive. Then, on top of that, because none of the work that we do for clients is performed here, because it's all virtual. Our clients are global. The majority of our people are not in state either. Because we happen to live here, we pay all the local business taxes, and we pay all of that everything else, despite the fact that there's no activity in the state. And that stuff's all designed to capture state activity. It means it has been a challenge to stay. It's when you could easily move five miles north across the river into Washington. And we pay like 9 percent less tax, which is nuts. But we want to stay. We'd love Portland." [#10]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "It's all open policy. We can go in and ask once the contracts that are where we can go in and order and ask for a copy of the winning proposal. We can see what all the new runner-up proposals are and so we can see what everybody has offered as far as their wonderful ideas. What does the client do with the winning agency? Well, here's all the other runner-up proposals that we didn't hire. [The] agency takes all of our gold, all of our proprietary information, all of our speculative work that we worked at least 40 hours on to hopefully win the business. They had the opportunity to use them and emulate them, steal those ideas, embellish, and make money on others work. It's rotten. It happens all the time. I see some of my unique ideas over the years parlay out as a spin as part of another campaign." [#16]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "I can't say I put massive effort into [the contracting process]. I just talked to some other people that had contracts, and they gave me theirs. And I went through it and just customized it for me." [#17]
- The Asian American woman owner of a professional services company stated, "I work for marketing for others, but because I'm just a one-person business right now, ... I can't attend a lot of personal meetings with the chamber local network here in Gresham [or] Portland. That's my struggle. I am a full-time mom. We're all local Oregonians. We're all investing business in Oregon helping business to business. But yes, there's a lot of struggles with that ... because some business owners have problems finding clients, too. My business, the system that I have applied with our business can help them get more customers and sales. The problem is, they don't have the investment anymore. They just don't have any budget for marketing." [#26]
- The Black American owner of a construction company stated, "Oftentimes, on the public side, you have to meet these different percentages and stuff, but I just don't know what the motivation is for [primes] to make sure that you're also successful." [#35]
- The owner of a majority-owned goods and services company stated, "Revenue does not equal profit. I think that's a big problem." [#37]
- The owner of a majority-owned construction company stated, "I'm able to have extra time to travel ... I'm in my ... early seventies, and she's in her early eighties. I don't want to work that hard. I just want to build on the skills that I have." [#38]
- The owner of a majority-owned goods and services company stated, "The biggest [challenges] just being a worker to turn around and being the owner is trying to navigate all of these different projects ... you would like to cherry pick, but you just can't really cherry pick. ... which job do we bid and why? ... What leads us to those, frankly, it's market and trying to understand what's coming out to bid. That's a challenge sometimes." [#39]
- The non-Hispanic white woman owner of a professional services firm stated, "It's everybody in your family. Anyone who has access to the data and the computers. That is the new struggle I think, of the unemployment atmosphere. [It's] not just the person you hire. It's the person who they live with, or their roommates, or ... friends that come over, so that's been a challenge. One of the guys was surfing a site he shouldn't have been on. And it opened a trap door ... and you can open a file that's attached to it. And as soon as you do that, like, when I was filing things, it started encrypting our data. By stopping it, it only encrypted about 25 percent of our data that it cost us over \$20,000 to get a key to unencrypt. And that was not from the people who were going to hold me hostage, but that was from a decryption company ... trying to get a lease actually for the first time. I had the financing. I didn't have a problem getting money. That wasn't it. It was just trying to get a landlord to trust that I was going to actually go through with the lease, I guess. Them having faith in my business model." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "We're a hundred miles from the nearest Walmart. So that kind of gives a perspective to people, we're just very isolated. It was such a benefit to the community and to the state that we were able to do that. ... We've been known to go over a hundred miles because the communities around us are that far away and still in our same county. ... We got a couple mixers here along with our big truck scale. I'm assisting the new owners in complying with all the regulatory agencies that they need to comply with ... and getting them started. ... They're ground level going up now. We have run into so many hurdles in trying to do that

... but it's as though nobody really wants to do their job. ... We were relying on [consultants] to come and do site visits and to kind of hold the hands of these new owners ... but what we get a lot of is, 'Well, we can't come to see you because either we don't have the funding to do that, or because it's snowing and I don't have a good vehicle. We realize that you have a deadline to meet these requirements we're giving you, but we can't help you' because of whatever obstacles they come up with." [#42]

- The Native American owner of an MBE- and DBE-certified construction firm stated, "One of the other big impacts is from a business standpoint, ... being on [the] border [of] Washington and Oregon ... the tax structure keeps changing for us and there's a lot of legislation going through that's affecting us in that way. ... You [must] know how to identify changes with the owners so you can notify them and get paid for things that you're owed for. That was one of my huge issues. Early on, it was not having the right tracking systems in place, and we'd end up doing work that we should have got paid extra for and we never did just because we weren't paying attention." [#44]
- The Black American owner of an MBE- certified professional services firm stated, "We find that we have to fight 10 times as hard for a public project and get half the dollars." [#55]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "We've actually had to adjust our working hours, based on congestion. This is the cost of transit. Now, most of our workers are working four [ten-hour days] instead of five [eight-hour days]. The extreme heat, and climate change, fire problems have caused us to shut down early, ... adjust our schedules, adjust our timelines for projects to keep our workers safe when it's very hot. We are hoping to be a supplier for [a project in Portland], and because of recent changes with the tolling and funding for that, I imagine that project will probably be pushed out for another year or more. [It] is tough for us because we really try to schedule our work to avoid the normal ebb and flow of construction where you get a big job, you hire a ton of people, and then job ends, you lay 'em off. We try to pace everything out so we don't have to do that. Which is really tough when we're planning, you know, a year or more out. ... [Another barrier] is a lack of affordable childcare. That's something that is really painful for us because we're specifically trying to hire, like I said, women and people of color into entry level positions. We're industrial. Even though I've looked into it, we can't actually get zoned to be able to have onsite or near-site childcare ... which is unfortunate because that's something that I would love to be able to offer to my workers and many of them have asked about. It would be a game changer, I think. Just post-COVID, post-pandemic, a lot of childcare centers have shut down completely, and the lack of available and affordable childcare is keeping a lot of families, especially women, out of the workforce. ... I think addressing the childcare issue is pretty urgent, especially for meeting some of our workforce needs. Taxes are tough. ... It's really tough to compete with Washington just across the river for my workers." [#57]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "You can sink on that first project. I mean, you've to definitely start out smaller projects to make sure that even if you lose your [profit margin], you can make up a difference. Right?" [#59]
- A representative of a Hispanic American woman-owned professional services company stated, "A barrier with regard to the county which I encountered is that they asked for a proposal. They know what I charge for my services, but then they came back and asked me to put down less, to charge less. I dropped the price to half of what I typically charge. They kept going back and forth with the price. They want to help POC- and woman-owned businesses, but they want us to do it almost for nothing. I spent a lot of time speaking with them and wound up dropping out because it was too

much time and effort. I mean, they want us to do things for free when they reach out. They'll tell me, 'We want to pick your brain,' and I say 'No' to that because we're a business. We just can't constantly give away free consulting time/services. The various organizations which I have worked with, however, have been great. I definitely want to work with the state in the future. I think there is plenty of work here in Oregon. We're doing fine and want to continue to grow. The main challenge is with regards to the funds to get the personnel into my business. It's a challenge for me to obtain the funds to get personnel to assist me with my business and continue to grow my company. While there is plenty of work out there, at this time, I just don't have the capacity to do lots of projects due to my small number of personnel." [#AV1]

- A representative of a majority-owned professional services company stated, "My current business isn't over two years old. That was a barrier for doing business with the state." [#AV3]
- A representative of a service-disabled veteran-owned goods and services company stated, "Lower the taxes." [#AV4]
- A representative of a majority-owned construction company stated, "It's always complicated with the red tape, paperwork, rules, regulations, oversight, and payment process. When isn't it tough? It's the opposite. Being in Oregon, we've got more headwind, more regulations, and we're at a disadvantage when it comes to other states in terms of red tape and regulations and extra costs, like paid leave. We're doing okay with employees, however. We've raised wages and benefits, so that's how we attract them." [#AV7]
- A representative of a majority-owned construction company stated, "As any small business owner, [I] feel [I am] being blood dry by taxes." [#AV8]
- A representative of a majority-owned goods and services company stated, "The rules in doing business with the state and doing business in the state are astronomical. They're costly and too much. It's a headache to deal with all the rules and regulations to do business with the state of Oregon. We have an inability to obtain work. The work is there but there are no quality workers to do the work. Parts are often hard to come by. The products and services are hard to come by with the companies we work with." [#AV10]
- A representative of a Asian American woman-owned professional services company stated, "A lot of times we have to compete with male-owned and well-funded agencies. They are able to subsidize their work or pitches to the state of Oregon. That puts us in a disadvantage. You are fighting David versus Goliath. There are really unfavorable market conditions in Oregon because of taxation. It makes the margins so low that we are unable to compete or [be] profitable. That is why we have moved out of state. Another 1.5 percent gross tax on top of everything else. We are being taxed as a procurement entity. We have to buy media, pay for production, et cetera. All of that flows through the company and we are taxed on that. Those aren't things we are making money on. We are administrating for the client. They are necessary for our line of business." [#AV11]
- A representative of a majority-owned professional services company stated, "The big detriment is air travel and connectivity as far as getting enough fiber to the house. In turn, my bandwidth is more limited than I'd like." [#AV13]
- A representative of a majority-owned professional services company stated, "I feel that the taxation here is high and the state of Oregon has to decide if it wants to be business-friendly or not. It comes across as cold shoulder to me. The Secretary of State office, however, has been very helpful in terms

of documents we need for overseas business. But where we are in Oregon -which is the Portland region - is called the Valley of Death in terms of financing. In other words, they - the business folk - all go in and no one or nothing comes out." [#AV15]

- A representative of a majority-owned goods and services company stated, "There is a lot of regulations that go with it. Cumbersome. Klamath water issues [are] always a problem. Hard burden for those who make home in Klamath basin." [#AV18]
- A representative of a majority-owned construction company stated, "Length of contracts. We work with counties and they are easy. But the state work [is] cumbersome and scheduling is tough. All environment challenging: regulatory things coming are way hard to get transportation, rules and emulsion standards being proposed. Main logistics [are] a challenge." [#AV20]
- A representative of a majority-owned goods and services company stated, "Taxes are not great. Corporate tax is very high." [#AV22]
- A representative of a majority-owned construction company stated, "Everything about the tax structure in Oregon is what I would say is anti-business." [#AV25]
- A representative of a woman-owned goods and services company stated, "They need to lower their taxes. The taxes here are crazy." [#AV27]
- A representative of a service-disabled veteran-owned goods and services company stated, "There are many requirements for small businesses. If your new business is breaking into the market, it is tough, as most communities are parochial." [#AV29]
- A representative of a majority-owned construction company stated, "I would suggest that Oregon doesn't value small businesses, and I think it's not a good thing. It's a disservice that they don't encourage small businesses by any type of help that we would suggest that we need. I also totally disagree with the corporate activity tax in Oregon." [#AV34]
- A representative of a majority-owned construction company stated, "All the taxes they charge me. The state of Oregon I find to be very business unfriendly. [The state is] making it hard to retain employees. Fuel taxes [are] too high, [and] regulations too restricted." [#AV37]
- A representative of a majority-owned professional services company stated, "Permits, jurisdiction for improvement are clearly understaffed. Reviews for government and documents take a long time for us or other in construction industries would like within [the] City of Portland. Zoning codes [are] intended to increase housing density by allowing them to build excessive dwellings on their property. Not enough square footage. Hard to justify housing unit when it doesn't meet potential buyers' needs. Cost of construction is extremely high right now." [#AV39]
- A representative of a majority-owned professional services company stated, "There are just too many taxes. You [must] work harder to pay taxes [that] takes away time from the family. Market [is] a little slow. Fuel prices are high. The drivers are not happy about having to give their commissions to the controllers. The drivers are not happy we need to keep them happy." [#AV41]
- A representative of a majority-owned construction company stated, "General: working a business in Oregon. [What we] categorized as difficult: regulations, tax structure." [#AV44]
- A representative of a woman-owned professional services company stated, "Right now all of Oregon is pretty depressed because of the leadership. It is very anti-business." [#AV47]

- A representative of a Asian American woman-owned professional services company stated, "I've had no barriers. It is an incredibly anti-business friendly state. The rules and regulations are constantly being layered and the tax structure is poor." [#AV48]
- A representative of a majority-owned construction company stated, "Working with bids for the state and doing projects for the state are sometimes too bureaucratic and slow. We encounter too many delays. Our industry is challenged by labor shortages and chain supply shortages. It didn't happen overnight, of course. Oregon is not business-friendly. A lot of our clients are moving to Idaho, which is more business-friendly, so we're doing a lot of work in Idaho these days, as well as Oregon." [#AV50]
- A representative of a majority-owned goods and services company stated, "There is a tax overburden. The value-added tax or CAT [Corporate Activity Tax] tax, and medical leave, all that we pay into." [#AV55]
- A representative of a majority-owned goods and services company stated, "You don't want to be too successful, then you have to pay the corporate act tax." [#AV56]
- A representative of a majority-owned construction company stated, "New taxes [are] more difficult." [#AV57]
- A representative of a majority-owned construction company stated, "We've always had difficulties because we are being regulated by state." [#AV59]
- A representative of a service-disabled veteran-owned goods and services company stated, "The state is not very friendly to business. The taxes are very high." [#AV60]
- A representative of a majority-owned professional services company stated, "The City of Portland has disclosures which you have to sign which make statements we fundamentally disagree with. Giving preference to people based on their race is racist to me. I understand it's well-intentioned, but it's still racist. My experiences with government agencies have been mixed. I prefer working with private developers, which I find is more efficient. I think the tax environment in Oregon is not very business-friendly. When you tax someone a million dollars in taxes, whether they're successful or not, it seems rather ungracious." [#AV63]
- A representative of a majority-owned goods and services company stated, "The only barriers are restrictions that make it difficult to work. How many hours do you have? The DEQ, OSHA, and taxation that the legislation puts on us." [#AV65]
- A representative of a majority-owned professional services company stated, "Opportunity has not presented itself. Generally speaking, Oregon's regulatory and economic conditions are not conducive to business. Both of our clients are from out of state." [#AV67]
- A representative of a majority-owned construction company stated, "Being a minority contractor is giving benefit for minorities and is not based on their qualifications. [For the] government to choose over them rather than based on qualifications is discrimination. With [that] amount of taxation, it makes it tough for us to compete. Sales tax cannot discuss costs us about \$50,000 a year. Oregon is not conducive to operate a small business." [#AV70]
- A representative of a majority-owned goods and services company stated, "Tax burden is pretty heavy." [#AV73]

- A representative of a majority-owned construction company stated, "[The government] tried to inundate us with taxes and constant paperwork or get to inundate us with request for info, half her time was accumulating paperwork, overwhelmed not just state, but [federal agencies, too]." [#AV78]
- A representative of a Black American-owned construction company stated, "When you bid on jobs, the same people get the work, waste of time doing the leg work and never get the project. My business is word of mouth, advertisement gives you people that are not serious. I do commercial and residential work." [#AV79]
- A representative of a majority-owned construction company stated, "It's difficult. ODOT, for example, has offered to do all of these moves throughout the Deschutes County area. We look at all the surveys, but we never get the work. It's futile. We go to do the quotes and get a bid and they go back to the people who are moving their business and wind up doing something different. We never get the business. It's very discouraging. We'd love to do it. But we never get the work. We're very successful in our industry and a lot of companies have gone out of business. I've moved a lot of companies out of Oregon because the state is not business-friendly. State income tax and employee taxes are just too high. And there's an inventory tax on the furniture and equipment that we purchase every year, too." [#AV82]
- A representative of a Black American-owned goods and services company stated, "Downtown Portland has experienced difficulties since the pandemic. ... [For example,] the homeless issue and lack of police people." [#AV84]
- A representative of a veteran-owned-owned construction company stated, "[The] only problem is increasing taxation that [the] state imposes on small business." [#AV88]
- A representative of a Hispanic American-owned construction company stated, "You need more information how to use LCPtracker. [For example:] How to use it properly. [They] have videos, but [they don't] help. For minorities with certifications, extend the contact with minimum price, with contracts before workers training." [#AV91]
- A representative of a Black American-owned goods and services company stated, "Business is complicated downtown. Why? People complain to come to downtown, a lot of homeless on the street. My location is a good place, I am in the mall downtown." [#AV94]
- A representative of a majority-owned goods and services company stated, "I've worked for three agencies, and they've all been great to deal with. I've worked with the state police, local sheriff's department and veterans' services. It is extremely difficult to work in Oregon. It is an extremely difficult state to work in. The taxes, the bureaucracy and red tape make it very difficult. There are a lot of states that are more small business-friendly." [#AV95]
- A representative of a majority-owned professional services company stated, "Difficulty in redundant regularity oversight. Ex: Oregon FSR-4-2022. I would say that some high-net-worth individuals have expressed a desire to move out of Oregon due to estate tax levels. Otherwise, a good environment." [#AV99]
- A representative of an Asian American woman-owned goods and services company stated, "Dealing with contracts is difficult for us, whether state or federal. It is not easy to find where to enter information on the website. It is not simple or user-friendly. It is a burden for a small business like us. It is difficult to apply for applications." [#AV100]

- A representative of a Native American woman-owned professional services company stated, "Because I specialize in people with disabilities, finding sources are limited." [#AV101]
- A representative of a majority-owned goods and services company stated, "A lot of taxes. It is really tough now to get parts." [#AV103]
- A representative of a majority-owned goods and services company stated, "We are a small business so we don't have to follow stringent policies from the state of Oregon. It is to our benefit to be a small business. I get frustrated that they keep putting more constraints on the employer to benefit the state but not the business. The Paid Leave Oregon [program] and a bill to pass forcing large businesses to have to provide 25 percent of their staff a way to not be on the road. Either offer them to work at home or have electric scooters. They are forcing employers to mandate this." [#AV105]
- A representative of a majority-owned construction company stated, "I don't understand sometimes bids for minority status. I am white and do not think is fair and it is discouraging. Bid preference on how he identifies, not fair. I do not understand why cost is so high to do business in Oregon. A lot of fees." [#AV107]
- A representative of a majority-owned professional services company stated, "Our biggest concern is regarding current issues. Rules and laws and changing so fast. State and federal laws are changing how [a] business is run and managed." [#AV108]
- A representative of a Hispanic-owned goods and services company stated, "There's a lot of programs that ... don't have Spanish speakers available to educate people on it." [#FG1]
- A representative of a Hispanic-owned goods and services company stated, "When I go on Oregon.gov a lot of the small business administrative links are more towards, '[filing] a complaint.' ... But there's such a small amount of space on the website that even talks about where to receive education." [#FG1]
- The Hispanic American woman owner of a goods and services company stated, "As an immigrant here in this City of Portland ... sometimes we do not find business classes in our own language. ... An important barrier for her business is the legal advice for local small businesses and ... [I have not] been able to find that help. ... Some people are telling me that they're going to sue me. And as a small business, I've been asking for help from ... Hacienda CDC. They did refer me to a lot a group of lawyers. And I put my request ... they don't have interpretation in Spanish, so they have not been able to help me, and so I am waiting. ... I feel like there's other people in my community that are also dealing with the same issues." [#FG2]
- A representative of a trade organization stated, "I just had somebody that I was interpreting with him outside the court. I helped him with his attorney. And I found out that he had [been] having a hard time with the interpreter in the court. Why? Because in our community, we have several dialects in our language." [#FG2]
- A Black American representative of a trade organization stated, "It's important that whoever is doing the interpreting can actually be helpful in the process, so it doesn't create more confusion." [#FG2]
- A representative of a trade organization stated, "There [is] a fundamental disconnect between government and businesses, particularly contractors ... timely and responsive communications is a serious challenge. Contract Administration: working with contractors to solve real on the ground life problems." [#FG3]

- A representative of a business assistance organization stated, "The technology [is a problem]. The language has also been a challenge for me because I don't speak that much English. I went to school but my level is not as high as it is sometimes needed in the industry. It's a barrier for me. ... Even though they say here in Oregon that there is no racism, there is. It's not as open as it used to be, but there is. I have sat down with members of another chamber from another business, and they tell me the same thing, people of color, talking with them is what they tell me, 'Even when you have [a green card]. It is different the treatment you get when you have a [green card] than when you are a citizen.' So, there is a lot of that but it is not as open anymore because now you can accuse the person of hate crime." [#FG4]
- A representative of a business assistance organization stated, "The barrier for all of them is probably going to be retained earnings, significant retained earnings. A lot of white companies that have been out here a long time are able to have retained earnings to weather any storm that might be coming or, to be able to just, get payroll through the process if work slows down. Minority firms, no matter what color you are, face that every day and continue to face that because they don't have a continuation of projects like these big companies. Once a project's done, you'd be lucky if you got another one on the helm of finishing one getting ready to start right after that. Usually, there's a little bit of low between it or sometimes you may only be dependent on that one and still chasing down the second or the third. ... We have to have a continuation of work to limit these barriers. We [must ensure] people are profitable so they can retain some earnings and not just always be dependent on money in/money out and not having enough to really grow a business. You [must] have retained earnings to grow any business." [#FG5]
- A participant in a stakeholder engagement session stated, "I do not see age being addressed in any way. Since ageism can affect men and women quite differently, it could well be pervasive throughout the arenas of study, so it would bias any results." [#PT6]
- A representative of a business stated, "These projects and the income associated with it often end up in political ad agencies in Virginia, DC, or Colorado. In my view, when that happens, of course no one knows the advertising media landscape of Oregon like the good people of Virginia, as opposed to the Oregonian with 48 years of successful government agency, regional political candidate, and private sector client relationships." [#WT17]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Marked down consistently for being transparent about having some leased employees offshore. This shouldn't matter as the business is located in Oregon and I pay local, county, state and federal taxes and put that money back into the local economy. It makes us feel that our status doesn't matter. There's no point in applying because the reviewers already know who they want (and don't want, in our case)." [#WT20]

G. Effects of Race and Gender

Business owners and managers discussed any experiences they have with discrimination in the local marketplace, and how this behavior affects person of color- (POC-) or woman-owned firms. Part G presents their comments on:

1. Price discrimination;
2. Unfair contract denials or terminations and denial of the opportunity to bid;

3. Stereotypical attitudes;
4. Double standards;
5. Predatory business practices;
6. Unfavorable work environments for POCs and women;
7. 'Good ol' boy network' or other closed networks;
8. Resistance to using MBEs/WBEs by government, prime contractors, or subcontractors;
9. MBE/WBE/DBE fronts or fraud;
10. False reporting of MBE/WBE/DBE participation;
11. Discrimination in payment; and
12. Other forms of discrimination against POCs and women.

1. Price discrimination. Seven business owners discussed how price discrimination affects small, disadvantaged businesses. [#2, #6, #11, #18, #31, #32, #35]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "I would say double standard in the terms like, what happens if there is a bigger company? ... If I am getting paid, say, \$150 an hour for the same exact work, a bigger company is charging \$400 or \$500 an hour three or four times? And it's easy for them to get that then for me to justify why I should be getting one. That discrimination is there." [#2]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "There's these other companies that are charging more than you're charging, and then they're still giving you pushback on your price." [#6]
- The Black American owner of an MBE- and DBE-certified construction company stated, "There are times when I feel like I'm getting a run around with purchasing materials and again, staffing, based on demographics of the company as well as size. ... I mean, white places versus places dominated by a person of color and things like that. ... A lot of times the expectation is that a minority-owned company doesn't get paid as much as a well-established or a white organization gets paid." [#18]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Sometimes when they hire minority firms or organizations or anybody that is minority, sometimes the scope of work doesn't equal to the dollars or the budget involved. From a market standpoint, it's more like, 'This is what we have, this is what you do. ... Can you do all this for this? By the way? Well by the way, can you do more? Can you add this and that?' And then you're forced, well, you want to be nice cuz you don't wanna lose the contract. So, you're forced to say, 'Yeah, okay, I'll do it at a very little cost or no cost,' whatever they're adding to it. ... And that's unfortunate because if I was a big company and had lawyers, they wouldn't ask for that. So sometimes the culture's that we try to get more from small business because we can get away with it. ... And they're doing unintentionally. And sometimes you're forced, because once you say no, then they're gonna label you as that. 'Well, you know, he won't, or he or she won't do that.' Or, 'Here comes a complainer.'" [#32]
- The Black American owner of a construction company stated, "If you get a supplier and they charge me even a couple of a percent more that could guarantee that I'm not gonna be the low bidder. ... If

you're doing general contractor work, they may want some kind of financial requirement, like they might want 50 percent down. ... Well hell, you ain't charging nobody else that 50 percent down, but you're gonna charge me 50 percent down and I'm already strapped with cash." [#35]

2. Unfair contract denials or terminations and denial of the opportunity to bid. Nine business owners and managers discussed if their firms had ever experienced unfair denial or termination of a contract or been denied the opportunity to work on a contract [#3, #6, #11, #18, #21, #30, #35, #36, #44, #AV, #FG1, #PT12, #WT23]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "The only blatant one that I did consider contesting was one of the City of Portland ones. And that's where in the reviewer comments, I interpreted bias. ... I think it's been mostly like city, county level. And part of that could be just lack of understanding of my field. But the people we did lose out to had less specific experience than we did. So yeah, I definitely question the value of the scoring and selection there." [#3]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "I don't think anyone's trying to be that overt about it. I think most of the time, it is more, 'Hey, we'll take your bid,' and then throw it in the garbage, actually, right after you give it to him. We've been on countless amounts of projects where we should have been low bid, and they go with another company. It's like, well, 'Why did you do that?' The only thing I can think of is you didn't want to work with him in the first place." [#6]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "I always have a hard time trying to figure out if that is actually something I'm experiencing. I do feel like I have to spend more time than in the industry. By explaining myself or proving myself or you know, they just sort of always treat you as if you don't have a lot of experience working on this particular type of project. I know you've worked on that project, but maybe not this particular." [#11]
- The Black American owner of an MBE- and DBE-certified construction company stated, "[I've] had a couple of occasions where I've put in bids at public agencies, and I was almost certain that our prices couldn't be beat. And the agency will pull the bid from the market all together or reschedule it." [#18]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "We pay our taxes here. We go out to eat, we shop, we do all these things. It's like, they don't see that all they see is, 'Well you got you know, brown people working for you.' That's not okay. That's just ridiculous. I've never experienced that until I came here. Maybe it was ... other states that I was in ... as long as you're on the same side, it didn't matter what your skin color was, but here it seems to matter sometimes." [#21]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "People on the East Coast know I'm Puerto Rican. People out here have no idea I'm Puerto Rican. The way it tends to work for me professionally, ... is just like, where I'm at in the racial diaspora. When I'm in a room full of white professionals, it's like they're silently sliding me this contract. And the contract is like, 'We will let you pass as white as long as you don't mention this and this and this and this.' And as long as I don't mention those things, we're all good. But inevitably, those things come up. And over and over again, I end up in this position where I am

deciding whether to like, pass as white in terms of my values. It's really strange. And I have frequently decided to stick to my values and lost jobs because of it. ... When that happens, it's like an immediate shift, right? ... When you prove to a room full of white people that you're going to call them on their bullshit, they categorize you as such right away. And it's like a switch. He's like, 'Oh, you're from one pile to the next pile.' I've definitely lost out on work because of that." [#30]

- The Black American owner of a construction company stated, "I don't think most owners will truly understand what the underrepresented firms are going through until they endeavor to contract directly with them more or provide opportunities for them to contract directly." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "She was totally fine over the phone. But then as soon as she sees my face, she became the rudest woman ever. Didn't wanna look in my face, forget shaking the hands cuz usually when you meet someone, you know, shake their hand, hello, nice to meet you. She wouldn't do it. And it was a show that was normally done annually. She didn't hire us the next year. And that was right around the time that we had purchased the company because the previous owner was Caucasian. Whereas the new owners were African American." [#36]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "The bigger vertical primes out there ... generally, it's a preconceived notion that since this person is a minority contractor, they don't even solicit you for the job because they've already assumed that it's over your capabilities." [#44]
- A representative of a majority-owned construction company stated, "The state of Oregon gave one of our bids to another company, which was actually located outside of the state. The state gave them the job and, as a result, that unfair decision cost me 25 percent of my business. The bidding process at that time was controlled by someone who didn't know anything about what they were doing." [#AV139]
- A representative of a majority-owned professional services company stated, "There are particular individuals for the state that [we] believe have a bias for our company. We were winning on bidding of large amount of work and went through process another person essentially took the business from us." [#AV201]
- An Asian American representative of a trade organization stated, "I have put in a few proposals to ODOT. [I] never, ever even had an opportunity to get a contract, most of them are really big." [#FG1]
- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "Recently on a really big project I was working on for [a city] under a prime consultant, I was terminated when I had the design at like 95% complete. The prime consultant, their plan was to take my work, finish it, and sign it as their own. That is actually an illegal thing to do because we're professional engineers. It's also extremely unethical. ... I contacted the COBID for the state, and through COBID I was connected with small business office for the governor. And what I found out is that because I am not, because the contract wasn't for ODOT or directly for state agency, but because it was for a city using state funds, but that there was nothing in place to actually, there was nowhere for me to get support from, even though I'm a woman-owned business, federal DBE, et cetera. ... Wherever the funding's coming from, if it gets to an organization that's not a state organization, we, as in disadvantaged businesses, don't have any representation. And we need it

because although I have had a pretty good track record of no major problems like this one, as I talk to other small businesses, whether they're DBE or not, they experience this stuff a lot with prime consultants that take advantage of the small businesses, especially in little communities ... where they want us to win the projects because it looks good, and they use us and then they get rid of us when we're no longer useful to them." [#PT12]

- A representative of a WBE- and DBE-certified goods and services company stated, "A very small under \$1,000 order was put on OregonBuys ... and the winning bidder is a huge oil and gas conglomerate out of the United Kingdom! Their bid was at my cost, so naturally they are lowest, and I certainly can't compete with this. Buy why would Oregon go out of the country to purchase such a small order that doesn't even require getting a bid? ... I did not win this [other] bid, however the winning company (from the Mid-West, non-certified) sold a polyester tent, not vinyl! That is not even what was being requested! I didn't get a chance to even quote on a polyester tent it seems like an extra slap in the face when tiny jobs are awarded to uncertified out-of-state (or country) organizations." [#WT23]

3. Stereotypical attitudes. Eighteen interviewees discussed their experiences with stereotypes that negatively affected small, disadvantaged businesses [#1, #3, #6, #9 #11, #16, #18, #21, #23, #26, #35, #41, #44, #47, #50, #53, #57, #FG1]. For example:

- The Black American owner of a construction company stated, "It's an opportunity to sort of get some long-range opportunities, and to create opportunities for other folks of color. I've often been told that we're not smart enough to deal with this trade. And it's not rocket surgery, it's not that hard. You know, at least that's how I look at it. ... I did face [problems] a couple of times, where I went into a mom and pops electric supply house, and the young man behind the counter challenged me. But his dad that was there, his dad knew, as well, why would I come in here and lie about me being a contractor? You know, that was the first question I asked him, 'Why would you challenge me? And why would I lie?' And tell you, I'm an electrical contractor, you know, because the contractor's price is different than the ordinary pedestrian price. ... So, they give him a little bit of a discount. And you got to get a different book out. So, he challenged me. I pulled out my credentials, and I laid them on the counter, I say, 'I have to do [this], does everybody have to do this? Or is it just me?' And his dad was looking at him, like, the look that he had given his son was like, daggers, you know, and I'm pretty sure his dad dressed [him] down after I left. You don't talk to any customer, that that tells you that, especially anybody of color, you know, because they weren't used to seeing Black electricians. ... You know, but it's only out here in the West Coast, you go back east, they're a dime a dozen. You know, they don't face the same stuff. This is Oregon. It's a run of racial issues in the past. So, it's kind of breaking the door down a little bit. And folks understand that." [#1]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I had 15 years of experience, which is good amount of time, right. But having reviewers reflect back like, 'Oh, you're fairly new.' Like there's what feels like an intentional misunderstanding on their part in terms of like, 'Oh, you're newer, you're just one person.' Like, while they don't specifically say female, I feel like the bias is because you are not two times more experienced than this bigger firm. ... In my experience, that's usually how the female gender bias. While not directly stated, that is where it's coming from as the lack of experience discussion, when in fact, that's not actually an issue." [#3]

- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "We've shown up on a job, and our guys get out of the truck. And the first thing they say is, 'Are you guys gonna build up or actually perform this work?' All right, it's like, well, what do you mean, 'If?' ... It's kind of an ongoing thing where, you work with another company, they automatically assume you can't do the job. And obviously you have to contribute that to the fact that they look at us, and we look different than everybody else. I mean there's not a whole lot of fully owned and majority operated by minorities, civil concrete companies that exist in general, ... people assuming that you're only there because you're a minority, right? ... But I think that's probably the only downside to it is the stigma and the and the ridicule that comes with the perception." [#6]
- The non-Hispanic white owner of a WBE-certified construction company stated, "I would say that, as a woman, in the construction industry, people don't believe you, they don't believe that you can do it. ... Why would a woman own an excavation company, that doesn't make any sense, that's for men to do. So, I think that there was a lot of skepticism. ... Just the overall sense that from competitors, even that say, 'Oh, well, she's not really the one in charge there. It's her family.' They don't know I guess. I don't feel like anything has kept me from getting a job. But I do have people in my industry that have said, 'Oh, it's not really her that's leaving the show. It's her business partner and her family.' It's just like hearsay, right? It just gets that kind of bad negative talk gets spread throughout the community. And then people question 'Well, is she legitimate, you really know what she's doing?' People call my office and ask for Mr. [Last Name]." [#9]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "I always have a hard time trying to figure out if that is actually something I'm experiencing. I do feel like I have to spend more time than [others] in the industry. By explaining myself or proving myself or, you know, they just sort of always treat you as if you don't have a lot of experience working on this particular type of project. I know you've worked on that project, but maybe not this particular. ... I feel like people maybe try to sell me stuff more. Take advantage of the fact that, I don't know, there's these ideas that like, women are gullible, and they like to spend money or something like that. Rather than being shut out of stuff, I feel like it's like the other way that I'm trying to take advantage of your gullibility and your ... perceived lack of knowledge about something." [#11]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I have much more experience in the private sector. And there's just more of it there. Because that's where I've worked more. It's a good ol' boys world still." [#16]
- The Black American owner of an MBE- and DBE-certified construction company stated, "With the news reporting on crimes and different things the way they are, I think there needs to be a counter measure, to the presumption that people of color or small businesses are a certain way or they conduct themselves. I think if there was a website or commercial that introduced a person or a group of people and said, 'These are the people, and this is the services they provide.' I think it would counter the negative images that get projected by the news and different things like that. a lot of times in a movie or television show, Black people are oftentimes portrayed as either a comedian or an idiot or a criminal. And there's a lot of people out there who aren't any of those things. And I think if there was a way to introduce those people or give more exposure to the everyday Joe that goes to a job and does what he does every day without committing crimes, it would be beneficial." [#18]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I have a difficult time with other veteran businesses. I have a huge trust issue with other veteran businesses, because not all of these guys are what they say that they are. ... I don't want to have to be on phone calls. With female stuff, I want them to feel like [they] can handle this, and we've talked about it, as a group, and that if you need me, just text me, and give me the link, and I'll just pop on this call and see what's going on. And usually that will stop it, [if] they see the owner come in. But even recently, I've had to step in, because they were being treated differently. And also, I've had a couple of clients that questioned the professionalism of a couple of my staff members from India, you know, wanting to know if they're actually competent or not. Because there were ESL [English as second language] issues, it's like, it's not that they don't know how to do the work. I have to try to translate this sometimes." [#21]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "In the beginning it was because I think I sat down across from a banker and they looked at me and said 'Oh, you're a woman. Excavation, hmm.' ... I don't have those same issues now because I already have the financials due to the struggles I had in the beginning. I think that in my line of work, I mean heavy civil work ... some people tend to maybe not take me seriously." [#23]
- The Asian American woman owner of a professional services company stated, "Those who build websites and funnels and advertising for the longest years, it's like been dominated by guys. So that's why they call it bro marketing." [#26]
- The Black American owner of a construction company stated, "People from different ethnic groups are allowed in to run in some of these circles and that creates problems ... what they do is, is they take advantage of these opportunities, but then when you look at the makeup of their companies, oftentimes they are the only ones of that particular ethnic group in their companies." [#35]
- The non-Hispanic white woman owner of a professional services firm stated, "I became a contractor to do forensic auditing. And so, I would get called in and ... I would never get a position that would analyze the data as it came in, or afterwards, I would be the person that they would put in the field as the account receivable clerk or to do the groundwork because I was a female and they would take my data and get the credit for all of it. I did that for about six years and then went to work for an accounting firm. ... Where I didn't have the degree behind me, had all the education, all the experience, I could never break through the ceiling. I was doing the same work as all of the other accountants at all of the credentials, but just not the degree. ... I would be doing the exact same work as the men and get paid half. ... I did a lot of networking. And networking as an older female was difficult because they're gonna go for the younger guys because ... they have more energy. That was tough. I gave that up completely. Networking was not for me because I got nowhere. Finding new clients on a cold call is hard." [#41]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "I think it's a myth that minority contractors are somehow worse. A lot of times I find that they're better because they pay more attention, and they have the drive to succeed because someone's thinking that they're not going to. ... The bigger vertical primes out there, ... generally, it's a preconceived notion that since this person is a minority contractor, they don't even solicit you for the job because they've already assumed that it's over your capabilities." [#44]
- The owner of a woman-owned DBE-certified construction company. stated, "I work in a male-dominated industry." [#47]

- The non-Hispanic white woman owner of a professional services company stated, "I would have private sector clients basically disregard anything I said." [#50]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "It's isolating and at times like embarrassing, and [they] laugh at you when you say you own a company. There's some woman groups you can go to and stuff, but a lot of them are like insurance agents and things but not contractors. ... It would be nice [to have] some sort of support in that regard for how men are discriminatory towards women." [#53]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "I think probably the biggest challenge we've had is with banking and we've had a lot of banks reach out and say, 'We're really excited about your business and what you're trying to do.' We have shown what I think are pretty encouraging financials, especially with our growth and just not been able to get loans or lines of credit or access to capital. ... I don't have full access to compare our books, so who knows what all the factors are. ... It definitely feels like that very unfortunate stereotype that banks are less likely to lend to people of color is still at least anecdotally our experience." [#57]
- A Hispanic American representative of a trade organization stated, "The problem with general contractors [in] government development or any sort of lending institution is that they're trying to manage risk. And that risk is this notion that the Latino community is we're not educated, right? We're undocumented. ... And so, putting up a barrier saying that we're a flight risk, right? There's no statistical information that they can back that statement up [with]. And so, these factors of risk that government agencies, procurement offices, general contractors, lending institutions, all these things, how are they managing their risk? How are they building programs that's actually going to be successful for communities like ours? ... Bias is what needs to be routed out." [#FG1]

4. Double standards. Thirteen interviewees discussed whether there were double standards for small, disadvantaged firms [#2, #3, #6, #9, #10, #16, #27, #28, #30, #35, #FG2, #FG4, #PT4]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "I would say [there is a] double standard in the terms like what happens if there is a bigger company? If the work which I'm doing probably [is paying] like say \$150 an hour for the same exact work, a bigger company is charging four or \$500,500 an hour three or four times? And it's easy for them to get that then for me to justify why I should be getting one. That discrimination is there." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I had 15 years of experience, which is good amount of time, right. But having reviewers reflect back like, 'Oh, you're fairly new.' Like there's what feels like an intentional misunderstanding on their part in terms of like, oh, you're newer, you know, you're just one person. Like, while they don't specifically say female, I feel like the bias is because you are not two times more experienced than this bigger firm. ... In my experience, that's usually how the female gender bias While not directly stated, that is where it's coming from as the lack of experience discussion, when in fact, that's not actually an issue." [#3]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "A lot of it is more or less straight verbal like that, and more the way that they're doing things. It might be inspecting something differently than they're inspecting it or other people, it might be not

allowing a variance that they're allowing for another company, it might just be flat out scrutiny from another company, they might just kind of let do whatever they're going to do. And for us, they're gonna stand there and watch over our shoulder every second, which is a guaranteed way to make somebody mess up when you're when they're nervous, because you're standing over their shoulder the whole time." [#6]

- The non-Hispanic white owner of a WBE-certified construction company stated, "People are just more critical of you, if you're a female versus a male in this industry, I have to prove it more. You know, I can't make mistakes. ... Everybody makes mistakes. But I felt like because I'm a woman, if I make a mistake, then 'Oh, we'll see. She doesn't know what she's doing.'" [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "I think the main place we faced it is with my wife facing it, presenting as a young woman who also owns a business and issues with ... having to prove competence harder than I have to. We can walk into the same meeting and her answers might get questioned and mine won't, because I am a man with a gray beard. ... And it's very frustrating ... and it's sad because it kind of reached the point where I do a lot more of those meetings now just because she doesn't want to have to deal with it. And sometimes it has a better outcome if I do it. But I'm not the subject matter expert. I'm not the I'm not the virtual learning producer. I'm not the technical expert. I'm none of those things. I'm a man who can talk pretty well." [#10]
- The Hispanic American owner of a construction company stated, "Every once in a while, I run into people [who discriminate against me]. We visit and everything, and I go to give the estimates. When they see someone who is Latino, they kind of doubt about hiring us. And I tell them, 'Okay, that's fine.' They don't say anything, right? But you can see it all in the gestures. And you have to put up with it." [#27]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "It would be double standards or like holding somebody of a privileged group to a lower standard. ... Where somebody who is white is allowed to like communicate in emails, like in a sort of insubordinate or disrespectful manner, whereas somebody who is not white is expected to have very polite communication." [#28]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "As a general business atmosphere, I've absolutely encountered [double standards]. I think there are white photographers whose work is worse and demand the same or greater rates. It's just part of the implicit bias of being American." [#30]
- The Black American owner of a construction company stated, "It's what they say that you do that can put a bad taste in somebody's mouth. ... You could have done everything right, but if somebody wants to take exception to that and say something different, you're in bad shape." [#35]
- A Black American representative of a trade organization stated, "If a prime makes a mistake on a job, if a [majority business owner], or company makes a mistake on the job, somehow those issues are able to be remedied. And they will get another chance. And often, woman-owned businesses, people of color-owned businesses in the construction industry won't get another chance if a mistake is made. ... People feel like they are blacklisted ... by some of our public agencies, because the word goes around because of a mistake that was made. [#FG2]

- The Hispanic American owner of an ESB-, MBE-, and WBE-certified construction company stated, "Even though they say here in Oregon that there is no racism, there is. It's not as open as it used to be, but there is. I have sat down with members of another chamber from another business and they tell me the same thing, people of color, talking with them is what they tell me, even when you have [a green card], it is different the treatment you get when you have a [green card] than when you are a citizen. So, there is a lot of that but it is not as open anymore because now you can accuse the person of hate crime." [#FG4]
- The Asian American owner of an MBE-, WBE-, and DBE-certified construction company stated, "They look at us [and say], 'Oh, you're so small.' I'm like, 'Well, yeah, we're small, but we're capable.' And I can give you a perfect example right now, is that we have a project [in] downtown Portland, and because they're a union contractor, they can only hire the union contractors to do the work. ... We're so small that these union contractors can't even deliver, so they ended up hiring us to go in and do the work. And so, we're down there downtown doing the work right now, even though they tried to get us to sign a single contract with the union, which we'd refused. ... They're finding all these reasons just to kick us off because we're, 'Oh, we don't want that charity case to be right in there.' And somewhere along the line I think it would be great [that at] the end of the day when you guys are giving feedback, that these loopholes that these large general contractors have found stop. But there are some out there that take this very seriously, and we've noticed that since we've proven that we are very good to their eyes, that we no longer need to be part of that requirement. ... We are more than capable as some of these contractors that claim that they're big, but they're not as nimble as we are. So, not to toot our own horn, but I have to mention that, come on, get over it. And hopefully what you' guys are gathering here will surface those things and make a difference, because right now people talk about it, but they don't walk the talk." [#PT4]

5. Predatory business practices. Ten business owners and managers commented about their experiences with predatory business practices [#32, #35, #36, #51, #7, #FG1, #WT5, #WT8]. For example:

- The Hispanic American woman owner of an ESB-certified professional services company stated, "Immigration, you know, there's many of people that I would imagine that are undocumented that are working. Cause there's a need for them. I think it really prevents [organizations] from really trying to solve the problem or deal with the issues in a way that's more real and intentional. ... Many people who are local are afraid, especially large businesses that I talked to that are white-owned are afraid to speak out about immigration, even though they know it needs reform. ... They don't pay 'em [Hispanic workers] on time. ... Many white people that hire them for residential, for whatever, they don't pay 'em on time, or they charge or they pay 'em less, or they come with excuse as to why they're [not] gonna pay 'em a whole lot. ... They do exploit them. ... Workers, they're exploited because they don't complain. Many are afraid or fearful. So, they don't say anything, you know, they don't know the system very well." [#32]
- The Black American owner of a construction company stated, "It's what they say that you do that can put a bad taste in somebody's mouth. ... You could have did everything right, but if somebody wants to take exception to that and say something different, you're in bad shape." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "Let's say a construction contract comes along and the construction company will bid on that contract, but they may put only for security \$100,000 or even \$50,000 for the total contract.

Then that's where we gotta get shorted because, our rate may be ... \$35 an hour, but now, because you only put that you were gonna hire somebody for \$50, you've gotta go out and find a DBE that's willing to do \$25 an hour for a contract that may take a year. ... When you're a subcontractor on a large contract like that, when there is an increase that is given to the contractor, they are supposed to pass [a] portion of that to their DBE. That was not happening for many years. ... So, at the time it was that had the contract, we were the subcontractor, they were giving us a 70 cent increase every year, which wasn't even 2 percent of ... what we should have received. ... They had told us that they took the contract at like \$20 an hour, \$23 an hour. And so, we had to take it at \$18. That wasn't the case. We should have actually taken that contract starting at \$23. By the time that they [were] acquired, that's when we finally got the rate that we deserved." [#36]

- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "I did not know about people shopping bids until I started sending out bids and I'd get bids from people and I'd send them, and they never responded. They never said if we got it or we didn't get it. Then I realized, they're just using our numbers as a benchmark or best effort and they're not actually thinking of using us." [#51]
- The non-Hispanic white owner of an ESB-certified construction company stated, "If you're a contractor doing construction, whether you have to be paid in 15 days, and there's a penalty to the general contractor if that [went under] audit, and it'd be good if that were posed upon architects who are primes as long as anybody who works in this industry, because it's significant capital. ... All general contractors used to do it, they're doing \$100 billion over working or they can hold on to \$100 million for an extra month, they're making a lot of money on interest." [#7]
- An Asian American representative of a trade organization stated, "I had to hire a lawyer to negotiate a contract that took eight months. And so, by the time we negotiate the contract, two weeks later, the contract was over. And I had to put out \$10,000 out of pocket [for a] lawyer. And this firm was jerking me around, and I was their DBE, COBID[-certified] firm." [#FG1]
- An Asian American representative of a trade organization stated, "I've got other subs under me. ... I'm a DBE, I can't risk losing my house over some of this kind of stuff. Or even my insurances. ... And this just wasn't really fair ... I had no support." [#FG1]
- An Asian American representative of a trade organization stated, "I had to hire a lawyer, I ended up losing money on some of these projects. And so, it's not really worth it, even though I want to work on these types of projects. It's a really big barrier." [#FG1]
- The co-owner of a professional services company stated, "The state of Oregon procurement employee who championed the [sole source] contract and supervised the implementation of it that routed more and more business to [the awarded company] and away from other local Oregon resellers like [my company], he eventually, after putting the contract in place, was hired by [the awarded company] to work for them to manage the contract relationship as an employee. Then the state hired him back. Now he's working in procurement for Marion County." [#WT5]
- The Black American owner of an MBE-, WOSB-, and DBE-certified construction company stated, "The system is set up for minority contractors to fail." [#WT8]

6. Unfavorable work environment for POCs or women. Eighteen business owners and managers commented on their experiences working in unfavorable environments [#5, #6, #10, #21, #32, #36, #42, #47, #51, #52, #59, #62, #AV, #FG1, #FG2, #FG3, #WT23, #WT24]. For example:

- A representative of a majority-owned goods and services company stated, "I have just been treated horribly, by many architecture, engineering, [and] economic development firms as a sub on ODOT projects. And a couple of them I just left because it was not worth it at all." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "When you're out there, and the majority of our filled team is minorities, and when they're out in the site, and they're being ridiculed and discriminated against unfairly. Those are situations that are upsetting, and we don't necessarily want to put our people in those situations. So, when it comes to that stuff, we're not afraid to pull off a job because the work environment is toxic. I would say, that is the primary reason why we would not want to work with another company. ... We've experienced that a lot, especially in Portland. I would say primarily [it is related to] race." [#6]
- The Hispanic American co-owner of a woman-owned professional services company stated, "Networking opportunities can sometimes be challenging. I know that my wife doesn't necessarily feel comfortable going to all of them. ... She's a younger woman in a space where networking opportunities are oftentimes older men. And they're intimidating for a couple of reasons, one of which being that you get a lot of people hitting on her and, they're not really there to network as much anymore. And so that's a challenge. ... If it's not specifically for women, then I know that she's had a number of negative experiences. And so, she hasn't really felt like [it was] ... worth our time anymore. ... That's not an uncommon complaint, either. From women, especially younger women trying to attend some of these events, [it] is the whole reason why that good old boys club is called the good old boys club. ... [The reason that] I'm doing the conferences this year is because, I mean, it's stupid, ... we're a woman-owned small business, I'm [the husband]. But the woman who owns us doesn't want to keep doing that, because she's had bad experiences doing that. So instead, send me in, and I won't get hit on by them. That's sucks both ways." [#10]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "We do get some xenophobic folks from time to time, and I just don't choose to work with them. ... It's like hey, this is not going to be a fit, so I told my staff had cut them loose. I just, you know, it's part of our screening process. ... I've heard from others, ... where there's like larger Latino crews ... that there's a lot of crazy stuff that happens and I feel bad about that. Because it's like ... those guys work really hard. So, yeah, I've heard it not only in our discipline, but in other incidents, you know, like I said, chamber stuff, rotary." [#21]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "The person that I addressed the issue [with] got mad that I addressed that issue and got defensive. And eventually, you know, that person, I saw 'em the next time, didn't really act a certain way that I felt was professional because I was questioning their process." [#32]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "A couple of years ago, we were the DBE on a contract and one of the contractors refused to call me by my name. He insisted on calling me 'gal' and that didn't sit well with me. I had to let him know that I didn't appreciate [that]. ... [Another experience I had,] she was an event coordinator and I guess she didn't like African Americans. When she sees that she was dealing with an African American company, she kind of made it a point to be rude. She was totally fine over the phone. But then as soon as she sees my face, she became the rudest woman ever. Didn't wanna look in my face, forget shaking the hands cuz usually when you meet someone, you know, shake their hand, hello, nice to meet you. She wouldn't do it. And it was a show that was normally done annually. She didn't hire us the next year. And that was right around the time that we had purchased the company

because the previous owner was Caucasian. Whereas the new owners were African American and that was the first and last year that we did her event. So, whenever we are at events, sometimes even at the airport, the guards we constantly have to deal with because, you know, you are not of the Caucasian persuasion. ... There are companies that feel if they can treat you a certain way, they'll just continue to walk all over you. If you don't speak up right then and there, they will walk all over you." [#36]

- The co-owner of a WBE- and DBE-certified firm stated, "I do work in a man's world still today. Whenever I go ... to a conference or, am gathered around my colleagues and associates, it's still 90 percent male. There's 10 percent female that are involved in this industry." [#42]
- The owner of a woman-owned DBE-certified construction company. stated, "[I have been] called 'sweetie.' I am marginalized at every turn. ... They want you to either cuss at them or they cuss you. There's cussing going on, there's disrespect, there's all kinds of stuff, and you just have to roll with it. ... They don't wanna treat me as an equal." [#47]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "My opinion is that concrete is kind of big business, and so I'm a minority concrete company coming in. There was a lot of fear around that, especially with the requirements. The city inspectors started telling other companies not to do business with us. There was an article in the newspaper about one of our projects, and I brought it to the city's attention because they said in the article that it was our issue and it was a design issue. Then, the city's response was that it was our issue, and that was their actual written response was that it was the builder's fault. ... You show up on the job site and everybody thinks you're just there because you're certified. It's like, no, I still had to win this project. I still had to estimate it. I still had to bid it. I still have to perform the work. Then, the individual site superintendents have an attitude because they [say,] 'You're only here because you're a minority.' It can create a hostile work environment, and antagonistic, [because] our crew is very diverse." [#51]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, "Absolutely, [there are disadvantages of being certified]. Tons of them. Everybody looks at you like you're nothing. That you're incompetent. Or that you're more or less a check in the box. I have found through the years that when I get solicitations for participation of certified businesses. It's really nothing. It's a check in the box. We don't go after or even participate in many of those contracts because you're just treated unfairly." [#52]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The contractor was in the parking lot talking to one of his coworkers. I've never met these guys in person. ... I walked up and I had my hard hat on and said [vendor name]. I had my business shirt on and said [vendor name]. I had my reflective vest on and said [vendor name]. The guy looks at me and he's like, 'You're at the wrong job site.' And I just laughed off thinking he was just trying to crack a joke. And he said, 'No, I'm serious. You're at the wrong job site.' Clearly he knew we were coming out there. My project manager told him in the schedule we were going out there that day. ... What he was telling me, being a person of color, was [that I was] in the wrong part of town. ... I didn't respond to that. I just wanted to address what we were there for and the issues and take care of those to hopefully leave a better perception. ... We never even gotta the point of introducing names and titles or anything like that." [#59]

- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "One of the things that, I've been dealing with it for so long, that sometimes I don't even notice it happening, but we're just not listened to like the men are listened to. A colleague, another engineer who's just simply a man is going to be listened to before I am. Even if I'm actually the expert in the room. ... I am the expert in the room and the one man in one of the, lots of things going on, but in one of the meetings, the project manager, so the person over me, made some statement about the work I was doing that was inaccurate. I said, 'That's not true. Have you not been listening when I'm speaking?' Or, something like that I said, and he yelled, I mean, he yelled at me. It was a Zoom meeting or Teams meeting. I actually turned off the mic and my video so I could scream. Then, I turned it, and when I was relaxed enough, I turned it back on. There were two other men in the meeting. The meeting just continued. There was no apology, there was no acknowledgement of what had just happened. There was never any, I think, I'll call it reparations made regarding that. It was completely ignored. One of the other engineers who was on that meeting, I made some statement about it shortly after the meeting, he remembered it, but a couple months later he'd forgotten it had happened. This is that kind of, okay, that's really bad. But that kind of thing goes on all the time. ... This shouldn't be happening and this would stop. The other thing is the people who have witnessed this, there was a whole project team, the people that witnessed them getting away with this, this is demoralizing on every level. It's insidious and it's cutting us off at the ankles. If this was happening, it's hard to say what I would do, but most people would run away from this." [#62]
- A representative of a majority-owned construction company stated, "We had a technician at a government site and he had to leave because of the hostile environment of a supervisor yelling at employees." [#AV191]
- A Hispanic American representative of a trade organization stated, "Small and minority businesses have to fit ourselves into this kind of white supremacist culture. How do we look at really dismantling that? ... There should be some pretty significant changes in expectation for these other firms that we've talked about that are problematic ... there needs to be some programs for accountability to change these disparities." [#FG1]
- A Black American representative of a trade organization stated, "Making sure that people understand that, on these job sites, we expect everybody to be treated like human beings and to be safe. ... For instance, recently on some job sites there have been nooses; women have been marginalized; or their facilities are not as accessible. The idea is: make it all so that everybody feels safe and can operate at their optimum without having to worry about some of these other issues." [#FG2]
- A representative of a non-profit organization stated, "We see a disparity in who's driven out of the industry early on because of bullying, harassment and hazing. They don't get to graduate up to be contractors." [#FG3]
- A representative of a WBE- and DBE-certified goods and services company stated, "I did not complain to the supervisor [the other company] mentioned, because my contact said she hoped we could continue to do business together, which I took as a veiled threat. We've received emails that show all of our competitors cc'd for tiny purchases. It is somewhat insulting, actually." [#WT23]

7. 'Good ol' boy network' or other closed networks. Thirty-two firms shared their comments about the existence of a 'good ol' boy' network or other closed networks. [#3, #6, #8, #9, #10, #12, #13, #15, #16, #20, #21, #23, #26, #29, #30, #35, #36, #46, #48, #55, #59, #AV, #FG4, #WT8]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "There's a firm in the area ... and the people of that firm are lovely. In fact, they're one of the people we have agreed to be a subcontractor for. But they are more well-known. They've been in the field longer. And while I'm not sure if it's a 'good ol' boy' [network], it's certainly the [situation of] 'Well, you've been here longer.' And so, like you naturally have had more experience working with the state or the county or whatever. And even though we do also have experience with that, ... I'm not old enough to have like 20 to 30 years worth of those contracts. And so, it's almost a bit of age bias in the field, that it's like, 'Oh, well, we're familiar with [them,] they've done 30 of these kind of contracts, so we're just gonna go with them.'" [#3]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "So, they've been in this business for a long time. And so, they have the friends they want to work with, they got their buddies they want to work with. And so, at the end of the day, that's what you are always up against, the [question of] 'Do they want to work with somebody that looks like me? Or ... do they have a buddy who they'd rather give the work to?' All that stuff comes into play." [#6]
- A representative of a majority-owned professional services company stated, "In certain fields, people are going to be more comfortable working with someone that they already have worked with, or they know. And so, it can be difficult to get into a new market or a new sector, those relationships are built. And so, I mean, it depends. You can think of it as a good old boys network, or you can also think about it where they're just feel more comfortable working with these people. I do know that there's certainly there's areas where it's hard to get into as a result of that." [#8]
- The Hispanic American co-owner of a woman-owned professional services company stated, "Just a close ... network of people who understand how to bid to certain government agencies. I think it's less my industry and more just like, you're trying to sell something to NASA. ... These are the four people who you got to talk to, and I know all of them because I worked with them when we were all back together Networking opportunities can sometimes be challenging. I know that my wife doesn't necessarily feel comfortable going to all of them. Just because she's not sure. You know, traditionally, she's a younger woman in a space where networking opportunities are oftentimes older men. And they're intimidating for a couple of reasons, one of which being that you get a lot of people hitting on her and they're not really there to network as much anymore. She's primarily trying to go to ones that are sort of just ... industry-related. But I know that even like SBA-related stuff, she's tried to go to and again, we hit that barrier one of two ways; either, if it's not specifically for women, then I know that she's had a ... number of negative experiences. And so, she hasn't really felt like we should [attend these events or that it] was worth our time anymore. ... So, I know that that's not an uncommon complaint, either. From women, especially younger women trying to attend some of these events is the whole reason why that good old boys club is called the good old boys club. ... I'm doing the conferences this year. ... It's also it also [weird,] like, we're [a] women-owned small business, 'Hey, I'm [the husband].' But the woman who owns us doesn't want to keep doing that, because she's had bad experiences doing that. So instead, send me in, and I won't get hit on by them. That sucks both ways." [#10]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "Where we live, it's the good old boys. You know, they have their friends that work for other companies, and they want to go with them, because that's their friends. So, my biggest challenge was, just like I said, getting into a man's world." [#12]

- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "The good old boy network we have. And it is hard to get in some places. But again, they could be that they've done a really good job for them. They're not going to change, you know with the colleges with the universities, they leave their buying up to each individual buyer. So, they can really go out and buy from anybody that each buyer wants to buy from that's on their approved list. And it's very common that you'll find people that just keep doing the same thing over and over again. And you have to really get in front of each buyer, which was very difficult to do with how spread-out schools are. And you don't know schedules ... and it definitely is not easy to sell to them. ... It was some of the construction companies, and that probably would have been my only experience was kind of that good old boys kind of attitude, because we do a lot of local business with construction companies. And some of those bigger primes are a little harder to get into. And I feel like it's a little bit of that." [#13]
- The co-owner of an ESB-certified goods and services company stated, "When I say sometimes I get an RFP, and I know, I am not going to respond to this RFP, because they've already decided who's doing [the work]." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Since day one. Anybody seen 'Mad Men?' ... I got into business in 1975 when it was kind of all that. ... Men are always the creative department. Men are always the owners. Women are always the traffic department, production department, media department, admin. Rarely is there a woman creative director still even today. Even with the youngbloods, even the 30-somethings And you know, all the digital boys are all 'rah rah' in their bubble. And yes, on the client side, yes. There's a good old boys [network], absolutely. And on the agency side, it takes the girl boy to win that piece of business. Absolutely. 100,000 percent." [#16]
- The Native American owner of a construction company stated, "The good ol boy network, I think is in my industry, at least, is gonna set you up to fail. If I were to be incapacitated, for whatever reason, maybe I get a vehicle accident. I don't want my client to not have a partner, like an established relationship with somebody who does similar work as I do. So, it's important for my client to know that I don't need to be part of the good ol boy network. I love to do the work. I'll do it for the price. He said to do it. But it's not impacting me. Just because I think the climate that the industry is it has more work than workers." [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Good old boy network with the local municipalities. Absolutely. It's vicious. It's very vicious. And I've had chambers go to bat for me." [#21]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I know some of the larger companies to have their favorite go-to people that they use all the time, so they don't even solicit me. They're supposed to solicit me as a COBID[-certified] firm, but they don't. So yeah, I've experienced some of that." [#23]
- The Asian American woman owner of a professional services company stated, "For the longest years it has been bro marketing. So, it's just in the recent years that more women, more ladies are trying to enter the market. But it's still a challenge." [#26]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I'm going to go point to the price agreement list, but it's just, it's impossible to get in. ... The state holds that." [#29]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Especially when I worked in marketing or advertising, they do this [thing.] like, 'Well, we want to hire people we want to hang out with.' And, you know, all the biases that like come into play as a result of that." [#30]
- The Black American owner of a construction company stated, "If people acknowledge [lack of minority market access] and states directly contract with those [minority-owned businesses], it helps. Cuz if you're on an open market where ... oftentimes, it's who you know, it is problematic ... what incentive do they have to use me versus one of their friends ... or family members in some cases? If you identify and operate and run in the same circles as these other people do socially, then who's to stop you from discussing or doing certain things the way you've always done it." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "Going out and finding the contracts and making the name for [the company], that was a big barrier. We were dealing with a lot of ... the good old boys, it was more so who you knew [that would determine] if you were gonna get the contract. ... I have found that sometimes with the good old boys club, they'll do that. ... Especially with women, because there are still men in this day and age out there that feel like women running businesses, we're supposed to be in the kitchen, barefoot and pregnant and you would think that in this day and age there weren't men out there like that. But they are. There are." [#36]
- The Hispanic owner of an MBE-certified goods and services firm stated, "[The white owners] don't like people like me going into the room and saying things [about inequality]. I'll tell you that I've seen how certain big guys look at me and they're just like, you son of a bitch. They don't want me to talk like this man." [#46]
- The owner of a majority-owned professional services company. stated, "What [state agencies] do [when they need an Independent Quality Management Service] is they go out, they send out an RFQ or an RFP to these 10 or 11 firms that are on their master services contract. Then we can choose to bid on the ones we want to bid on. No one outside of the master services contract can bid on those." [#48]
- The Black American owner of an MBE- certified professional services firm stated, "[In] Portland, the primary driver that we find are historical relationships by far. ... It's pretty much the same players that have been doing it in town for years. ... So, the ones who win over and over are the old white firms ... it's the same old one and we all know who they are. And then as soon as I see her name, I'm like, 'All right, ... why am I even gonna try see it over and over?'" [#55]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I have those conversations with businesses that are white-owned because I've built that relationship ... then all of a sudden, work starts getting awarded to me. And I always tell 'em, I don't need sympathy work. I just want you to tell me whether or not you're awarding work to just your friends because you've done work with them forever, or you're giving everybody the opportunity on having a chance to prove to you that ... they know what they're doing." [#59]
- A representative of a Hispanic American-owned goods and services company stated, "One barrier, good old boy stuff. Talking directly to you because I have relationships, and I think may be racist. Comments can end your business, when only Hispanics are in the room." [#AV7]

- A representative of a woman-owned construction company stated, "Working w/ Portland, why: regulations-not easy, bureaucracy, 'old boy network.'" [#AV20]
- A representative of a Black American woman-owned construction company stated, "In Southern Oregon, [I] have not seen Black contractor. It is a good old boy network. And some have been using [the] same businesses for over 20 years. I am a black guy and a new guy." [#AV23]
- A representative of a woman-owned goods and services company stated, "Oregon is good. When they send us to California it is not good. We have to fight to get paid. They changed the private contractor's contracts this year and the way they do the dispatch priority list now is less fair because instead of getting called based on your rate, dispatch can now call whoever they want, aka their friends." [#AV73]
- A representative of a majority-owned professional services company stated, "We did bid on a project but we were going to be working for a developer who was doing a project for the state. So, our contract would have been with the developer, not the state. But the state had a say in it, and they wanted to go with an architecture company which had a history of the state—and we didn't have a history with the state, so we didn't get the job. So, I guess that means we'll never get any jobs working with the state since we don't have a history working with them." [#AV90]
- A representative of an Asian American-owned construction company stated, "They don't let you work for them unless you pay a million in taxes just to bid on a job or take advantage of a COBID contract, it's a pay-to-play system." [#AV91]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "The industry is rigged to be run by white males and their friends and families." [#WT8]
- A representative of a service-disabled veteran-owned goods and services company stated, "In the past with state of Oregon, people are used to doing business with the big boys in Portland. Pretty busy. Recovered growth volume per pre-pandemic." [#AV135]
- A representative of a service-disabled veteran-owned goods and services company stated, "There are many requirements for small businesses. If your new business is breaking into the market, it is tough, as most communities are parochial." [#AV175]
- A representative of an Asian American woman-owned goods and services company stated, "I was told that women minorities in winning the bids comparing to pricing wise. So far, when we tried to bid, our pricing is compared with a bigger company. Someone in government already has a relationship [with]. Think might not be women certified minority. It seems like being a women minority. It has been a little difficult for me. Ex: I feel that there is still some discrimination." [#AV261]
- A representative of a business assistance organization stated, "In my experience I think that despite what they say, I think that the market here in Oregon is still for [non-Hispanic white owners]. You get there and you don't know the rules of the game very well, they are rules that they have established many times. You don't have a way to enter. There are many places that I have tried to enter but they have already formed groups, right? So, then it is complicated to be able to access these types of resources that they have." [#FG4]

8. Resistance to using MBE/WBEs by government, prime contractors, or subcontractors.

Twenty interviewees shared their experience with the government, prime contractors, or

subcontractors showing resistance to using a certified firm [#1, #2, #6, #10, #22, #23, #31, #32, #35, #41, #56, #59, #AV, #FG1, #PT6, #WT8]. For example:

- The Black American owner of a construction company stated, "One of my friends who in the past, it was a minority contractor. One of the things that he faced, and he sort of put this in my brain as a caution, [he] said, sometimes when they find out that you are a minority business, they don't want to do business with you, even though they say they do. It's discriminatory, but you can't prove it. ... If you do business [and you] discriminate then okay, yeah, we can discriminate against you. But it's kind of like, 'Oh, okay, well, you live in that house, right there on a corner. We're not knocking on the door, just get by you and go to somebody else. Even though we know you're a minority contractor. We know you're on the list, but then they can choose not to do business with you.' And there's really no rules or regulations or laws in place that says you must do better. So, this was a minority contractor. However, if you do business with a minority contractor, then you have the safeguards around you." [#1]
- The Asian American owner of an MBE-certified professional services business stated, "You can go and validate, look at any contract which was posted on OregonBuys or ORPIN by state government agencies. There is nothing in the contracts where it says that, 'Yes. You will get extra points,' or, 'You have to spend X percentage of that contract amount with small businesses.' Imagine ... I told you this big firm, they did two projects with DHS and DOJ, they were worth like close to \$700 million or \$800 million. And 90 percent of the resources were out in India. But there was nothing in any of those contracts. So, on paper, there is ... no motivation or no incentive for other big companies to work with small businesses here in Oregon." [#2]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "The truth of the matter is, the construction industry is widely a white industry. And there's a lot of people who just don't want to work with somebody who doesn't look like them." [#6]
- The Hispanic American co-owner of a woman-owned professional services company stated, "It hasn't been with American clients. It's been with, like, a European client who's been triggered by the wrong French accent." [#10]
- The Black American woman owner of a professional services company stated, "I hate it when people are like, 'Oh, we found another minority photographer,' it kind of minimizes your work." [#22]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I know what it's like and I want to support people that have been through the same problems that I have and I want to give somebody the chance ... you can build those relationships. And I think that's the hardest thing is trying to build those relationships with new people and I know what a struggle it is for minority and women people in my field." [#23]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "When you're talking about a barrier, there are two Caucasian brothers [that] started and they only grow, grow like crazy. ... They got so many public contracts, I think because they're ESB[-certified] Our firm and their firm is the only two that ... provide machine service. Even [though] we have higher qualifications than them. I look at them, we went through the first five years [of] starvation. ... We grow very slowly until the past seven years we start seeing income coming. But they started within the first two years. They [have] already grown like more than we

are right now. Just because we are the minority firm? I think it's so easy for them [to] establish relationships ... I can't tell the difference. The same person I'm marketing talk to people with. We are the same size. They just test them. They try on them. They don't try it on us. We just didn't get [an] opportunity to be tested. ... When you are talking about relationships, I did find that it's harder for us to establish relationships with all those people. I need to establish relationships. I just saw that it's so easy for another non-minority owners. People establish the relationship with the same [companies]. I just felt that we need to spend so much more effort in order to establish relationships. One of the prime private owners, we did follow up every two to three years. Every time ... [they say, 'On the next project,] we will come to you or definitely come to you,' but [they] never come. ... We hired ... the teacher right now [who teaches] at Metro. We hired them that year, [to] get ahead to help us write a proposal. And when she looked at our [proposal,] she said 'Yours, I'm sure you're going to win because ... that's very strong proposal.' ... They select five awards, we are number seven. The person who writes for us, she was so surprised at that with the proposal she wrote for us. We're not even selected. So, we don't know why. But that's happened as another time, just last year actually, the beginning of this year. We also submitted a proposal, but this is from our own template and there are about 10 to 11 competitors. We are number seven. They select five and three of them, because we knew every competitors, [we were surprised that] we don't even know who are they. We never even know their name. We know they're not in this area. That white woman, because a woman owns also minority category, white woman, take majority of the minority-[owned] category or job opportunity. White woman[-owned businesses find it] so easy to get jobs, so easy to get contracts. Communication marketing people feel comfortable to speak to white women, white people. I don't know how to overcome [that], I cannot change perception of the people they love to do business with." [#31]

- The Hispanic American woman owner of an ESB-certified professional services company stated, "Sometimes there's a stigma from big companies ... these companies don't like being pushed to do something they don't wanna do ... there's a stigma that they're doing it because they're a minority ... I think [the construction] industry as a whole has a certain, dominant force that ... were afraid or had anxiety. I've seen more minorities coming into this industry and taking over jobs that created a fear and anxiety that really pushed the governor to drop it [programming to support businesses] again ... in their mindset, there were fear of maybe have an influence of workers coming to this field and taking all over a lot of these jobs. And I think they pushed, or the advocate or a allowed the governor to maybe have a second thought about this. ... They're afraid of either the lower cost, you know, cuz many minority businesses can do things sometimes for lower cost compared to mainstream wide business. And so, they're scared of that competition model that they're gonna lower their prices, and many are afraid. And they've been told that they're charging too low." [#32]
- The Black American owner of a construction company stated, "In this country, people tend to work in various different groups and if they're not challenged otherwise, they will stay within that group." [#35]
- The non-Hispanic white woman owner of a professional services firm stated, "The Oregon state has a list of specific things that they're looking for. I've sent information in hundreds for hundreds of those. And I've never gotten anything back. ... All of them [that] have [won], they're male. I don't know if it's coincidence." [#41]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "They met my colleague, and then said they just didn't have quite a place for her in the project. ... The director

at ODOT and was not part of the contract negotiations or anything ... it wasn't a sudden break. It wasn't like, 'Oh, we don't want that person on your team to be on this.' But as we started to build the work and say, 'Well you'll take this portion.' And I had them meet [my colleague] in person, they never found a place for her." [#56]

- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Aspirational goals, ... it's just the contractor checking a box to say, 'Oh, we tried, but we couldn't.' Why [are we] protecting the documents if we're not doing anything wrong? And both times that I challenged those, what showed up was contractors just checked the box saying, 'Oh, well we reached out to this company, but they weren't interested. So that's why we chose who we chose.' And both times my company's name was on that list, and both times that contractor had never reached out to me. ... I've always been a proponent of, if you are attaching things to someone's pocket, but personally, that's when people change their ways of how they're gonna behave. ... NAMC was the owner's rep on the airport project. The contractor originally ... marked us down or graded us down in points so they could work with who they wanted to. ... we were the low number. So just based on low number, we should have got it. But then they have other boxes. ... I don't know anyone that owns a white business that that can say they've gone through the same challenges. I only know businesses of women or people of color that have had the same experiences. ... I don't belong to an organization where it's a whole bunch of white people where I can talk about these challenges." [#59]
- A representative of a Black American woman-owned construction company stated, "In Southern Oregon, have not seen Black contractor. It is a good old boy network. And some have been using same businesses for over 20 years. I am a Black guy and a new guy." [#AV23]
- "There is too much emphasis on minority contracts. Honestly, yes, we believe too much emphasis on minority contracts. Don't have docs in area. [#AV31]
- A representative of a Black American woman-owned goods and services company stated, "COVID came and I was unable to work, as I work in customer service and with people. I didn't work for nine months. The economy doesn't have enough jobs, people don't have enough money, and we are not as full as far as clientele goes. It is hard to be successful, as there are not a bunch of people of color here. They come and there is racism, undercover racism. They come and leave, so it's kind of hard to get here and do hair." [#AV43]
- A representative of a woman-owned construction company stated, "It's difficult to work with municipalities with large staff of women. There is not enough space to work with women (with municipalities)." [#AV82]
- A representative of a woman-owned professional services company stated, "We have had government contracts, with WBE discrimination is our bigger challenge, customer education, understand our service, we provide, and what is available to them, what the state needs for the campaigning, and cultural nuisance." [#AV269]
- A Hispanic American representative of a trade organization stated, "There's a lot of loopholes in the system that nobody's holding the general contractors accountable for - I know that this happens, where they will hire a minority firm, but they're doing the work. And that is a huge problem, you're just using a front run payroll, you're getting a piece of the pie, but you're not actually employing or doing anything." [#FG1]

- A Native American representative of a non-profit organization stated, "The agencies or the owners or the prime contractors, they just want to do business as usual, which we know based on the results will not include minority contractors. And when these organizations or public agencies put these goals on projects, that can't be the only thing that they do." [#FG1]
- A participant in a stakeholder engagement session stated, "I've been a business owner for three years now, so since 2020, and I mean, I haven't seen within Oregon a whole lot of preference for women or minorities from the work that I've been working on. We're bidding on a project now where that question was asked, and this was for a state contract, or a state RFP that's out, 'Are there any preferences for minority or woman-owned?' And the answer is no, it's not on the list. So, it was just surprising. ... But the barrier with the journey, I will say that a lot of other larger business, they already do business with DAS before, they don't want to see us successful. They are also asking, 'Why do I want to grow my competitors?' We will be raised by DAS, become a competitor for those people who do not have the team ratio or encourage team relationship with us to help us grow, who will help us grow? If that's going to help us, those people who do the business with them, they don't want to see us grow to be successful. I will see that's the dilemma, that is the barrier, who wants to see us successful? How can we become a successful business owner?" [#PT6]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "The system is set up for minority contractors to fail." [#WT8]

9. MBE/WBE/DBE fronts or fraud. Twenty business owners and managers shared their experience with MBE/WBE/DBE fronts or frauds [#5, #6, #9, #10, #11, #16, #18, #23, #28, #35, #36, #40, #52, #53, #54, #59, #61, #AV, #FG, #WT8]. For example:

- A representative of a majority-owned goods and services company stated, "Other government agencies, and they've set aside specific programs for minority small business. And so sometimes they're on call, so we put in a proposal, but there's a different requirement. As far as you know, I would imagine there's some white folks' businesses, but it's really focused on minority contracting, because there's these targets. And I would say, no government has ever really met [the goal]. Portland has tried and tried. And they have found, as you can see, people ... game the system, they have a woman-owned business, but really, her husband runs it, or it's a person of color, and their white husband runs it. ... But there's not a lot of oversight, ... there's not a whole lot of government holding folks accountable. They're shelling out a whole lot of money, which is all of our money, and it's still always going to the same [contractors]. So, you know, we need some leadership." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "They call them on paper GCs. Essentially, on paper, they're the GC. But realistically, they don't do any of the work. Or at the same time, at the other side of it, the wife is the owner, but has nothing to do with the business, and it's actually completely run by her husband." [#6]
- The non-Hispanic white owner of a WBE-certified construction company stated, "I've had subs that have said that. Well, it's not really up to me to decide. I mean, if they say that they're woman-owned or minority-owned, I'm not the governing body over that, so it's not [for] me to judge them or to say that they're not who they say they are. I haven't had experience with a firm that was like, so severe that I questioned it or felt like I needed to turn them in or anything like that. Most of the contractors have subcontractors that we work with, other people in the field, so we're an excavation contractor. But we oftentimes have to have somebody that's going to do the paving or the concrete work. And

we work with tons of certified firms in those categories. And it's fine. I mean, there are firms out there that say they're one thing that are another we don't work with those firms." [#9]

- The Hispanic American co-owner of a woman-owned professional services company stated, "That other government contractor, [that we worked with before], ... the guy who we only ever talked to him, it's technically a woman-owned small business, but we never encountered a single woman while we are interacting with it. I think it's owned by his wife, who has no active involvement in the business whatsoever. ... That's obviously ... one of our worst nightmares. My wife, she's a subject matter expert, we only bought this company because she worked for it for seven years. For tax reasons, I own 49 percent, so we can split the tax revenue. ... We're not just woman-owned, we're woman-managed, we're ... woman-produced everything. But I know people do that [lie about being woman-owned]. And I don't ever want to have anyone even think that with us. So, it is very frustrating to know when there are people out there, because they mean that anybody who's doing this legitimately still has to worry about crossing that threshold." [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "Last year, I almost let these people into my company as other owners, and then I realized that really what they were doing is that they didn't like the company that they were working with. So instead of going out and starting their own company, they figured they would just buy their way into mine. And they would have access to all these projects, because of my certification. And then I essentially was just a figurehead at that point, not really doing anything, because as long as I maintain 51 percent ownership, then ... it was like these two white guys or whatever. And I was like, ... no, I'm not, ... this isn't happening." [#11]
- The Black American owner of an MBE- and DBE-certified construction company stated, "I've seen a couple of companies that although they were woman-owned, they were ran in the background by a husband." [#18]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "I know of several woman[-owned] companies out there that are 100 percent like me, started out doing their own thing [and] grew their businesses. I know several [companies in which the] father has been in there, their grandfather and father has been in the business and all of a sudden they they're starting a web firm and buying [a] \$3 million piece of their dad's company. ... I've seen those things, too. I believe it exists and ... but I think the state is aware." [#23]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "I have seen firms where I was wondering where the woman business owner actually was, if they were involved. I have seen firms where I was wondering, 'Where is the minority business owner?' and that sort of thing, but ... it's not something like I could actually prove." [#28]
- The Black American owner of a construction company stated, "Husbands have taken their businesses, put it in the woman's name. Even [if] it happened once, it's a problem." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "And so one of the questions that we raised was, a lot of these companies that are using their wives or, you know, because they're married to a POC person, they're going to use that information to get their certification. How are you going to make sure that the companies that are actually certified are the ones that are working this contract?" [#36]

- The Hispanic American owner of a professional services company stated, “I know guys that own companies that have their wife put the company in her name. Now it’s a female loan. ... Which is fine, it’s your wife. Absolutely. But then I’ve gotta fight against a guy that’s a veteran that puts a company in his wife’s name.” [#40]
- The Asian American owner of an MBE-, DBE-, and VBE-certified construction company stated, “This year there’s a [small business] set-aside project that went to bid. It was under landscape maintenance. It came down to three bidders, it was me and two others. I came in second place. I was happy with the number that we put. ... When I looked up the contractor’s name through COBID, the last name of the gal kind of rang a bell. As I was reading through the contact information, even though it was her name in COBID, the contact information for this certified business is somebody else. It’s her husband. I knew him. In fact, I had met him in my previous employment position, and he was the president, vice president of a company that does hundreds of millions of dollars annually doing bridge and infrastructure work for the state and federal government. ... It made sense that she could run a construction company because her husband was running a company that did hundreds of millions of dollars in infrastructure work for 20, 30 years. ... You have this gal in her emerging small business and her woman-owned business who wants to be included because she comes from an unfair opportunity because she’s a woman, but her husband’s a multimillionaire construction professional. It’s just like, what kind of advantage is being taken in the program and what is being lost to guys like me who literally came up in the trades, self-taught in some areas, and are trying hard?” [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, “So in 2020 there was an audit and I got called by this by the auditor in the City of Portland. And he said he wanted to ask me a couple questions about an audit for the prime contractor development program. So, I explained who I was and what I do, and he started saying things like, ‘Yeah, but I was told that your dad runs your company.’ I said, ‘What? What do you mean?’ He’s like, ‘Well, I can’t say.’ ... He said a lot of other very odd things ... he knew a lot about me, but none of the things were true. He was trying to put words in my mouth and asked me questions about me that were obviously from someone who didn’t like me or wanted something bad to have happen to our company. So, I did a public records request and the auditor called my competitors. ... They each had a story about me, about how my dad runs my company and that they’re surprised, [and] that people like me ruin the prime contractor program. So, they took that information like it was gospel and they just ran with it ... The audit, three pages of it were about me and how I don’t run my company. The auditor went to the commissioners in Portland. I don’t know if the auditors were talking to ... the mayor, but they both said, ‘Well why could this girl just fill out a piece of paper and pretend she had an LLC and had put her dad run the company? How is that fair? Why are they getting work?’ And [the city] denied me a job and it got pushed for months and months. That’s when we moved outta town cuz they had this opinion of me that [my competitors] told them, which I don’t know why their opinion mattered, but they work a lot in Portland. So, I had to leave town to continue. I hired an attorney and it cost me \$35,000. I had another interview from people in Portland to come in here and see my office, see that I run the office, run the company, [and] see that my dad wasn’t here. It wasn’t my dad doing it. It cost me a lot of money, a lot of time just because someone wanted me [to fail]. ... I don’t know if they also are competitors of mine now. They bought all the same equipment I have. ... There’s hundreds of emails that I got pulled that spoke about that. So, my fate’s been sealed in the City of Portland. They think of me in this way. I’ve been trying to even log in to get emails to get the notifications to bid in the City of Portland. And they said there’s some sort of

phenomenon that's going on where I can't get them. ... They don't see me as my own company no matter really what I do. I think they don't want me to bid there." [#53]

- A representative of a majority-owned construction company stated, "The biggest one I think for a good number of years were, men that would put the business name under their wife's name. I think that we see that less and less, because it's become very competitive. And that kind of outs itself pretty quickly. And I think those of us that are legitimate DBEs don't really have a lot of patience for frauds." [#54]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "A white person can easily just find a person of color and say, 'I'm gonna put this business in your name, so we're both gonna make some money.'" [#59]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He mentioned that it feels like the state is making a push for WBEs rather than MBEs, and that there are many companies out there who are fronts or frauds to take advantage of the state's use of WBE goals. However, he doesn't feel confident speaking out about the fraud, as he still is working on establishing himself." [#61]
- A representative of a majority-owned construction company stated, "I don't get considered because I'm not of color and not woman-owned. They get points and I don't. Companies get further consideration if they're woman-owned and of-color and veteran-owned. And if it were that simple, I wouldn't mind. But they work the system. They claim to be woman-owned but there's nothing woman-owned about them. I could put my wife as the major stockholder tomorrow, and it would be woman-owned, but then I'd have to do all of the paperwork, which is painful. And I'm not willing to play those games, so I'm at where I'm at. I'm doing fine. But it would be nice to be considered for work with the state." [#AV178]
- An Asian American representative of a trade organization stated, "I'm on call for other government agencies, and they've set aside specific programs for minority small business ... and there's different requirements. ... It's really focused on minority contracting, because there's these targets. And as you can see, people play a game the system, you know, they have a woman-owned business, but really, her husband runs it, or it's a person of color, and their white husband runs it. ... There's not a lot of oversight." [#FG1]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "It's set up for white men with white women fronting as the owner to win." [#WT8]

10. False reporting of MBE/WBE/DBE participation. Ten business owners and managers shared their experiences with the "good faith efforts" programs or experiences in which primes falsely reported certified subcontractor participation. Good faith efforts programs give prime contractors the option to demonstrate that they have made a diligent and honest effort to meet contract goals for MBE/WBE/DBE participation [#5, #11, #31, #33, #43, #54, #59, #62, #AV, #PT6]. For example:

- A representative of a majority-owned goods and services company stated, "There's a lot of loopholes in the system that nobody's holding the general contractors accountable for, to hire. I know that this happens, where they will hire a minority firm, but they're doing the work. And that is a huge problem, you're just using a front run payroll, you're getting a piece of the pie, but you're not actually employing or doing anything. And it's just the general contractor, the one that's doing the work." [#5]

- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "The biggest problems that I've had with being taken advantage of or people attempting to take advantage of me, is trying to come at me with a business proposal to partner up. But really what they're looking for is, they're looking to take advantage of my certification so that they can get more projects, and that sometimes that takes a little bit longer to see. Even when you're a sub on a project or these proposals going out ... they want me to be on the team because they want the help boosts getting picked for the project or for the contract. And then maybe they get it and then there's nothing there for me afterward to know if they're getting work and if they're actually passing it down to where they're just not getting any work. I don't know what sort of reporting there is ... technically, they're required to give me a certain percentage of the work that comes in, but I don't know if that's happening. Or if they're just using me to help to get these projects, and then I'm getting nothing. I have no idea ... if there's been any false reporting. And I don't know how to find out. So, it's entirely possible that that's been the case." [#11]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "We already experienced that when they award contract, they just kick us out. I mean, the prime just said they don't have to pay us. Because they don't like you and [an] aspiration goal is only aspiration goal, they don't need to [meet the goal]. How can they kick you out after being awarded if they have all these accomplices? ... A public agency person told me personally, 'It's okay, the prime have the right not to use you because that's an aspirational goal even though we help them.' The only [agency that] didn't do that is the Port of Portland, and the City of Portland's pretty good. The other public [agencies are] not as good as them." [#31]
- A representative of a majority-owned construction company stated, "If you go around and ask people, 'Hey, you're on the DBE list, would you be interested in being a job fraud?' You bet they would. So, then you go ask them, you know, two, three weeks [when the] job's due, 'Nah, I don't like the state. I can go work for someone else and it's a lot less paperwork they pay me on time.' And so you go, but no, wait a second, you are part of the capacity calculation. We have it on recording. You bet I bid to them. ... It's a tough deal." [#33]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "We have in the past had primes that would include us to win projects and then kind of reduce our scope to [a] very small or next to nothing." [#43]
- A representative of a majority-owned construction company stated, "There are some firms where I'm on so many teams I will never see work from. ... And so, did we help them make their goals for their proposal? And if you listen to the awarding sources, they're like, 'Oh, well, that's on, on them to make sure that they're keeping up their word.' ... What I'm actually invoicing out, I am 80 percent prime, 20 percent sub. If I were to look at awarded contracts, it's probably more like 60 percent prime, 40 percent sub. I just don't see work from the majority of our subconsulting. That prime may or may not ever reach out to me to provide the services that they asked me to provide on the contract. But then if the client comes back to me and says, 'Well, we previously worked with this individual and we would like you to bring them back,' now I'm stuck in the same position that some of my primes are. I wanted to share the love. I was never asked to provide the resumes that were required in the proposal, and I didn't have the opportunity to reach out to anyone else when they're asking for individuals by name." [#54]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "There's no system in place to verify that the person really tried to go out and reach those goals or

do those things. And then it just stops there. ... There needs to be some financial impact to these companies that do that. To where your first time you get a \$50,000 fine and your second time you can no longer bid public works jobs for three years. That's when you'll find people who are left willing to take that risk to just check a box. ... I've always been a proponent of if you are attaching things to someone's pocket, but personally, that's when people change their ways of how they're gonna behave." [#59]

- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "At 90% to 95% complete, when the mismanagement by the people above me had chewed up all the money or most of the money, then they terminated me for their convenience with the plan to take my work and finish it. ... They're the prime consultant, so they're allowed to terminate for no reason, for their convenience. But what they're not allowed to do is to take, because of state law, they're not allowed to take engineering design done by somebody else and sign it as their own." [#62]
- A representative of a Black American-owned professional services company stated, "Even though they mandate and encourage their project managers to use minority-owned business, there is no follow-up or no one is being held accountable if they don't. Issues [with the] organization, they are encouraged to use minority-owned business, being flexible or having the flexibility that they do [with] other companies." [#AV254]
- A participant in a stakeholder engagement session stated, "A large firm approached us and they knew that DAS want to include some minority business owners to team up to go for the opportunity. We were awarded, but we never got any work, so I actually went through, there's SOS [Oregon Secretary of State], some organization helped us. They actually went over, opened the contract and they actually looked at, there is a phrase it says, 'Only if the DAS won't use our opportunity, then we can get some award money,' but they included, DAS says there's a minority business that participated, but the DAS state, didn't want this business." [#PT6]

11. Discrimination in payment. Seven interviewees shared their experiences with payment discrimination [#5, #6, #28, #35, #FG1]. For example:

- A representative of a majority-owned goods and services company stated, "With general contractors, they can pick and choose who they want to pay or not pay. It is the responsibility of the subcontractor to have the money to go after them in civil court, there is no other legal recourse. And so that's extremely expensive." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Some general contractors choose not to pay you or to stretch out your payment as long as possible, which, when you're a small business and you your overhead has to be taken care of and you're waiting 120 days for payment, that doesn't work. With the larger GCs, your money is kind of the last one that they're trying to get out, and I don't know if it's because they got it somewhere making money on it 60 days. ... That's a constant stress on small businesses. I know that for a fact. ... You can only go so long while you're not making any money, you're working 70 hours a week, and you're barely able to pay your bills like that only lasts so long. And then the company goes under and it's like, 'I don't understand why there's not more small businesses or minority businesses doing this.' Well, it's difficult to break through that shelf, and actually be able to be where you can actually sustain that growth." [#6]

- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "In another state, we had a client who sort of delayed sending information over the course of their project multiple times, even though we had requested certain things to complete their event project. And overall, the project went well, but there was a like a printed material that they weren't happy with. And they basically declined to pay the end part of our contract. They basically removed \$2,000 from our contract and just said, 'We're removing this because we had to create this printed material because you didn't do it right.' When our contract with them actually said that we don't handle printed materials. They just gave it to us at the last minute. They didn't give us any brand standards. They didn't give us any graphic assets. And so, when they finally saw the product and they're like, 'Well, this isn't how we would have done it,' they sent it to, like their outside person or like a different graphic designer and like basically had it redone at their cost. And then they removed it from our contract. ... And then they waited also like six months to finally pay that final part of the contract. And at that point, I was just like, I'm done. I don't have time to pursue or fight with this organization over like \$2,000. It's a lot for me. But it's also like, I'm not going to get anywhere. I'm just going to spend another \$2,000 just like chasing them, or I'm going to damage the relationship with other people if I complain. So, I was just like, whatever, I'll just take that. Like, I think the final payment that was due to me was like \$5,000. And they paid half of it, or something like that, because they're just like, 'Well, you're not due the final payment, because we had to spend it somewhere else.' ... That's the kind of thing that happens when a small business works with like a larger organization, is that the larger organization is often so spread out that people there are not necessarily doing their jobs and turning things in on time. And then it's just like a convenient, like, 'Oh, well, it's the outside contractor's fault, we don't like this material, and we're just not going to pay for it.'" [#28]
- The Black American owner of a construction company stated, "Another barrier is access to capital. I'm already strapped with cash flow and then, you know, having ridiculous payment terms where I gotta wait 30, 60, 90 days to get stuff. ... If you put a general contractor or a prime contractor in the middle, it can delay. ... What GCs and prime contractors can do is, if you don't have the experience, they could sit on your pay estimate because you didn't do something right." [#35]
- An Asian American representative of a trade organization stated, "I've done nine months without getting paid, because there's task orders. So, I've been able to negotiate with a couple firms is that they pay me on a monthly basis." [#FG1]
- An Asian American representative of a trade organization stated, "I had to hire a lawyer, I ended up losing money on some of these projects. And so, it's not really worth it, even though I want to work on these types of projects. It's a really big barrier." [#FG1]
- A Hispanic American representative of a trade organization stated, "General contractors, they can pick and choose who they want to pay or not pay. It is the responsibility of the subcontractor to have the money to go after them in civil court, there is no other legal recourse." [#FG1]

12. Other forms of discrimination against minorities or women. Thirty-five interviewees discussed various other factors that affect disadvantaged businesses' entrance and advancement in the industry [#5, #6, #8, #9, #16, #17, #18, #21, #24, #29, #30, #31, #35, #40, #41, #42, #44, #52, #FG1, #FG3, #PT1, #WT27]. For example:

- A representative of a majority-owned goods and services company stated, "We have expertise, we are the solution, but yet the biggest barrier for us to be able to grow and be profitable is the fact that we're not seen as the solution. ... Agencies or the owners or the prime contractors, they just want to do business as usual, which we know based on the results will not include minority contractors. And when these organizations or public agencies put these goals on projects, that can't be the only thing that they do. If they truly want to achieve those goals, they have to add in other things that are is not going to be business as usual. But other supports that go towards the root cause. That is the disparate impact the disparity that has been created by the history and the current ramifications of racism, oppression, colonization, all of those pieces, and they're deep. They're not only access to capital, it's not only language barrier, it is every single measurable metric of a person's life as a person of color that's been impacted by this, you know, toxicity that this country was founded on, which is the exploitation of Black and brown people to capitalize the country into the pockets of white men. Until it gets down to that, like granular level at the beginning, and start to unravel and put things in place to address all of those things, there will always be the disparity." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "We actually worked with a company. And after they agreed to do a time and material, they got the bill for it and didn't want to pay it. And the owner of the company actually said to me, 'Why do your guys get paid so much? What was it Martin Luther King's mom's birthday?' ... We've experienced that a lot, especially in Portland." [#6]
- The non-Hispanic white owner of a WBE-certified construction company stated, "Some of my subcontractors, English is not their first language. And if you're a minority-owned firm, English might not be your first language. And I think that's a big barrier. So having different cultures, also the expectation is different." [#9]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "There's a lot of ageism. Whether we want to believe it or not. Advertising is a youth-oriented industry. There's this notion that youth is revered and ideas from youth are the best and the [most] fresh. And sometimes we elders in the industry kind of shake our heads and say 'No, that's been done before. Nope, that's been done before. Let me tell you how that one turned out.' And so, you know, I'm going on 67 ... but the 40-year-old client of today is looking for their 40-year-old peer." [#16]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I just assume that [discrimination] happens. Being a woman or for being a member of the LGBT [lesbian, gay, bisexual, and transgender] community ... I started [a] Latino [networking organization]. And I wasn't Latina so maybe there was some discrimination there. ... Going to chambers events where networking happens. And a lot of people spend time talking about their families. And as someone of the LGBT community, this is, you know, ... I don't worry about it. ... But 15-20 years ago I did. And I never could talk about my family. I would just have to smile and keep asking them questions about their kids and their grandkids. ... Otherwise, I would have been marked as a second-class citizen." [#17]
- The Black American owner of an MBE- and DBE-certified construction company stated, "The hiring practices of public as well as private organizations. That's, I think, where the heart of a lot of the discrimination takes place." [#18]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Working for a bunch of older white management execs here in Oregon, and how they treated like the Native American community, that wasn't great. So, I've seen it firsthand. And you know, it trickles down, I think I think it comes down to leadership. And I think that employees of some of these institutions or agencies, if you will, I think that they marked with the beat of the leadership drum. And I think that to survive in that organization, maybe they conform to it, but I don't agree with it, and it harms other people." [#21]
- The Asian American owner of a professional services company stated, "In our cleaning business ... I sold that to my partner ... she was officially running it, [it is a] minority-owned because she's a woman-owned business. And she gets calls all the time, 'I'm only doing business with you because you're a woman.' ... If someone came to me and said, 'Well, the only reason I'm doing business with you is because you're Chinese,' I would find that to be quite offensive to be quite honest with you." [#24]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "There's a lot of microaggressions with clients. ... It's a regular thing." [#29]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "Portland's and Oregon's cultural whiteness, and especially the components of it that ... white people don't want to talk about, like the more subtle social aspects of that whiteness Sixty five percent of the population here is white, you know, it's more of like the behavioral pieces that end up being a social barrier. And I think I've got a lot more adept at navigating that. But it's a pretty weird time for that dynamic, I would say, right, because it's like, I'm growing into like my own sense of identity that's helping me connect with the people that I want to work with, and it feels so, so, so fulfilling. We're also in this period that like every person of color I talk to is experiencing where it's like we just had this this insane period where like the federal government was this source of like constant trauma. And there was a period of like eight months where people were literally in the streets and we thought we were having a racial like awakening, right? And all that is well away. It all is like, went back in the in the closet and the white people in my community are like pretending none of that happened and like, make sure everyone stays calm. We wouldn't want people to be back in the streets again. It's a really weird atmosphere in that regard, you know? ... One of the major practical ways I've mentioned that I encounter this is, I feel like a lot of my white peers in business, it's almost like they have this assumption that you will not have any bad feelings about anybody because anybody is a potential client. And they don't have this thing that I'm doing as a self-protective measure, to decide who shares my values so that I can do business with them. You know, that ends up being where I'm in conflict with people more often than not. ... Because I'm a man and I have fair skin, sometimes I sense a social barrier with someone. And I say this with like love and not blame, like, who's sort of gatekeeping a little bit. And it's a tricky one, but sometimes because of the fairness of my skin and because I have male privilege, I think sometimes there are personnel adjacent connections I could be making that get blocked off. But I don't necessarily blame someone for trying to protect themselves in their community. I exist racially in a sort of strange space where I am kept safe from a lot of the most immediate physical threat or harm. As I know a lot of mixed-race people I identify with, I end up between communities a lot. I talk too much about my values to fit in with the white business community sometimes, and I'm a little too white to fit in with the Latino community sometimes. That tends to be the vibe, which is not the worst. It's unique and special in its own ways, sometimes a little lonely, but I don't necessarily know if I've been discriminated against. The biggest place where I feel like I've been

discriminated against is really, it's all around Donald Trump. When Donald Trump got elected, it felt like my community ... there are very different expectations about how we were going to react and what we were going to do in response. Trying to respond to that in a caring way that recognized centuries of inequity and atrocity put me in this spot where it separated me from a lot of my white business peers. I was identified as not being of the same values, and that never went away. Those people haven't come around. I don't know if it's necessarily being discriminated against, but it has really changed who I surround myself with and who I do business with, definitely." [#30]

- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "When you're talking about a barrier, there are two Caucasian brothers [who] started and they grow, grow like crazy. ... We are both minorities. The difference is, English is not our first languages. ... We're not born here, we're not educated here, there's a lot of things culturally which is not obvious to us. ... So, when we ... [are] speaking, we make so many grammatic errors, which is very hard to avoid. ... [The] accent, there's the barrier for ourself, I just felt that, socially it's harder to establish relationship around some ... American-born person. ... Just being a minority is already a barrier." [#31]
- The Black American owner of a construction company stated, "There was some point all over the country where [Black Americans] couldn't even have a constructive business, couldn't be licensed as a contractor. Oftentimes, on the public side, you have to meet these different percentages and stuff, but I just don't know what the motivation is for [primes] to make sure that you're also successful. ... [We need an] anonymous hotline that you can report [what] so-and-so's doing this inside of here ... cuz the only way you can deal with racism is you have to ... remove people's ability to practice racism or you have to identify how they're doing it, right? ... When a person that comes from the [majority ethnic group] has the audacity to say 'I pulled myself up by my own bootstraps,' but they really have access to a majority group support, the police treat [people] differently just because of the stereotypes and, and ... the different bias that's taught in the home and in those communities ... like, 'My community won't be safe if a person of color walks through here.' ... And people calling the cops on you because of that, that ripples all the way through construction contracting through business in general." [#35]
- The Hispanic American owner of a professional services company stated, "I learned at an early age that the first impression of your name was huge. And that if somebody might see a name that didn't fit their ethnic beliefs or whatever it is, you know, that you might not even get a callback." [#40]
- The non-Hispanic white woman owner of a professional services firm stated, "I've seen the barriers lessen and get a little bit easier for my daughters than what I faced when I started a career. But ... the barriers are still there. ... My parents felt that ... the best that a girl could achieve is to be able to be a housewife or to be able to be a bank teller. ... I've hired guys and gentlemen to come in and work with me. And it never seems to work out cause they wanna be the boss. I've hired five guys and none of 'em have ever worked out for the same reason. ... [My daughter] has often thought about changing her name. A name that could be either a male or female, her first name, just because of the barriers that she had faced in college even." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "You play the game just like [men in the industry] do. You don't get offended. There's gonna be a lot of cussing and swearing and yelling and you just kind of bite your tongue and go with the flow, ... I'm a get more flies with honey kind of gal

than vinegar. And I do what I can to help the customer, who most of the time is male. And when I perform, I show 'em what I can do and how I can do it, and how I help them." [#42]

- The Asian Pacific owner of an MBE-, DBE-, and VBE-certified construction company stated, "Absolutely, [there are disadvantages of being certified]. Tons of them. Everybody looks at you like you're nothing. That you're incompetent. Or that you're more or less a check in the box. I have found through the years that when I get solicitations for participation of certified businesses, it's really nothing. It's a check in the box. We don't go after or even participate in many of those contracts because you're just treated unfairly." [#52]
- A Native American representative of a non-profit organization stated, "It's about sharing of power, and ensuring that those smaller minority-owned businesses have a voice and that the power isn't so unbalanced, that they don't have unfair terms in their contracts." [#FG1]
- A Hispanic American representative of a trade organization stated, "The Latino population, we are the super majority, when it comes to the working force and construction. That's not a good tool to measure, because we're not being paid appropriately. Because typically, the general contractors are going by the lowest bid possible. So, we're not creating any sort of generational wealth here, we're creating a bigger profit margin for the general contractors." [#FG1]
- An Asian American representative of a trade organization stated, "I've seen past ODOT disparity studies, and they like to say that, 'Oh, all the Asian firms are doing really well.' I'd also like to say that I'd like to see disaggregated racial demographic information as they reported. ... [Primes have] no responsibility in treatment of their subs ... I have no civil rights - If there's racist stuff going on, unless it's blatant and illegal, I have to take it. And so, I have just been treated horribly, by many architecture, engineering, economic development firms as a sub on ODOT projects, and a couple of them I just left because it was not worth it at all. And ... usually the client doesn't know. ... It's white supremacy and racism - not only [with] the prime firms for these larger projects, but [the state does] not understand how to help negotiate." [#FG1]
- A Hispanic American representative of a trade organization stated, "A big problem right now is that there is a lack of accountability in the system. And when we look at the construction field, the general contractors are pretty much white, or white institutions. The government hasn't taken the opportunity to look to see what's wrong with our current system when it comes to the construction industry. Because those white institutions don't have very many skilled foremen on the job sites, architects, project managers, estimators. And there is not a real clear pathway [to] training and developing in the construction industry for people of color." [#FG1]
- A representative of a non-profit organization stated, "We're trying to build the future of equity and contracting through workforce development. Because we know that the workforce of today is the contractors of tomorrow. And if we don't support both the workforce, and contracting equity, it's a dead end for both." [#FG3]
- A Hispanic American representative of a non-profit organization stated, "There are people who come to this wonderful country and do not have documents, and probably do not get a job, but they do manage to make a business, an enterprise, their way out is to register with the IRS having ITIN, but when they start looking for contracts, the very fact that they recognize them as businesses with ITIN, as ITIN holders, it already limits them. ... That's why we negotiate and look for those responsible for the contracts ... to build a bridge that improves access, because legally there is nothing that obliges not to hire undocumented minority businesses. ... The system has to be

improved. Why? Simply because the inequities that we find ... we cannot confront, because even within the same minority communities there is discrimination. The Russian community only works with Russians, the Chinese or Asian community, only with Asians, the Latino community, same thing, the Black community as well, and between them there is discrimination. It's interesting to see the discrimination that exists within minority communities themselves, isn't it?" [#FG3]

- A representative of a trade organization stated, "The isms are still a very real and challenging thing. Racism, ageism, sexism. Those are very, very real things. And I have one member ... there's only one distinction between her and every other contractor ... [is] that she's a relatively young woman. And I have to say that without frontally assaulting the public agencies with whom she deals, I have to say that it is a serious, serious problem." [#FG3]
- A Hispanic American representative of a non-profit organization stated, "We know that minority companies ... cannot access loans of more than a million dollars, when a minority company is growing and goes to the bank, to any bank, and says, 'I need to buy capital goods and it exceeds one million dollars,' they block it. ... Paraphras[ing] the book *The Color of Money*: 'the system is made only so that the Anglo community is the only one that develops. Because the financial system coincidentally is elaborated by the white market.'" [#FG3]
- A participant in a stakeholder engagement session stated, "How will BBC and team make sure to capture people who are hesitant to talk to research firms, especially firms who are smaller and English is not their first language?" [#PT1]
- A representative of a goods and services-related union stated, "The janitorial and private security industries include high-risk, low-compensation employers whose practices harm workers, who are more likely to be women and/or people of color. Many employers pay poverty wages with few or no benefits, and some engage in systematic wage theft, such by requiring workers to work off the clock, paying piece rates below the minimum wage, or not complying with state laws guaranteeing paid breaks or protected sick/safe leave. Some employers permit workplace safety and health hazards, harassment, or discrimination. Some employers violate the rights of workers with disabilities, even some Oregon Forward Contractors charged with creating opportunities for people with disabilities. Some employers retaliate against workers who voice concerns about unfair and unlawful treatment, and some violate workers' rights to organize and bargain collectively. Because the janitorial workforce is overwhelmingly made up of people of color and/or women, these problems disproportionately harm people in the protected classes considered in this study." [#WT27]

H. Business Assistance Programs

Business owners and managers were asked about their views of potential race- and gender-neutral measures that might help all small businesses obtain work. Interviewees discussed various types of potential measures and, in many cases, made recommendations for specific programs and program topics. Part H presents their comments on:

1. Awareness of programs;
2. Technical assistance and support services;
3. On-the-job training programs;
4. Mentor/protégé relationships;

5. Joint venture relationships;
6. Financing assistance;
7. Bonding assistance;
8. Assistance in obtaining business insurance;
9. Other small business start-up assistance;
10. Information on public agency contracting procedures and bidding opportunities;
11. Directories of potential prime contractors, subcontractors, and plan-holders;
12. Pre-bid conferences;
13. Other agency outreach;
14. Streamlining/simplification of bidding procedures;
15. Unbundling contracts;
16. Price or evaluation preferences for small businesses;
17. Small business subcontracting goals;
18. Formal complaint/grievance procedures;
19. Small business set-asides; and
20. Mandatory subcontracting minimums.

1. Awareness of programs. Forty-two business owners discussed various programs and race- and gender-neutral programs with which they have experience. Multiple business owners said they were unaware of any available programs for small business assistance [#1, #2, #3, #9, #10, #11, #13, #14, #15, #17, #19, #21, #22, #23, #25, #28, #30, #31, #32, #33, #34, #35, #36, #37, #41, #42, #43, #44, #46, #47, #54, #55, #57, #59, #61, #AV, #FG1, #FG3, #FG5, #FG6, #PT4]. For example:

- The Black American owner of a construction company stated, "I've had one kind of bad experience with the SBDC [small business development center]. I had a face-to-face with one of the people that was working there and gave a list of stuff that I was looking for. And he never got back to me. I set up dates and times and everything, and he ghosted me." [#1]
- The Asian American owner of an MBE-certified professional services business stated, "I got connected with the GCAP, the Government Contract Assistance Program, then I was able to connect with the Portland Small Business Administration. ... They are doing amazing work providing you details about all the time meanings, that are doing a wonderful job about providing you about all the help about the opportunities. And if they don't know the resources, they will find resources or point you to people who can help you. So, I would say that has been extremely helpful for me." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I actually did benefit from, I think ODOT sponsored it, it was somewhat random, that they sponsored like a women and minority weekend retreat, which we ended up doing virtually because [of] COVID. But it was so thoughtful ... they had scholarships, so many of us didn't need to pay to attend. And we received a kit with the book, to have a chapter we were reading, and ... snacks, ... they did a really good job of making it a virtual retreat. I think they even gave us like \$50 and DoorDash, or

something to have a meal since we couldn't do it together. And they had different speakers come in on different areas of expertise. And I think the specific focus was growth, growing your business, and what that can look like in terms of support. So, I definitely took advantage of that one, and found it very helpful. I received early on some great educational benefits from ... Mercy Corps in Portland. And in that specific branch they've got specifically like women- and minority-owned focus, there's like at least one or two staff people that create programming that is specific to trying to help and benefit people of those areas. So, I have definitely taken advantage. [I] took a [program to] create your agreement in four hours from a couple of lawyers where you have the real people in front of you and you can ask them specific questions. So, I definitely benefited from that. And then GCAP, which I'm not sure if it's state-affiliated, but I don't think it's state of Oregon. And I'm not really remembering what it stands for, but it's like a \$50 membership a year and they're one of the services that helps to find matches, contract-wise, whether it's state of Oregon or just like in Oregon, and they also provide some programming." [#3]

- The non-Hispanic white owner of a WBE-certified construction company stated, "We also are a part of a mentoring program through the Port of Portland, that provided business development support. ... I know that the program that I was in recently, the Port of Portland mentor/protégé program, it was called, that was a resource a pool of mentors that, like, if you were trying to get certified or trying to get work with somebody, they would help you problem solve and help you get there needed bonding or whatever, they would help you get there and they were your advocate. So that program worked really well to assist somebody that was starting out, not really starting out because in order to get in the program, you had to be established for like a certain amount. On the other hand, the City of Portland's prime contractor development program, that thing's a mess, ... it's just not organized, it's not funded. I think they have the same idea of providing all this assistance with mentors and that kind of stuff, but they just don't have it together. And I've been in that program for a long time. ... The prime contractor development program for the City of Portland, which is kinda like, sometimes it's going really well, sometimes it needs life support, it's just not consistent. I think that part of the reason they've had some turnover, they've had some funding issues. So, the idea and what they want to do is really great. But actually, these last couple years, and especially through COVID, that program has been just kind of barely hanging on. But I think that they're doing some things to try to invigorate it and make it better. ... And then the other program that I've been involved with was the Port of Portland mentor/protégé program. And that was a great program for technical assistance and business development. But that one wasn't tied to getting projects. The prime contractor development program for the city was, you are in a smaller group of contractors and you're allowed to bid on projects. And so, you're competing against less of it, there's less competition for the jobs because it's only a shelter group of, if you're in the program, then you can bid on it. So that was an avenue to get work. The Port of Portland loan was just business development. So, there was no like, 'Here's these projects that if you're in this program, you can bid on that.' There was none of that. One was more for business development. The other one was getting access to projects, but they also provided technical assistance. But that kind of has fallen away. I think that [was] because of the turnover and the lack of funding and that kind of thing." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "I think there's mentorship programs out there. ... The old owners ... tried one, when they were in Minnesota, and their mentor was not a good fit. So, I don't know, I know that when those programs work, they probably work really well. ... We've definitely seen all the networking opportunities for

women specifically. I know that there are things like the (8)a certification and such, the federal ones [for] small businesses, then they try to focus on getting enrollment from people who have some certification. ... I know that things like set-asides, those type of programs all exist, I just don't know which specific ones are for which specific agencies or even how to find them." [#10]

- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "There was some sort of a business thing that either small business were [or] Multnomah County itself was putting on, and I don't know if it's still going on, that they put on like one class a month where we showed up in person. This was pre-pandemic, and ... I think the last one I went to was something about coming up with an environmental policy, because some of these were bigger firms. ... They're like, 'Do you have an environmental policy?' It's like, 'What is that? How do you create one?' But they covered different various business topics. That was pretty helpful in the new way, they covered it, and then they would give you ... a template of things that you might consider putting in an environmental policy ... that you could go and take and customize and work on yourself. ... Another one that I went to that was in North Portland, there were a lot of minorities there. And it was about creating a business plan and how what you're gonna need to get licensed [and] bonded, so it wasn't necessarily helpful to me because I am licensed to a professional society, not like the contractor certification. And then I've never had to get budgeted for a project, I have one project coming up that requires that and I literally just called my insurance, and I need a bond for this project. ... So, it didn't necessarily need a business plan. But that was something that I thought was really useful to all these people who were maybe doing it still, contracts or related. ... [The program showed] what's included in a business plan, and then literally handed over a Word doc template of that they could work from as a takeaway, and ... why you would need to ... have a business like this, because there's a lot of stuff that I do that nobody's ever asked me, to have ... a formal written out business plan. But if you need one, you're like, 'Where do I even start?' ... Both these things were free, I don't think I paid for them at all. There's groups like, which I don't know if you've heard of them. ... You pay to have membership in them, ... and I think they connect you with other resources and I've only ever participated in one ... Zoom meeting and there were probably almost 200 people or more in those Zoom meetings, so a pretty large group. There's a couple of others that were really good at this small business development center, like community colleges, I think those have been really helpful. But I like the most very basic level, when you're first getting started and you have specific questions about, you know, you're working with a homeowner, and you're like 'I've got these open invoices, and I'm not getting paid. And I have a really hard time not identifying with sending out an invoice and wanting to constantly discount my prices,' or 'How do I get these people to pay me?' Or 'How do I figure out how to reconcile my bugs?' That's a really good resource for that. ... To the COBID stuff ... bigger contractors, they do like a coffee and connect thing really focused on it. It's free too, usually Zoom thing, I think it may be impersonal, but they just talk about your questions and common issues that these firms might have. They just pick a topic and kind of go from there. That's their kind of a helpful resource, right. Yeah, so as far as places that are doing things that are helpful. ... Even people that are already doing some things that are helpful. It's very decentralized. Like I don't know that any of these groups talk to each other. ... People might be members of these different things, but the heads of them are not talking to each other." [#11]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "There is something out there for businesses, it's an additional form of a PPP, but you have to be over 10 people. And so, the real small companies under 10, we don't get those kinds of benefits. And I think that they need to limit it more to the smaller companies that are under 10. ...

When I say smaller, I mean small because the, you know, 10 people and under, it's harder to survive than it is a larger company. ... We actually work with OAME." [#13]

- The owner of a majority-owned goods and services company stated, "Neighborhood organizations are a good opportunity to find some funding. And then, the city development organizations, the City of Beirut, working in the City of Beaverton was amazing. So, so great, the people at the city were really, really supportive. And there were a lot of programs for grants and for improvement funds, and all that kind of stuff. And that's been really great. Portland has none of that. But a lot of the outlying areas do." [#14]
- The co-owner of an ESB-certified goods and services company stated, "The GCAP, I've had some experience with them in helping me to write my ... statement that tells you about the organization. They've reviewed a couple of my contracts, but they don't have an understanding of what we do." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I know that there are workshops, and I have gone to one. How was it? I just have a vague memory of it. Yeah, I guess I could say 'Gee, it was great,' but there just hasn't been anything to really apply for. ... [I] certainly made excellent use of the Small Business Development Center. I've done their three-year Small Business Management Program. I refer people to the Small Business Development Center. I used to be one of their business advisors, ... I said, 'You guys need to offer business advising in Spanish, and I'll do it.' And that was part of my work there, was to work with the Latino community to let them know, there are services here that will help you. So, both as the provider and as a consumer, I know that's a great resource. ... [Resources are available] through community colleges [in Oregon], even though it's not like a credit program. It's specifically funded by the SBA. And ... they offer free business advising. And they offer relatively inexpensive classes [that] are all meant to help people get their businesses off the ground. They offer, like, three-hour workshops, three-day workshops, three-month courses, six-month courses and a three-year Small Business Management Program. They've got programs for the food industry, programs for nonprofits. ... They're very much community-oriented and listening to what the community needs. So, I'm a big proponent of them. ... I was part of a businesswomen's mentoring program for a while. It's no longer in existence, it was just run by businesswomen ... and that was a great program. And that would be great to see more of that. I think it probably discontinued because there weren't enough mentors. The resources are there. Like, a how to start a business workshop, for example, at the Small Business Development Center - they'll go over things like marketing and taxes and bookkeeping and they'll do it in little chunks. And then if you like that, then you sign up for a longer class, it goes into more detail about it. So, it's there. But maybe it's more about how to get people to realize that it's not just because you have a really good recipe, that's not going to lead [your restaurant] to success." [#17]
- The owner of a majority-owned goods and services company stated, "[The] Chamber of Commerce came and talk to us about ... two and a half months ago, with a program that another City Chamber of Commerce, Oregon City Chamber of Commerce, that was looking for people that needed funding, it was a grant. And so, they gave us the information to fill out and we filled it out. And we were actually able to get a little bit of grant money from another community. ... Both my wife and I have never been in business like this before. So, we don't know of the programs that are out there. We don't even know how to do a grant because I've never had [to]. ... I was the was a welder for 30 years, I ran steel shops. I've done rail cars and barges and ships and helped put buildings up and

project managers for several different job sites and different things. ... I didn't know anything about operating a business until I bought this and now I know a little bit. But I've learned a lot in the last four and a half years. We do get all from the Chamber of Commerce, we do get programs once in a while, but it's whether we can apply for them or not, because of our business status being 50/50 [ownership]. So that's the only thing that we've run into, you know, is that we can't qualify because we're a 50/50 business owner." [#19]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I was a little concerned one time about a contract, if we would have enough capital to float the 90 days when I was early on. So I remember when we were much younger ... going to the SBA, and they were super unfriendly. I know SCORE [and] recommended them, but like, it felt like it was way more of a hassle than it needed to be. And then I went in, I think I talked with OAME, and I think they had some sort of a capital program for small businesses. And it seemed to be a lot friendlier, but I ended up not needing it now [that] SCORE has really been partnering with the Chambers, and that's been helpful because they put a lot of training programs out there. ... I really like the Chamber grant programs. They've been provided like federal and state money. That was my understanding, and I know some of those grants I didn't need, so I didn't partake in them. I didn't feel like taking that money from somebody who needed it. ... The veteran community has peer support and the VA, the federal VA, even I think that state VA now too, has like peer mentors and things like that. SCORE would be the place. That could ... provide guidance and assistance to business owners. ... If they had more funding, maybe there's more that they could do, because they're kind of a neutral party in it all." [#21]
- The Black American woman owner of a professional services company stated, "I think ... Portland has a lot of good programs that I was a part of ... before the pandemic when I wanted to start a business but I was still working full time. They had PIE Oregon, ... which is an incubator, and they kind of give me information on how to start your business and give you the tools. So, I don't think there was a struggle there. Like the startup phase. ... TiE was focused on small businesses, but PIE focused on startups. I've been kind of in the right place at the right time. ... How would I find these contracts? You know, these just people referring them to me. ... [With] Prosper Portland ... basically, business owners come out and see different service providers. ... I got a few clients from there ... but maybe if there's like, an event like that, for business owners accelerate. And it's for women. They actually had like a small business group, where you could go and just talk about your challenges and hear what other people are doing is a good way to like network and just hear from other people, because being a founder or business owner is lonely. And so, it feels good to like talk to other people who may have similar issues." [#22]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "The City of Portland had a program called the prime contractor development program, [it was] super helpful because they would work with us and ... they had insurance agents come in and bonding agents come in and financial advisors come in that sat down and helped us understand a lot of this stuff. They had a program we had to go through called Inner Eyes, which is all about learning how to run a company. ... I took an SBA class early on that ... I thought was really helpful. It was on us kind of getting your business up and going ... The prime contractor development program that the City of Portland offered. Of course, that was really helpful. Through that program they put me and all of us in the PCP through a program called Inner Eyes, and it is a like an eight-month course that you go to and you learn everything from ... [how to] bid on finances and ... estimating a bid ... you learn a lot, just a whole bunch of different stuff. ... I took advantage of that mentorship through the Northwest

Utility Contractors Association and was mentored by what's now one of the owners of a big company. And I found that really helpful [to have] somebody you could just bounce questions off of. ... He was one of the estimators for that company, so I really liked that." [#23]

- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "You've got GCAP and a number other organizations like that, they are designed to try and create a pathway for small businesses to work on these projects, but they tend to be construction-based in nature. They understand the construction industry more and they tend to be less oriented and not oriented at all to the A&E side of things. So that's where I'm kind of unique." [#25]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "I have used like a business incubator. I have been offered technical assistance by, like, an ethnic chamber of commerce in the past. ... Overall, I would say my experience has been, sometimes it's hit or miss. For example, one organization offered a coach and technical assistance, and that coach didn't really do anything. So, I spent time in meetings with a coach, but then there was no follow-up or actual tools to use. So, I didn't find that to be very productive. Another organization said that they offered assistance in coaching to fill out requests for proposal. So, I was really excited about that because ... I felt like it was a skill I needed to learn. If I could just talk to the right person, somebody who could provide me some one-on-one coaching to do this, maybe it wouldn't be so time-consuming if I could understand it better. I have yet to get a meeting with that organization. ... It's never a time that's convenient. They have very little time to offer. They don't have very many appointments. And it's up to me to just keep following up to the point where I just feel like I'm a pain, like to contact this person and they have [a] one-hour time slot, and it's sort of like, okay, well, I guess I could clear my calendar for this limited availability. But even then, I feel like I have done that and responded and say like, 'Okay, I'll take that spot,' and then it's already gone, or they don't respond." [#28]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I'm in this program through Prosper called the Inclusive Business Resource Network. It's been wonderful. It's basically just they have these partner nonprofits that refer entrepreneurs of color to different professional services and they give them a grant to spend on those services. And that's been wonderful for me. Some of the stuff that I've taken advantage of, I got some business consultation from Livelihood Northwest. I think I attended some workshops from MESO [Micro Enterprise Services of Oregon]. They do a lot of that sort of like business development, like micro entrepreneurship work. I was part of a digital mentorship mentoring program that I mentioned before. That was through Mercatus, which is like a directory of entrepreneurs for specifically creatives. I'm mixing it up with something else. It's a directory of entrepreneurs. They recommended me for this digital marketing program that was extremely helpful. I didn't pay a dime for that. In fact, I got grant money for it. What else? I have gotten some advice from SCORE. They have free business entrepreneurship advice. They're like a national organization, I think. They've helped me out some. Then the program that I'm in right now, the IBRN [Inclusive Business Resource Network], is a, I think, public funds or maybe foundation-funded program through Prosper. That has been invaluable." [#30]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "We start with, because when he went to the unemployment office and the people I think in employment place, give us some information, I say like, 'I think my husband has expressed his idea.' He wanted [help] starting the business. They gave him some ideas, for example,

where to start with. ... Our very first one, the SCORE, they assisted us. And ... Portland State University, they have ... a small business development center. ... They have a lot of training, some of them free and some of them will have to pay a fee. For example, I try to learn about the business, to learn about the financial, to learn about how to keep a book. I remember we paid the fee, it's a \$200 fee, went through their program. So, along this way, we start a business first, and then we start learning. ... One is they [OAME] invite a lot of public agents [to] attend their meetings. ... I made a lot of connections through attending there because when I know who's the public agent that have a building project under them, I just connect with them right away. And then I ask them, can we come and give the presentation? The micro loan program before, I remember several years ago, the SBA gave them some loan for them to help the minority business ... they are the one, the best managed micro loan agent in the nation. ... [OAME] provides a lot of good trainings ... and also they improve the connection with the public agent. ... Before, they just invited a public agent [to] give us a 10-minute presentation. But now I can see that they changed to give the whole meeting time for a public agent. So, they have in-depth forecasting for what their projects [are] coming [up] and introduced to us to get to know their personnel. They have a different room right now with the technology, so you can meet their project managers here in a meeting before we have to go to their onsite or go to their institution, go where they are to meet those project managers. ... We are in SBA program, ... the PTAC [Procurement Technical Assistance Center] ... that's the federal's agent, we're in the federal program so we can receive assistance. SCORE is a good one, [MESO], they provide good training to help small business. They also have some loan program. The Port of Portland also have a program they call mentor/protégé. You have to be a DBE in order to qualify to get into their program. ... Anyone [that] gets a prime contract from the Port of Portland, they are required, to be a mentor to some of minority firm. We got about three mentors, two of them technical, another one is marketing. Meet with them once every month. We go to the Port of Portland in their office. All the mentors with us, but they have a coordinate. We meet once every month for three years. Can you imagine? [The Port of Portland] encourages all those minority firms [to] graduate from their program that they will get credit for the teaming project and future with the prime, with those who mentor them. ... They will not say, I cannot find enough minority firms to team up with you. You mentor them, you just hire them in the future after they graduate." [#31]

- The Hispanic American woman owner of an ESB-certified professional services company stated, "Have you heard of CM Capital Connections? ... It's all volunteer-based, and basically we have government and, and private sector committee members. The goal of that is to connect small business with potential contracts so that we invite monthly speakers from government, from big corporations to talk about what work they have available, what is their process, you know, how do you bid for the projects? What are the requirements? So, we have state agencies. We have like big company ... it's all free. There's no charge. And basically, we have a database of 2,000 businesses and other government members. And our goal is just to promote and engage small business with potential work and provide those relationships and contacts for them to hopefully get work. ... I dunno if you heard of Future Oregon. ... [The] Oregon system had a lot of gaps and really serving, especially minorities, in terms of access, in terms of requirements, in terms of lack of outreach, in terms of, you know, all these different things that really weren't reaching minorities or vulnerable populations and really discounting minorities and vulnerable populations in a way that it really didn't do a whole lot for them. Future Oregon was created and funded [with] \$200 million to address some of those gaps. I'm not saying it's gonna solve all the problems, but our system has so many gaps. ... Business Oregon has a TA [technical assistance] program, I dunno if you've heard of

it. They provided grants a year ago to minority organizations to help minority business. It's a Business Oregon technical assistance program. ... We're advocating to make it part of the budget. It becomes permanent, you know, the [Small Business Development Center] (SBDC) centers get money every year, every two years, no matter what. We wanna do the same thing with this funding, but it's something, it becomes permanent." [#32]

- A representative of a majority-owned construction company stated, "The Northwest College of Construction teaches some other supervisory kinds of classes. ... I can't think of any programs that are ... ready-made or designed to train people to be contractors other than, you know, either doing it and or going to school in some regard. And I mean, that's what I learned in school, most of, I never used." [#33]
- The Asian American owner of a construction company stated, "Clackamas Community College, just be workshops online or even at nurseries would have a pruning workshop or, a lot through the City of Portland. ... There's like the Small Business Alliance. I don't know if that's by the state. I heard of Portland Prosper, but I don't know, that's sounds like [it's] not from the state." [#34]
- The Black American owner of a construction company stated, "They provide like a lot of networking, a lot of technical training and stuff. I haven't seen the business plan piece yet ... I didn't do the [business plan training] through NMAC, but I did it through a program through the US Department of Transportation. They had small business transportation research centers throughout the country. ... So I did this training in like Oregon and Idaho and Washington. ... And then I've done the training for the center region ... in Missouri and Arkansas. ... The association or contract might be helpful, but I don't think there's any one place that where you're gonna get [business management training] because not everybody needs all of that. ... Your Procurement Technical Assistance Centers, that is federally funded. There's the supplier development councils. There's on the private side, ... they say that they can accommodate construction, but it's not true. ... The best [tailored training program] that I've seen was one that ODOT put on through PCC [Portland Community College]." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "Every time you turn around there's some new program that's out there and the only thing that I can literally tell someone is go to the internet and search for those programs and you will get a plethora of them. Just know that once you put your email on there for somebody, you're gonna get a boatload of emails constantly coming to you for programs." [#36]
- The owner of a majority-owned goods and services company stated, "The payment protection program, obviously I was aware of during the whole COVID situation." [#37]
- The non-Hispanic white woman owner of a professional services firm stated, "Oregon Montessori Association. It's the nonprofit group that helps Montessori schools get certified. And it's provided training for staff and help the community in a whole, stay together as a community. [Oregon Montessori has] members in Idaho and Washington and they're all throughout the state. ... [They train you on] how you can get help with your PPP program. This is how you can get help with the SBA, the disaster loan money. This is how we can help you get an SBA loan." [#41]
- The co-owner of a WBE- and DBE-certified firm stated, "I think more opportunities like what Business Oregon provided most recently for us, those are awesome. Those need to be taken advantage of. It's money well spent." [#42]

- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "The Oregon Association of Minority Owned Enterprises. They host mixers and meetings. ... A lot of the large engineering firms will also hold mixers where you can go and meet other firms. ... I think that mentoring program, I think the, the water bureau has participated in that, [the] Bureau of Environmental Services, where they offer their subconsultants time with this mentorship group. That's very valuable." [#43]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "When I first took over ... I nearly bankrupted the company that my dad had started and lost all of our bonding capacity. And I thought, 'Well man, maybe I don't know as much as I thought I did.' That's kind of when I started getting involved with the NAMC and the various associations. I thought, 'I need to get in front of people that have been doing this for a while so I can start learning what the heck I'm doing.' ... I did the prime contractor development program for a while with City of Portland, which was, you had to go through a series of classes. ... NAMC ... introduced [the contractor development program] to me originally. I think that program's kind of fizzled out with the city. ... I know the Port of Portland has that mentor/protégé program. I never did get involved in that, but I do know that one's out there and it's been successful for some people. ... [NAMC University] is a great thing, especially for the businesses that are starting out. I don't attend them a lot, just cuz they're kind of tailored towards newer businesses. ... They really upped their game over the last few years and it's great to see 'em getting traction." [#44]
- The Hispanic owner of an MBE-certified goods and services firm stated, "There's this thing called GCAP, which is now called like accelerator or something, but that didn't really do much. I'm part of associations and organizations here in Oregon. I think just getting in the room and just networking is the most important part. To be honest, you don't even need to do that really. I mean, government contracting is all public information." [#46]
- The owner of a woman-owned DBE-certified construction company stated, "Did I have success in using my DBE? Up until then, I've ran into all kinds of problems, like with the builders. There's a builder's website and none of them really knew about me or were able to use my services because they didn't really understand what I did and they didn't understand how to use a DBE or how to call on one for transportation. ... Those associations, their members are not just contractors, they're other service providers. One of the primary roles that they have is during regular meetings, it creates an opportunity for general contractors to get to know their members. ... So that they know about the DBE and who is a DBE, what a DBE is, educating people about what a DBE is so they understand. ... Portland Metro gets all the attention and the outer counties outside of Portland Metro are left to fend for themselves. That's something that I'm definitely looking at. It is critical that you have to communicate clearly where the opportunities are and people have to be aware of the value proposition of working with you. Whether it be Zoom or however, to attend those meetings, to be a part of those government contracts. To be a part of those stimulus dollars that are so vital, especially to emerging businesses. That's to me would be extremely valuable because the whole program is designed to help, but if people aren't educated on where the help is, then it's not serving anyone well." [#47]
- A representative of a majority-owned construction company stated, "I'm really active in OAME. Women in Construction is a really good group. Women in Transportation is in a really good group. OAME has kind of like a sister, entity down in Eugene. I've gone to that quite a lot. Because we're part of the American Public Works Association, there's AMAC [Airport Minority Advisory Council]

... Coto is another one that's really good. Another awesome one is Tabor 100. I just discovered them last year. They're up in Seattle." [#54]

- The Black American owner of an MBE- certified professional services firm stated, "A long time ago when I first moved here, there was the SBA mentorship program ... and then state of Oregon has procurement support. ... Neither one of them were extremely helpful, unfortunately." [#55]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "Working with community partners like Oregon Tradeswomen and constructing hope to find entry-level people and bring them into our team and train them from basically from the ground up, which has been really great for us building out instead of just relying on the core people that we started with who are super experienced ... National Association of Minority Contractors, NAEC, and PBDG, and OAME. ... And those groups, I think all of them have grants and are able to provide capacity-building. ... [With the] PBDG, we're able to get a grant for the fractional CFO to help us put together projections to try to get a line of credit. NAMC, there are programs to help small businesses understand succession planning. ... We had a SCORE mentor early on through the SBA that was helpful and just kind of navigating what the SBA programs we were eligible for and what we needed to be able to do to even qualify. So, SCORE has been helpful as well." [#57]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "So, we had to reach out to the union to become signatory and utilize, find some resources to come help us do ... work in the field." [#59]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He learned about the disparity study through a NAMC meeting during which BBC presented the disparity study and took questions. ... He learned everything he knows about public sector contracting from Instagram, and thinks that more businesses should take the time to learn about the various programs and certifications available to them. He has experience working with Oregon's Procurement Technical Assistance Center (typically called PTAC but in Oregon is GCAP). However, he found their mentorship programs to be lacking and his mentor unknowledgeable. While becoming certified, he found that the COBID office gave him bad advice, such as telling him he needs to be COBID-certified before registering with SAM or obtaining a CAGE code (public sector ID that facilitates searches and payments)." [#61]
- A representative of an Asian American service-disabled veteran-owned goods and services company stated, "No. The GCAP agents—which stands for Government Contract and Procurement officer—who are the liaisons between us and the state have been very helpful with information on contracts with bidding." [#AV36]
- A representative of a Hispanic-owned goods and services company stated, "We're a newer business registered here with Oregon. And I think the one thing [is] you have to really go and search to find these programs. I think there's a lot of people registered with the state and unless they decide to go actively search and have to do some digging, it's not information that's readily available." [#FG1]
- A representative of a Hispanic-owned goods and services company stated, "I would imagine ... the state to say, 'Hey, here's a list of services - that's updated every year - that's available to you.' And there's nothing like that." [#FG1]

- A representative of a trade organization stated, "Effectively communicate and connect MWE, SBS, DBS, whoever, with the resources that are out there. There are an enormous amount of resources available to them that they simply don't know about." [#FG3]
- A representative of a business assistance organization stated, "SCORE. We did encounter and we did work with at a short stint in time. And not that there weren't experts, but these were experts that weren't always available when contractors needed them [in] real time. Some of them were not in industries like construction, they might be finance advisors that could help on a couple of those areas of concern or need, but ... some of 'em just don't have the right mix of specific experience and then those who could translate their lived experience to folks that maybe didn't have the same experiences or at least communication styles. ... Working with some of our members with SCORE where it almost felt like less lecture session where I'm just gonna tell you everything, you just get your notepad out and just take a whole lot of copious notes. It's gotta be more intuitive than that and a little bit more informal so that you maybe share some of your lived experience." [#FG5]
- A representative of a business assistance organization stated, "SCORE has a presentation once a month into where they are, what they [are] doing, how are they supporting small businesses. ... Accounting is a big one too. Back-office financial activity to refer to somebody like SCORE or PCC. ... probably 10 percent to 15 percent [chance] that they will go and participate in taking classes or taking a consulting from another of the partners with us." [#FG6]
- A participant in a stakeholder engagement session stated, "GCAP people here in Oregon have been very nice in getting us set up with CAGE codes and all sorts of online, Cal eProcure in California, and OregonBuys in Oregon. And so, we're plugged into a ton of bids that come down the road, and we're not a disadvantaged business." [#PT4]

2. Technical assistance and support services. Thirty-six business owners and managers thought technical assistance and support services were helpful for small and disadvantaged businesses [#3, #6, #7, #9, #10, #16, #17, #18, #23, #25, #29, #30, #31, #35, #37, #38, #39, #40, #42, #52, #53, #AV, #FG1, #FG2, #FG3, #FG5, #PT6, #PT8, #WT8, #WT22,]. Comments included:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "Some of my challenges, especially in that growth period, is I don't have an HR or like tax account background. And so there are some great resources out there, some of which the state of Oregon's website provides links to, but other pieces of it is like, it's so overwhelming. It's one of those where it's like ... 'Can I have one hour of an HR person's time so I can ask 20 questions and then figure out what I need to focus or invest in?' So that part was definitely overwhelming and took a while to figure out. ... It might be great if like, maybe the state of Oregon could have like a stable of those types of consultants where we could get like an hour of someone's time, because resources to read are great. But all of our setups are so unique. It's really hard to sort of apply what I'm reading in a blog post to 'how does that work,' especially when state rules or different locality taxes are different. So, one model I'm familiar with, not that I necessarily am saying this is the way that it needs to go. But there's a women in business organization, and you have to pay a membership fee to get access. But if you're a member, you get like five hours of consultant time a year with that fee. And it could be like a lawyer, like you need a lawyer for an hour or an HR person. So, while I don't love that you have to pay for that access, because obviously there's equity issues in terms of who can afford that. But being able to have like a stable of consultants that have been vetted, so like, you know that they know what they're doing. And to be able to just have like an hour of time versus needing to like,

find someone that then maybe needing to like, give a retainer first, if it's a lawyer, when really all you want is just ask a couple of questions. Then maybe it makes sense to spend more money. But yeah, that first step is so hard. It's such a large first step ... in this specific case, access to tools. Like I think QuickBooks might have a free version. Did I know that? No. Okay. But yeah, having access to the tools, or even if it's like a spreadsheet, but like, giving people things like, you can use this to track like basic expenses, incoming or outgoing. Oh, you can send invoices this way. I created my own invoices, again, for like four years and a Word doc. And so, it's one of those where it's like, all of that takes time. And there's so much more room for mistakes. Just because we couldn't afford or didn't know that there were some better tools out there. That is a huge one. I in my first year, I fortunately was able to work with a business coach. And she is the one that taught me how to estimate appropriately, because I think for so many of us in the beginning, we only think about the time spent on the activity, versus needing to account for all of the indirect costs. ... It's not like a specific client hourly, invoice double. So, when you're only thinking of that you're only charging like one-third, really, of what you need to charge. And that can really damage people, especially in that first year, to the point where I think they go out of business. I think that's part of the reason why it's so hard for people to survive those first couple of years of business." [#3]

- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "I know the City of Portland has a fund for technical assistance. ... But the way that that's set up is honestly it's not really the services that we need." [#6]
- The non-Hispanic white owner of an ESB- certified construction company stated, "They are starting to realize that the overall project benefits from having independent cost estimators and we see some RFPs that are out right now ... specifically [with the] state, you need to have an independent cost estimator, because it's a specialty and everybody putting in this their thumbnail pricing doesn't work too." [#7]
- The non-Hispanic white owner of a WBE-certified construction company stated, "I mean, having a technical assistance person in that bidding process to say, 'Okay, it's not just this bid schedule. It's not like just installing 10 widgets and 20 of these and 50 of those,' it's like, 'Okay, that's the work, you know how to do that. It's the other stuff. ... Do you know that you have to ... get registered as a training agent and have apprentices? Okay, do you have that figured out? Do you have that cost included in your bid? Do you have the cost of your equipment that you have to get retrofitted with all this clear, neat, clean air requirement that's coming down the pipeline? Are you aware of that? Do you know what that means?' You know, it's these other pieces that aren't the dollars in the sense, it's indirect cost. That's part of the project that I don't think everyone realizes, so having somebody in that, to provide technical assistance with like, 'Okay, you need to make sure that you have these things covered.' Everybody knows their, like G&A [general and administrative] expenses, like their insurance, and their car payment and their equipment payment, right. Everybody knows how much it's gonna cost them to actually hire the employee, dig the ditch, and put in the install the pipe, but the indirect costs that people don't see that are required in a municipal project. That's the kind of stuff like the apprenticeship requirement, the equipment, cleaner equipment, the having somebody in your office, it's going to administer all of these, that's going to actually turn in all this paperwork, do you have all of that cost, and you have somebody that can do all that. So having a technical assistance person that explains those things to someone that starting out, would be valuable." [#9]

- The Hispanic American co-owner of a woman-owned professional services company stated, "If there were trainings that the ones that I found have all seem to be these like sort of short-format, like one-hour, 'here's how to do business with the government' webinars, but they ... kind of like say, here's where you can find all of the information on how to do this. And then they point you at the 27 different websites that are posted by the government. But again, it's more of a 'here's how to find the information that when you fully finish reading and processing, you will have a global understanding of how to do that' and less of like, 'here's actually, we're gonna put one together today, even if it's just [an] example one. What if we're gonna put one together over the next seven days, because it's a long process? Maybe that's more realistic?' Especially if there was some way to see that they were, ideally would be certified or something by the state. So, you know, they're real, because again, there's a lot of people, I get countless emails every day, saying, we're a government bidding tender agency. But it's because they've pulled her name from SAM. ... It's all spam. ... If we knew [it] was coming straight from the state, I would not even blink, same thing with like SBA stuff. But our SBA doesn't seem to be as active as some of the other ones that Portland District Office." [#10]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Workshops on how to bill. I got this crazy email from Metro the other day that [said,] 'Oh, we want to book you into this free appointment of how to do business and how to do bookkeeping.' It's like, 'Where were you in 1989 when I needed you?' I figured this all out on my own." [#16]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I can't say I put massive effort into [the contracting process]. I just talked to some other people that had contracts, and they gave me theirs. And I went through it and just customized it for me." [#17]
- The Black American owner of an MBE- and DBE-certified construction company stated, "It'd be difficult to train because of the variety of applications out there that are being used." [#18]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "In the beginning, I did everything on an Excel spreadsheet. And the main reason is that the programs that would really help me and save time were very expensive, like \$5,000. I didn't have that to invest in it. ... But the biggest part for me was the money that it costs to invest in some of these programs. ... QuickBooks contractor edition and the payroll portion of that. And then the estimating and the project management." [#23]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "We know extremely well how to perform engineering and design services, okay. But we're not strong on the front-end stuff, like defining ... we can work with the customer to get what they want. But like the overall front-end management, of engineering and consulting, we need experience with that because we're new to it. So, we don't know how to figure out what things cost very well." [#25]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I need to develop some curriculum that I need some help with. I need a writer, a curriculum writer developer. There's a lot of [work], one person can't do it. So, I need help with all of like getting organized and so that I'm not spending so much time writing RFPs, all that stuff, I need help with writers. ... I do have one woman who helps me with my billing, and she's a subcontractor of mine so she does a little bit of that admin, but she's also really busy and so ... she helps when she can, so I just need somebody more stable." [#29]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I sometimes feel like I'm creating a barrier because I attract a lot of Spanish-speaking clients and I'm not fluent and I don't do enough to accommodate those clients. It's one of my things like on my long-term list, is to build more infrastructure. I have some infrastructure, some of my systems, like I could hit a button in there in Spanish, but I need to do more in terms of my marketing and messaging, because I'm getting a lot of clients who want to work for me for that reason." [#30]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "We went to the Salem. They taught us how to use the QuickBook, the instructor who's at that time, a professor at Willamette University ... realized that we don't have any bookkeeper because we just have the QuickBook. They offer a QuickBook class. She volunteered or introduced herself to be our employee. So, our first employee is our small business instructor, who's a professor in the university. I have been a stay-at-home mom for 20 years. I'm very behind [in] computer skills, my husband, his skills [are] good. I'm pretty weak from my side, so we also rely on our employee to help me on the computer skills section. I can only carry the basic thing. ... That's why Metro was so good. They help us minority [business] prepare, position us, teach us how to write our proposal. For us, I regret that I didn't invest more money, pay the outside professional writers to help us to write proposals. We did in the beginning, but we should consistently doing that. I felt that that one point that for us, we should hire a professional proposal writer to help us. We might get more jobs in that way." [#31]
- The Black American owner of a construction company stated, "The governmental agencies create an opportunity for [new subcontractors] to [transition from residential to commercial] and maybe provide some type of technical assistance. But a lot of this stuff depend[s] on the economics and people's needs, the work is not readily available or so highly competitive that I just get tired of submitting bids and then losing all the time ... sometimes somebody wants something done and hell, they don't have it figured out, the plans are so terrible. So, you're kind of doing what I call build design anyway. So, if you have that ability or you can hire a consultant ... that could come in and ... help you to get going, that's another option that ... I would recommend somebody do: save some money or to borrow some money so that you could pay for somebody to come in there and get you going and train your people or do on-the-job training while you work." [#35]
- The owner of a majority-owned goods and services company stated, "For small business and entrepreneurs, you really don't know what the roadmap looks like unless you have someone with that knowledge and experience to help you on that journey." [#37]
- The owner of a majority-owned construction company stated, "Sometimes I use service techs and stuff to help me get stuff together. ... So, the trainee was actually running the operational part and I was sort of back seating, providing sort of the technology, the mapping and the overall strategy and tactics, but they were doing the implementation. So, it really freed me up to really sort of grow." [#38]
- The owner of a majority-owned goods and services company stated, "It's too much paperwork to navigate through. I don't meet any of the requirements. ... They should have resources. If you're going to hold people to that in order to get a job, in order to get work." [#39]
- The Hispanic American owner of a professional services company stated, "I was helped a lot by the primes that I worked for, the women in the office [said,] 'Well you didn't do this. Well, why do I

gotta do this?' ... But they really taught me a lot of how to cross my Ts and dot my Is when it came to the contracts and you know, reading through everything and filling out the fatter form and all this stuff, because it's not very intuitive when you get those forms. They don't explain to you exactly what to do." [#40]

- The co-owner of a WBE- and DBE-certified firm stated, "Back in those late nineties, we worked with some wonderful people that would come and hold our hand and lead us through the hoops that we had to jump through. ... And more recently, we worked with these younger people that come in. They're like, 'Well, this is what you have to do. You gotta figure it out and, and nope, we're not gonna come and help you. ... Here's the book...' ... There's not a lot of support and there's a lot of attitude of '... We don't need to help you, you need to help yourself ...'. So that's kind of disappointing that we just don't feel the personal contact there. It seems like it's an agency against an operator and there's not a lot of person-to-person contact." [#42]
- The Asian Pacific owner of an MBE-, DBE-, and VBE-certified construction company stated, "What really got us set up on our bookkeeping was the Port of Portland's mentor/protégé program and their bookkeeping assistance, I actually graduate at the end of this month from the three-year program. ... I just started finding calculators online, figuring out the process, and over time, by doing that at the small scale, how many square feet of material are needed." [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "When I got into the prime contractor program, they started us in Corecon [software], which has been a nightmare that I can't really untangle myself out of quite yet. It hasn't done anything for estimating, it just added a couple more steps for payroll. ... Everyone will try and sell you their product as to how their estimating software will help you, but then when you actually need to implement it, that is a whole different story. And they're very expensive." [#53]
- A representative of a veteran woman-owned goods services company stated, "I teach accounting and QuickBooks and payroll in community college. Work at small business development. Wish [there was a] way to reach more small business owners that need help." [#AV6]
- A representative of an Asian American woman-owned professional services company stated, "A few years ago, [we] submitted probably five or six proposals and got COBID certified. [At the] office where I went to, [the] lady was experiencing early-stage dementia and I never had the support I needed to write the proposal. I think there is a huge advantage for those that have contacts in the system or have contacts and disadvantage not having the contacts or the help needed for it." [#AV55]
- A Hispanic American representative of a trade organization stated, "Most small businesses don't have the fundamentals software to actually be able to perform the job that they need to. And so, a lot of it is done freehand, or it's done in a way where it takes three to four workers to be able to do because we don't have the support of the technology and the education, that really hinders us." [#FG1]
- A Hispanic American representative of a trade organization stated, "Provide [chambers and associations] with the software and the training dollars. So that way, institutions ... can provide that training in a culturally specific way in their own language, and teach them how to properly do estimations, how to use software to help them with that, how to provide, timely change orders and accountability." [#FG1]

- A Hispanic American representative of a trade organization stated, "But I think what's so disheartening, just like with like Metro as an example. They want to use us to help support construction owners understand how to do better estimates and [to] provide better software and those skills. But yet, they give us \$50,000. And that's the max, because 'It's the first time we're working with you.' It's like, what is \$50,000 going to do for me when a license for the software that we need at minimum is \$5,000. So, I can maybe help out 10 businesses, and that doesn't cover the costs for anything else." [#FG1]
- The Hispanic American woman owner of a goods and services company stated, "Organizations have been helping me as much as they can, but there's really so much more need [for] these trainings and classes on learning to put together a business, like starting with a business but also how to grow your business." [#FG2]
- A Black American representative of a trade organization stated, "Having somebody in your office who can interpret the contract." [#FG2]
- A Hispanic American representative of a trade organization stated, "Funding for those who are doing the wraparound technical assistance and support for minority and business owners is critical. And so even if there are existing programs, ... there's no funding into it that goes into all the other organizations, not just PBDG, but everybody doing something good in this space should be supported as well. [#FG2]
- A Hispanic American representative of a non-profit organization stated, "Getting certified is probably the easiest thing, the problem that arises in business, and not only in the construction business, in all minority businesses, is that ... having a business is not the same as running a business." [#FG3]
- A representative of a trade organization stated, "I don't have an accounting department. The invoicing process for these projects takes me eight hours to do an invoice because they are so detailed and nitty gritty about everything. I've had them rejected and sent back to me, it takes me forever to get paid. I've missed their invoicing deadline - I'm a subcontractor, I had to loan my company money a month ago, because I ... had six digits and open invoices and nothing was getting paid." [#FG3]
- A representative of a business assistance organization stated, "Earn while you learn, technical assistance because a lot of contractors don't have time to sacrifice not being in the field to go sit in some classroom to be taught some kind of education or training around business. ... If you can bring in your contract, ... share here's the issues I have that relate to business development needs, but while I'm simultaneously on a project that I don't have to sacrifice doing the trainings that really help equip me. Real time for this project so I can be profitable has kind of skyrocketed for interest from our members. They love that style of training because their pressing issues are today problems." [#FG5]
- A participant in a stakeholder engagement session stated, "Running a business is a lot thing, we need to learn about a task, about the payroll, about cashflow, about whatever, how to make the profit. ... It's not just about [whether] you are a minority business or not, it's about how can you run a successful business. DAS government, how can you help those people? The minority business owners, they start a business, how can you help them become a success business owner? How can they become successful from the zero knowledge to about whatever. ... There's a steep learning curve sometimes to some other businesses. We receive lots of help from the public that, if that has a

funding ... there's so many minority businesses here, we want to use the funding, give them the training they need, help them to be successful so they can be comfortable, capable to compete with DAS business. I don't see that DAS was, it just threw the money to us, we still have to go through computation process. We still have to learn how to team up with other firm, we still need to know how to grow a business." [#PT6]

- A participant in a stakeholder engagement session stated, "No framework in place to assist with being a subcontractor or to set aside smaller prime work." [#PT8]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "Technical assistance for business lacks consultants who lack know-how on navigating processes that need to be better." [#WT8]
- A representative of an Oregon government agency stated, "Complicated process of reporting hours for invoicing - the required format is hard to navigate. They needed assistance to learn how an invoice should be written up. This takes a long time to get it set up with the requirements requested." [#WT22]

3. On-the-job training programs. Thirty-one business owners and managers thought on-the-job training programs were helpful for small and disadvantaged businesses. Support varied across industries [#1, #2, #4, #6, #13, #14, #20, #28, #32, #33, #34, #35, #36, #38, #39, #42, #43, #54, #57, #60, #AV, #FG1, #FG6, #WT8]. For example:

- The Black American owner of a construction company stated, "For the electricians, you got to have a certain number of continuing education hours before you can even renew your license." [#1]
- The Asian American owner of an MBE-certified professional services business stated, "Especially in Oregon ... I mean, we are not that technology advanced compared to California and Washington. There are a lot of resources here who do small businesses or even contracts on their own, but their skills are older, or in terms of technology. So yes, that would be really helpful if there is some kind of incentive for small businesses to or there is some program where ... there are additional trainings which can be funded or subsidized." [#2]
- A co-owner of a majority-owned construction company stated, "I think the industry itself, it wouldn't be a bad thing, if the state colleges did tech schools on this stuff, you know, more. And we require a lot of welding, it's not certified welding and stuff. There's a lot of kids coming out nowadays that don't have any tech training at all. They don't know how to work with their hands, they can't mechanically put anything together ... if it's not on a computer, they don't know what to do with it." [#4]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "So what if we had actual money to train right ... because it's not directly job-related. But if we were able to have people on our yard and pour slabs of concrete, do great work, whatever it is, and actually teach them how to do it, while they're in a training setting instead of on an actual job, [that] would be beneficial. So, I would say, a program that can help with that would just be 'Hey, listen, you guys are a training agency. Here's this, here's this money for you guys to actually bring people over to your yard and train them at your yard.'" [#6]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "Probably on-the-job training would be helpful. It takes a while to know if the

employee is going to work out. And then probably the most costly part of employment is teaching them." [#13]

- The owner of a majority-owned goods and services company stated, "No, training is pretty easy for us? Because we're fortunate in that we've been in business for a long time and when we have a lot of employees [who have] worked for us for a really long time. Some of them are approaching 15, 16, 17 years at this point. One of the things that we've worked on a lot in our business is just establishing systems that are clear and concise and easy to follow. And training people who use those systems and being able to pass those systems on from person to person has helped us a lot in our training, for sure." [#14]
- The Native American owner of a construction company stated, "Every job that we did, where I was cross training to learn how to do the work, operating the drill, every job, we had to take two vehicles to it." [#20]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "I'm not sure about the training. Our work is very specialized. And so, I just can't imagine the state offering some kind of event planner training. There is event planning training out there. I think it would be more likely for the state to offer financing or monetary support in terms of providing a grant for training, for example, to establish organizations that are already doing that kind of training." [#28]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "I tell people that you always have to be adaptable and evolve and, and never stop learning because you have to change with the time. ... During the pandemic here locally in the Salem area, Marion County area, we were working with a lot of medical providers doing COVID testing, vaccination, working with ambulance companies and ambulance companies. [They] were saying, Marion [County] needs more bilingual, bicultural EMTs [emergency medical technicians]. There's very few, ... hardly any at all in, in this workforce. ... And if you look at their EMT enrollment or the EMT classes, 99 percent are white. So, obviously they're not catering, or reaching or really bringing in minority students to become [EMTs]. So, then we said we're gonna create a pilot program, so we got funding through our local workforce board to do a pilot program to recruit, outreach and train Latinos to become EMTs. So, we partnered with Omeka to do the training, but we were gonna do all the recruitment, all the outreach, case management, wraparound support services, coaching, mentoring, to keep them engaged with a program. ... We're gonna offer stipends, pay for their uniforms, pay for their tuition, do all this. ... Our goal is to recruit 24 people. That was the budget that we got. We did it for the first time in history. They have a predominantly minority class at EMTs. ... But we told you, you need to be flexible in your schedule, add more support to the students in terms of ESL rating, you know, whatever that is, to support them and whatever they need." [#32]
- A representative of a majority-owned construction company stated, "The workers is more like apprenticeship, and they have apprenticeship programs for union contractors. We're non-union contractors, but they have 'em for those. But I think ... probably, it'd be better if it was a systemwide deal, not just one agency." [#33]
- The Asian American owner of a construction company stated, "There's definitely certifications and more education that you can do. And I think that also helps. I like to stay kind of on more like what the science is saying and stuff like that. ... Definitely learning about the industry kind of informally through my volunteership, but also reading books and taking classes. ... Clackamas Community

College, you know, just be workshops online or even at nurseries would have a pruning workshop or, a lot through the City of Portland. I also wanna get connected with some youth development groups, cuz I feel like this is an industry that doesn't have a lot of workers that could benefit from influx of qualified people, at least young people that wanna learn about tree care. You know, really learn from, it's basically hands-on. So, people that wanna work outside, I really want to train people to be tree care providers and potentially following my footsteps of owning their own business." [#34]

- The Black American owner of a construction company stated, "Sometimes somebody wants something done, and hell, they don't have it figured out, the plans are so terrible. So, you're kind of doing what I call build design anyway. So, if you have that ability or you can hire a consultant... that could come in and ... help you to get going, that's another option that ... I would recommend somebody do: save some money or to borrow some money so that you could pay for somebody to come in there and get you going and train your people or do on-the-job training while you work. ... We have to get back on top of this labor shortage and the craft supervision shortage, and we're gonna have to do it collectively. And if I'm coming with people and a team or access to people, I would think it would be in everybody's best interest to make sure that we're successful." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "So within our company, after you do the state-required training, I have my supervisors train. They go out to wherever the person is scheduled, and they'll do like a one-hour or two-hour training. Sometimes it could be an eight- or 16-hour training. It depends on what the job entails." [#36]
- The owner of a majority-owned construction company stated, " Apprenticeship programs are probably the best thing that you can see. I think whether it's private industry or government agencies and stuff, to help bring people into the program. ... If you're coming out, in the Forest Service, ... firefighters [in the Forest Service] a lot of those guys, they'll get the ground experience. And then they realized when they were trying to fill management positions within the Forest Service that they had a lot of people that had good on-the-ground firefighting experience, but those weren't the same people that went to college. So, they actually created an in-house master's program for experienced firefighters to sort of streamline a master's program, which was really tough." [#38]
- The owner of a majority-owned goods and services company stated, "It's probably just getting education to the employees for them to understand why their job is so important and the small little things that they maybe don't do or could do to make things a lot better." [#39]
- The co-owner of a WBE- and DBE-certified firm stated, "Truck drivers, they're in high demand and low availability living in the area that we did. We were willing to do on-the-job training for people so that we could get them their CDL, the commercial driver's license. But in order for us to do that, we found ourselves having to travel again outside of our area, at least a hundred miles, to just get these people the tests that they required to do it." [#42]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "We do a lot of training, a lot of mentorship, everything from specific software. We draft in a software that's common with the city, but not very common within the profession." [#43]
- A representative of a majority-owned construction company stated, "There's a lot of jobs that there's no reason why if you have your GED and you got certified up—and most of my clients are

like this, but a few aren't—that without a college degree, you can go get that job. Nothing about a college degree would make you a good civil inspector or not. You can completely get that experience and no certifications and that knowledge without having a college degree. ... Certified licensing [is] different, [but] when we start putting educational requirements on specific types of jobs, we're protecting an old system and I'm not a fan." [#54]

- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "Recognizing the lack of on-the-job training support. My business has brought in people that don't necessarily have trades background and don't have the means to take a year off of working full-time to get a certificate from a community college, even if that was totally free. ... We pay them a pretty competitive wage and full benefits to go through an on-the-job training program and earn the skills that we need to then get a much higher-paying career. But we don't get any kind of support from the state to do that. And we're an open shop, so we are not eligible for union apprenticeship programs. But I think the vast majority of minority-owned construction companies at least are also non-union." [#57]
- A representative of a majority-owned goods and services company stated, "We've noticed that when we do hire people out of that truck driving school, you gotta retrain them. We have to train them how to drive because they don't know how to drive. They only know the book. And that is really dangerous in our field. We have to be about safety on the roads. Um, it doesn't matter really what's going on in that book. And if you're studied, studied up on that book, you gotta know real life situations and how to drive a 70,000-pound vehicle and be safe and keep the community safe around you. ... That's also been really hard too." [#60]
- A representative of a business assistance organization stated, "Operation Hope is one that trains people. I think the other one is, the Women in Trades [are] supposed to [train] people. But we have not seen, you know, until recently [when] Operation Hope came in and said, 'Hey, here I am.' And, Women [in] Trades, I have not seen them around." [#FG6]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "The training is not available for many of the opportunities in Portland at large areas for people of color who reside mostly in urban areas." [#WT8]
- A representative of a Hispanic American-owned construction company stated, "[Contracts] often demand apprenticeship program, which requires union membership, small business may not have any union members. ... Therefore don't take part in the apprenticeship programs. Some special trades are not represented in the union. We do geo tech work and there is none in the union or apprenticeship program." [#AV17]
- A representative of a majority-owned professional services company stated, "Just a general comment. There is trouble finding qualified civil, mechanical and structural engineers." [#AV49]
- A representative of a majority-owned construction company stated, "Only problem is the constraint on training, being a trainee agent and who we can put in our training program. 15 years behind curve of skilled trades. Skilled trades like in high school." [#AV102]
- A representative of a woman-owned construction company stated, "As a supplier working for the state of Oregon, they have a lot of requirements which we have been able to manage. However, we are in a small rural community and lack access to bigger areas where resources are available for

testing and education. I have been disappointed in the quality of education for certification that's available." [#AV131]

- A representative of a majority-owned goods and services company stated, "The ambulance industry needs more help from the legislature, to create pathways to make it easier to get the training that employees need to successfully work on an ambulance." [#AV156]
- A representative of a Hispanic American veteran-owned-owned goods and services company stated, "My other goal with the state would be that I'm tired of this minimum wage in the restaurant business. The employees have no experience and work eight hours for \$150 a day and after two days, they decide, 'This isn't for me.' I think we should be able to get some apprentices and if they're rated legally in regards to work performance, if he or she deserves their wage, then we should pay them for a month's worth of work after an apprenticeship. I pay them \$300 for two days to follow me around, for what? That's not fair to the employer. These kids have no skills with math, speaking to the public, or giving back change." [#AV179]
- A representative of a majority-owned construction company stated, "We did a contract at OIT [Oregon Institute of Technology] and we had huge issues with it. We fall under the title of laborers. However, that laborer apprenticeship doesn't apply to what we do. So, for those specific jobs for which we would bid in the past, we won't bid on them anymore. The project was concerning a higher-education contract value of over \$200,000. It required you to have or participate in an apprenticeship program. That was for Senate Bill 5721." [#AV227]
- A representative of a veteran-owned-owned construction company stated, "I don't like union-protected wages. We ran for several years an extensive training program, but we could not get the state to accept it. If we bid on government jobs, we could use no apprentices, we had to pay journeyman wages. They said we teach too many categories. Union apprentices were working six or seven months a year. My people were working 2,000+ hours - more than full-time. And my people were being cross trained in many areas of construction, whereas the union ones were being much more specific. They couldn't approve our apprentices. I can't compete when they have jobs, when they put apprentices out doing the work and I have to pay journeyman wages. We have been at it a long time. We are constantly busy. My only problem is finding personnel and getting them trained to do the work we do." [#AV239]
- A Hispanic American representative of a trade organization stated, "There's no funding out there for organizations ... to provide that training." [#FG1]

4. Mentor/protégé relationships. Twenty-seven business owners and managers thought mentor/protégé relationships were helpful for small and disadvantaged businesses or indicated they participated in unofficial mentoring relationships with other firms [#2, #6, #9, #10, #14, #23, #25, #28, #30, #31, #32, #33, #34, #35, #36, #38, #39, #43, #44, #52, #53, #54, #56, #61, #FG2, #FG6, #WT21]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "8(a) related. They had some grants from the federal agency. So, I was selected into a program where they mentored us. And they provided us training on how to identify the opportunities, how to write a response to the RFP. And so, if there is something similar with the state government, it will help, but that assistance will not help unless the contract document changes." [#2]

- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Putting together programs where you can actually give an emerging small business or minority business an opportunity to [be a construction manager or general contractor on] a project. And even if they ... have a mentor, another company that you're familiar with working with, a large company or another minority business that's also on the larger side." [#6]
- The non-Hispanic white owner of a WBE-certified construction company stated, "We also are a part of a mentoring program through the Port of Portland that provided business development support. ... You had to be a certified firm to get into it. ... It would be awesome if like the state, the city, the port, like, it can all be one thing. Like, combine forces and help with business development for certified firms." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "That somebody here [has] the ability to engage somebody to look for open contract opportunities, and then to help us. ... We have proposals we do for the private sector to help us be able to get those into the right format and provide the right information so that they are valid for submission for tender. ... It feels like the government tender format is very different than the private sector tender format and a lot more restrictive, even if we're not talking about like far requirements or anything. ... It would be nice to be able to have somebody help navigate that process. in the same way that some programs offer, for example, assistance with business plans, something like that. ... I think there's mentorship programs out there. We tried one, I read the old owners, I should say, tried one, when they were in Minnesota, and their mentor was not a good fit. So, I don't know, I know that when those programs work, they probably work really well. ... It was through SCORE, I think was where they got theirs. Those type of programs might be useful for small businesses." [#10]
- The owner of a majority-owned goods and services company stated, "Before I ever started my business back in 2003, I had considered opening a business a few years before that, when I was just a new cook, and I had some friends and I had an idea. I went and I spoke with somebody at the Chamber of Commerce, maybe, and it was a retired gentleman who had been in business his whole life. He was nice enough to sit down with me and try to explain, but he and I were speaking different languages, like he was trying to tell me, you expect me to know things that I had no idea about, and it was a pretty useless conversation. But I do feel like mentorship programs or some sort of program where you can meet up with somebody who has spent a lot of time in your industry who can in a fairly straightforward fashion explain how to do the type of business that you want to do on a on a basic level, like explain how some of the numbers should work. And in a place like Portland, this general area, there's plenty of people around who know how to do it at this point, who have been doing it a lot. And I think in general, they're willing to be helpful. So, it'd be kind of cool to start a social program sponsored by the state, which can kind of connect you to a local businessperson who can talk you through how to how to start a similar business. ... I think [organizing the program according to industry] would be a good way to do it, because somebody who's had a lot of experience in industrial production or something doesn't really understand how the food industry works, and vice versa. So, to find somebody who has a good idea of your specific industry that you want to get interested in. There's a lot of nuance there." [#14]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "It's hard to get the mentorship though. You know, one, you got to find somebody that's experienced in what you need to learn, and that has the time and is willing to teach you." [#23]

- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "A partnership or a mentoring program, where it's like, 'Listen, okay. Here is an engineering management group, and their job is to handle all that stuff,' and then mentor every single member of their team, to bring them out to be able to sell perform those things, and to grow as a service provider. ... [Programs] focused on your business, [and] there was somebody out there who could say, 'You're strong here. You're weak here. Here's what we're going to do. We're going to show you how to get the skills where you're weak.' And then not burn the customer but not burn yourself pursuing a job. Because one bad project would take a company like us and shutter us. And that's also one of the biggest concerns that I have with working with the state ... we are competitors, to an extent. But there's no reason why I need to be competing with ... any of these large companies their revenue base. I'm not even a part on their radar, but they don't want to train me to become their assassin." [#25]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "I would say one-on-one coaching, ... maybe it would be some kind of a state-to-state exchange of information because I can't imagine that somebody who is already in Oregon, who is successful at receiving government contracts is going to want to coach me. But maybe somebody in another state who is doing similar work, ... somebody who would do one-on-one coaching on sort of like, 'Okay, so here's how you respond to this RFP.'" [#28]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "My SEO [search engine optimization] is really good. I worked in a digital marketing mentorship program this year to get my SEO off the snuff. That's really helped a lot." [#30]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "I will say every small business, especially startup, everybody needs a mentor. If someone, we can have some business mentoring them, have some businesspeople have the business before they're retired, they're volunteer. ... I'll encourage every small business, getting a mentor in a marketing area, finance area, strategy area, and we do need to learn is a continuing learning experience for every one of them ... when they're talking about mentor, the mentor reluctance, they mentioned, 'Why should we develop our competitor? ... 'Why should I mentor? Why should I grow a minority firm? ... Why should I grow them, become a competitor?' That kind of concept, we have to deal with. ... Yeah, they are your competitor, but they're also your teaming partners too. When you grow them, you can team up more in the future. It's [to] help you ... extend your own capacity. So that is something we can address. Why you, a successful GC, should mentor some other people [is] because you are developing your future partner, [to] help you to win bigger job[s] together." [#31]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "And I joined a local Hispanic chamber of commerce. And I really learned a lot there. And I had a good mentor, one of the board members, really providing me that mentorship." [#32]
- A representative of a majority-owned construction company stated, "If somebody came to me, a disadvantaged person of wherever they're from, and I wanna learn how to do this business, and 'I want to be a contractor like you guys,' you know, and if they say they wanna learn it in a year, I'm gonna say it's probably gonna take longer than that ... it might take you five years. I don't know. We'll see how it goes. But if you come to work here, I'll work with you and try to try to set you up knowing that you are gonna leave me at some point. ... But that would be a better scenario for people. And you know, the mentor/mentee [program], ... the Port of Portland used to have that. I

don't think ODOT may have something like that, but ... I don't think it exists. I don't, I'd be amazed if anyone's doing it, but that's what it takes. ... If I worked for you for five years and I told you I wanted to do your job and I was gonna compete in your marketplace and I've stayed there and then I started my own business and I'm having a little trouble, who's the first person I'm ever gonna call you? ... There's another support group that kind of helped cuz there's no better ... advice than someone who's successful and is in the business. And I just think that's the part that, you can't escape from that." [#33]

- The Asian American owner of a construction company stated, "I had a kind of a mentor and then I did a lot of volunteering with the City of Portland, Portland Fruit Tree Project and Friends of Trees. So ... I found a pretty good network of other tree care. You know, they weren't necessarily arborists, but they were people who in the green industry that I was able to learn a lot of different things about tree care from other different people. ... That kind of really is what benefited me as far as like being a good worker for this company that I worked for. ... A mentor that helped me out, you know, getting some equipment that allowed me to do some work easy definitely helped me out." [#34]
- The Black American owner of a construction company stated, "I'll look at [the inspection], try to estimate and figure out what it's gonna take. And then maybe this also gets me the mentor/protégé piece, [the prime contractor] could help me look at that stuff. ... And so, if you [have to] understand construction documents, it's a different type of material I have to use, but that's what I had to do. ... You just ... have to have a business plan, but it has to be a business plan specific to what you do. ... You have to be honest about where you're at. And then from there you'll see what you have or don't have. And then find somebody that can mentor you. ... One of the other companies that has kind of made a little bit further along and maybe some of these public owners pay for that type of arrangement. But basically, if you're in the construction business, it's hard, but you just have to find somebody that can help you do a construction business plan." [#35]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "They wanna know how to start a business and they might ask someone, 'Hey, you know, you're really successful in your business. How did you get started?' And that person, rather than helping them and saying, 'Well, you know, I took these steps,' they wanna gatekeep it. Why are you gatekeeping it when you can literally help someone to better their life, better their business? ... One of the most important things that needs to be addressed are these roadmaps for success. ... a lot of these firms, people start up, a business entrepreneur really doesn't know the clear roadmap. And a good entrepreneur has the motor and the drive to whatever barrier comes." [#36]
- The owner of a majority-owned goods and services company stated, "They're not gonna get an education in the field unless they go to work for somebody. I think they would have to spend some time with somebody like myself in the field. ... If it was an apprentice program, ... they would [need to] have the motivation of maybe getting some work out of this person. You know, kinda scratch each other's backs, so to speak. But I think that person would be able to say, 'Oh, you wanna start your own company, but for this time, I'm gonna teach you what I know. Okay, well let's do it.'" [#39]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "We've been getting mentorship from a firm we've talked through how to kind of, more formalize and be more intentional with our employee review process with hiring. ... They've been very helpful. ... I think the, the Water Bureau has participated in that, the Bureau of Environmental Services, where they offer their subconsultants time with this mentorship group. That's very valuable." [#43]

- The Native American owner of an MBE- and DBE-certified construction firm stated, "When I first took over ... from my dad and he stepped back, I thought, 'This is easy. I can do this stuff. I'm young, I got a lot of energy.' So, I went out and bid some jobs, took on some work that I probably shouldn't have. And I nearly bankrupted the company that my dad had started and lost all of our bonding capacity. And I thought, well man, maybe I don't know as much as I thought I did. That's kind of when I started getting involved with the NAMAC and the various associations. I thought, I need to get in front of people that have been doing this for a while so I can start learning what the heck I'm doing, ... because you gotta be able to speak the language to the banks ... [and] bonding company to portray that you know what you're talking about. And then you gotta estimate work properly. ... I ended up getting a hold of an acquaintance that said, 'Hey, call this guy.' And he kind of set me up on a small bonding program and ... I credit him with a lot of teaching me the financial world of the business. And he kind of took me under his wing and he said, 'Hey, you've got one foot on a banana peel and another one in a coffin, and you need to do these things and you need to be disciplined.' ... If I could go back in time, I would join some of these organizations earlier and start being around people that have done it and getting some of the insights you need to run a business." [#44]
- The Asian Pacific owner of an MBE-, DBE-, and VBE-certified construction company stated, "I think the best answer I can give you for that is that, in order for certified businesses to become assets to larger prime contractors or project owners is, it needs to be a long-term mentorship where you pair prime contractors with certified firms with some sort of guidance or assistance for that prime contractor to develop that certified firm underneath of them." [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "You have to do it yourself. You can't be assigned somebody and then you trust in this person. So, I don't think like the idea of making ... a general contractor just have to take this person on that they don't know. ... You start work once you find the opportunities, I guess there's the issue to work with people that you trust. That's when you're gonna start learning from them. You're not just gonna learn things from someone who you don't trust or know or respect. ... Forced kind of mentorship, I don't see being very helpful. I know they tried that in Portland once." [#53]
- A representative of a majority-owned construction company stated, "I do think that there's an opportunity for mentorship for it to be included in contracts. So, if there was actual funding so that [our company] could bill against a contract for however many hours to assist, people aren't gonna do it for free, right?" [#54]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I did reach out to some other folks who worked on their own to pick their brain on what it would take to run a business. ... I don't think I had anyone I would say was a mentor. ... I get people who are starting to your point about mentoring, I always take those coffee dates of like, 'Hey, can I pick your brain about starting a business?' And it's one of the things I tell people is that it's very, very worthwhile to do it." [#56]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He has experience working with Oregon's Procurement Technical Assistance Center (typically called PTAC but in Oregon is GCAP). However, he found their mentorship programs to be lacking and his mentor unknowledgeable." [#61]

- A Black American representative of a trade organization stated, "I think that [it] is important for large contractors ... to mentor smaller contractors. I'm also grateful that the Port has a program for mentors and protégés." [#FG2]
- A representative of a business assistance organization stated, "Doing a mentorship program is really, someone have a bigger company or, bigger than whatever you are, and they just train them and have to do the business, how to control the budget, how to control the cashflow, how to control materials, et cetera. ... I think major construction companies, they work well with the Port of Portland in for them being a mentor for small businesses. [Large] companies, they have, you know, an accounting department. So, they have the head of the accounting talking to you as the owner of your company about your accounting processes and how you can streamline and that kind [of] stuff. Or they'll send you to their marketing vice president and they'll talk to me about marketing and, you know, those kinds of resources that [they] have for the mentees that, even if it's a small company, it extrapolates to the same way from the back office, especially for the back-office operations that they don't think about. ... You got the big guys and you have middle guys, and then you got the startups. Why the middle guys cannot take one in the bottom right? And everything is about cost because, to be a trainer or to be a coach for someone else, to be the mentor for someone else, it takes the time and all that. And sometimes companies don't want to invest on that." [#FG6]
- A representative of a business stated, "I'm also thinking that a mentor/protégé program might assist the state at some point! We are heading programs like that." [#WT21]

5. Joint venture relationships. Three business owners and managers thought joint venture relationships were helpful for small and disadvantaged businesses or had successful experiences with joint ventures [#31, #34, #61]. For example:

- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "The last three years, we formed a joint venture. The joint venture we did, the largest [had] a federal contract. They selected two or three or five for the contractors. ... They selected five, for our [team] we selected three [contractors]. Three firms were selected, [and] competed [for these specific] contracts. When a contract came out, we competed for all [its] test orders. [Over] those three years, nine test orders come out. We won six of them, but that [was] through the joint venture. We're small, but we're highly qualified. ... We can lead in larger projects, but we don't have the capacity. For those kind of situations like [ours], I will advocate [to] allow this minority firm, [highly qualified] firms, to lead. ... [That is] the best way for the minority firm [to learn] how to run the business, [and] how to help both [firms] increase their capacity. That's how we're doing. In fact, the project [we are working] right now [came from] our JV. After we graduate, we [will] still have the prime set for. We have been many times in the leadership position, too, for the whole program project." [#31]
- The Asian American owner of a construction company stated, "That's my roadmap. That's incorporating other people like me who want to partner together. That's been the most challenging part. I do work with some other contractors, but nothing in a formal [contract], like, 'Hey, let's work together and build a business.'" [#34]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He has never seen companies do a joint venture for contracting but believes it could be

useful. He suggested that agencies [make] contracts where the small business serves as the prime contractor and large multimillion dollar companies do work as subcontractors or suppliers." [#61]

6. Financing assistance. Twenty-five business owners and managers thought financing assistance could be helpful for small and disadvantaged businesses [#2, #5, #6, #10, #12, #14, #18, #19, #22, #23, #29, #31, #39, #42, #44, #57, #AV, #FG1, #FG3, #FG4, #FG5, #FG6]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "We are getting support from Oregon Department of Human Services, we are getting some funding from [the] Ford Foundation. And then we are also working with [the] Collings Foundation." [#2]
- A representative of a majority-owned goods and services company stated, "There's so many different avenues, right, there's government funding, there's private funding, there's the ability to gain SBA loans, and you know, just access to the opportunity to increase working capital. If you look at every single one of those sectors, those do not work for people that are not of the dominant culture. And so that is a key piece that ... our laws and our legislature keep getting wrong on how to implement the right fixes, and the right patchwork into how businesses of color continue to grow and prosper." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "So, all the all the different cities have these questions that they want to ask about? How do we help you train your people? ... We don't actually need help training our people, what we need is help with financing to people. ... Of course, you know, even that right there. If there was a program that said, 'Hey, you know, as a government, we're gonna give you a low interest loan to for equipment, X amount of dollars. ... Put together a proposal for the equipment you need, we'll look at giving you a loan for that equipment.' And, you know, instead of having to go through an agency that is going to shut you down." [#6]
- The Hispanic American co-owner of a woman-owned professional services company stated, "Funding, which would be useful for people." [#10]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "Making a grant available for purchasing more products, keeping my inventory up to date." [#12]
- The owner of a majority-owned goods and services company stated, "I would say that one of the biggest challenges, I would think, to new prospective business owners is, finding funding can be very difficult. I think it'd be really cool if there was some sort of, and maybe it exists, but some sort of kind of independent or supported ... funding organization. ... I would think that, you know, historically speaking, it's probably been more difficult for minorities, or people of different ethnicities to get funding. I think we've seen that the United States has a real strong history of that, and it's still continues looking at some of the stories about ... people of different ethnicities trying to get home loans, stuff like that, there's obviously still a lot of systemic racism that we're dealing with. And so, the traditional path for somebody starting a business is, you go to your local bank, and you try to get some funding to get some startup money. And that can be difficult for everybody. But I would assume it's even more difficult for people of color and different genders. So, it'd be really nice if there were some strong public programs, or private programs, that would make it easier for people to get to get funding." [#14]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Loan support program of some sort ... for payroll." [#18]

- The owner of a majority-owned goods and services company stated, "I wish there were some programs out there for these really tiny, small, still employed businesses. ... I know there's money out there and grants and stuff. For businesses, we just don't have any idea of how to go about getting it. You know, we're kind of at a loss. The bank that we have our business with helped us get an SBA loan. It was after the fire that was here, that we had to shut down for two weeks. ... We do once in a while get offers through emails from different places about grants and different things. But there are a lot of places out there that you have to be really careful with, because they want a lot of [information about] your business identification and how much you've made. And they get into the private part of a business, like your own personal information. And I've talked to my accountant about some of these. And she's like, be very careful, because there's so many scams out there now that [company] just had one, it's advertised on TV [that you] can make up to \$26,000 for a grant, based on how many employees you have and how much loss you had during, what was it, a year and a half between [20]20 and [20]21 ... if you qualify, you can make up to that much. And when we got into it a little bit, you had to sign and an attorney's waiver, we had to turn in all your 940s and 941s to them for those two years. And there was all this stuff, and they told me how much money I might be able to make. So, I called my accountant and she said, 'Be very careful because I know how much money you made and only with one employee, there's no way that they can even come close to that kind of money for you because [of] your payroll taxes that you paid.' So, when they called me back, I had to cancel out of it because I'm like, 'Look, I talked to my accountant. And for right now I'm just gonna back off.' And [I] haven't heard from him since, I would rather trust my accountant. I haven't heard anything about it yet. But I haven't heard anything positive about that company, either whoever's doing it, and they're from, like Colorado. So, they're a few states away. I did hear a report that this stuff that they do, a lot of companies get audited after that. So, I really don't want the IRS in my business." [#19]
- The Black American woman owner of a professional services company stated, "In Portland, a lot of the funding usually goes to ... largely food and restaurants. And I cry about it all the time. ... I wish there was more funding for people like me and others who are grinding it out, but don't have the capital to elevate." [#22]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "That does not do you any good to get the money if you don't know how to manage it. ... For small, especially COBID firms, it's really important that they have financing available and they have some experience in learning how to manage that money, manage the financial aspects of the company. But for a lot of people, I think that ... a very key thing to help them get started is having some sort of loan." [#23]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "A grant, that would be great. I don't have the people to do it. ... I already have somebody to help me billing, and like some of some of the resources out there is for me to go and learn and how to do that, but if I'm doing my own bookkeeping then I'm not making money. What I need help with is I need somebody to like, if you have resources, a grant to support that growth that hump growth. That would be really helpful." [#29]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "The micro loan program before I remember several years ago, [the] SBA gave them some loan for them to handle to help the minority business. ... They are the one, the best managed micro loan agent in the nation." [#31]

- The owner of a majority-owned goods and services company stated, "If they have a set of tools and they get certified be a contractor, get their \$30,000 public works, get their insurance dialed in, you can start that business tomorrow and you're just gonna run around and start installing things ... you don't really need working capital. [For a company like] mine, if they even did get the training, they would need some help on working capital. I don't see how that would come around. Not too many people have a couple hundred thousand dollars laying around." [#39]
- The co-owner of a WBE- and DBE-certified firm stated, "I ended up using some brokers that would go out and shop different banks for me in order to get financing when needed. And that turned out to be a pretty good situation where I didn't have to rely on my local bank. When we were trying to sell the business of these folks that purchase it, they were not really able to afford to do it very well. ... Because we're an essential business here in Lakeview, and we were still ready to retire, we were like, 'Heck, if we can't get this sold, we're gonna close the business. ... We can walk away if we want to.' But that would've just devastated our community and made us feel really bad about it. ... We found a buyer and they're like, 'We wanna buy it, but we just don't have the capital to be able to get into it like we need to.' ... So, Business Oregon got involved, and God bless them. They were able to give these new owners a ... grant to use for their capital startup funds. And without that, they couldn't have done it. So that was like a huge plus that the economic development department recognized us as an essential part of this community, ... the concrete is the foundation." [#42]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "I would ask the banker, when I couldn't qualify for a line of credit, I was like, 'Okay, who do I need to talk to help me figure out what I need to do?' And they would point me in a direction and maybe that direction wasn't exactly the right way, but I ended up getting to the right people eventually." [#44]
- The Black American owner of a WBE-, MBE-, and DBE-certified goods and services company stated, "The rising interest rates have been really tough. We're growing very rapidly and we need to be able to finance our operations, major capital expenses. So, to be able to get a loan, going from 5 percent to 12 percent is pretty significant. We're in the process of working with two banks now that have Business Oregon connections. It's kinda a chicken and egg problem, because we have a very wealthy investor, so we're not eligible for some of the 8(a) program, or ... the SBA programs for businesses that have been around long enough, which, now that we are eligible, we still don't qualify because even though I'm economically disadvantaged as a majority owner, my minority shareholder prices us out. Access to capital ... is such a huge problem and it seems like the barriers for a lot of really small ... businesses are just too great for those to really be a tool. A lot of other states have green banks or opportunities, especially for ... companies that are looking into clean tech or green manufacturing, and that makes them a lot more appealing for expansion and for companies that are trying to figure out where they actually wanna be based. So, if Oregon wants to stay competitive, that's something that we should consider." [#57]
- A representative of a Black American veteran-owned goods and services company stated, "Finance dollars or loans, grants, why: maybe my credit history, I don't understand how to do the grant part?" [#AV41]
- A representative of a Black American-owned professional services company stated, "Barrier: getting right info for grants and funding. ... No one knows how to get a grant, they don't, they lie about it. No one can walk me thru the grant process, I had to pay someone, I am a disabled vet, there are no programs to help me." [#AV83]

- A participant in a focus group stated, "Micro Enterprise Services of Oregon is a nonprofit organization working for small businesses. They help with business coaching plans, they have also access to capital. So, you can find loans from \$500 to \$250,000. And it is especially for minority and people of color. ...'[OAME] has almost the same services.'" [#FG1]
- A Native American representative of a non-profit organization stated, "This idea about a fund that people can access for emergency capital, '[I've had] to take out a loan to float payroll because people were late in paying me.'" [#FG1]
- A Native American representative of a non-profit organization stated, "It would be nice if there were is a fund that could be accessed that didn't require 20 pages of paperwork and folks who did not have a social security number could still access, a grant that people do not have to pay back and that does not have interest." [#FG1]
- A representative of a trade organization stated, "A grant that people could be considered for something like ... types of businesses that require a lot of upfront money, especially when it takes you a long time to get paid." [#FG3]
- A representative of a business assistance organization stated, "If I go and I need \$100,000 dollars of material, they are not going to approve it to me. They are going to tell me, 'Well, I will give you \$5,000 at the most.' It is as if it were a credit card or as if one wanted to buy a car, so it is complicated. So, for example, I was living in Chicago, so there are some programs there, but the loans are directly from the government. They have the financing, if you have the business they obviously ask for the same requirements, but the interest rates are low and they already have the security that well, what do you want it for, it is like a line of credit that you have and when the project comes out you already have all that reviewed, then they do the review and authorize your loan." [#FG4]
- A representative of a business assistance organization stated, "They're what you call CDFIs, community development financial institutions. They're funded by local [and] state. They raise their own money and they get federal funds. ... MESO is Black-led. And so, you've got a lot of loan underwriters of color who kind of get the lived experience more than your traditional white loan underwriter that's gonna scrutinize you to no end and probably not give you what you came in asking for. We really don't send people to the SBA cuz even their interest rate is not great. ... They hate that program because it's not really giving them the amount of money they need. And at the right rates and with all the required paperwork. So, people are just like, I'd be a better to go try to get some through a traditional bank or MESO or Craft3." [#FG5]
- A representative of a business assistance organization stated, "The city gives you some money to improve the storefront. But otherwise, I have not seen a grant." [#FG6]

7. Bonding assistance. Four business owners and managers thought bonding assistance could be helpful for small and disadvantaged businesses [#51, #FG1, #WT8]. For example:

- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "[It]'s the first time that we got [a bond]. We had to go through a gentleman who is in Florida who does a lot with women-owned and minority-owned businesses. He was able to get us a letter of bond liability." [#51]

- A Native American representative of a non-profit organization stated, "The bond is really about shifting risk, who should carry the risk of nonpayment or nonperformance? And are there other ways to mitigate that risk so that the bond no longer becomes a barrier?" [#FG1]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "If it wasn't for the federal government making available bond guarantee programs, ... bonding would not be open to us." [#WT8]

8. Assistance in obtaining business insurance. Three business owners and managers thought assistance in obtaining business insurance could be helpful for small and disadvantaged businesses [#FG1, #WT3, #WT8]. For example:

- A Native American representative of a non-profit organization stated, "For Black and brown folks going through the insurance claim process, they often end up in SIU - special investigations unit - where they're looking for fraud. It takes several more months to get the claim adjusted and get money back in their pockets.'[Meanwhile], ... they're delayed on performance of a contract, potentially breaching it." [#FG1]
- The non-Hispanic white owner of a WBE-, DBE-, and ESB-certified professional services company stated, "Another option the state could do to support small businesses like mine would be to create a marketplace of insurance providers that are willing to offer coverage tailored to our small firms and specific contracting requirements, saving me a ton of time researching." [#WT3]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "I was told by an agent that for a company like mine, I was in the wrong insurance market, which is costing me more money making me less competitive." [#WT8]

9. Other small business start-up assistance. Business owners and managers shared thoughts on other small business start-up assistance programs. Twenty-two owners agreed that start-up assistance was helpful [#1, #3, #7, #14, #17, #20, #21, #29, #31, #32, #34, #35, #39, #42, #51, #AV, #FG1, #FG5, #PT3, #PT6, #PT8]. For example:

- The Black American owner of a construction company stated, "I didn't really have any challenges, what I tried to do was to have is actually a corporation is an S corp. So being an S Corp, I actually tried to sort and find other Black folks, including a female, to come on board and to just kind of get the company started, to be in advisory and to kind of keep me on track with notes and all the deadlines. And I do have an accountant and a bookkeeper. So, that stuff exists. So, kind of there, haven't got the attorney yet. But hopefully I don't get him. But I will find him ... that is the on plan for the next quarter, coming up next year, is to have an attorney." [#1]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "Just not knowing those business sides. Like when you're a subject matter expert in museums, like, I never took a business class. There's definitely like a learning deficit there." [#3]
- The non-Hispanic white owner of an ESB- certified construction company stated, "When I first started out, I think a sound business development center was very helpful." [#7]
- The owner of a majority-owned goods and services company stated, "I had an employee way back in the beginning who made the statement once that when I first got into business, I had no business being in business, because I had no idea what I was doing. I had been a cook in a couple of

restaurants, and I knew how to produce food, but I really knew nothing about how to start a business and run a business. And I've picked up a lot over the years. But it would have been nice if there was a relatively simple way to find out what I needed to know about how to run a business. And I would assume there are programs out there, but they could probably be more accessible." [#14]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "There's so many good resources out there, but people need to use them. You know, a great example, when I was doing the bilingual business advising, they didn't want to know about programs, they don't want to know about running a business. They just wanted to know where to get a business license. ... So that's a good example of people that are just not ready to take in the information. Because they don't realize what it takes to be a successful businessperson, they're still thinking, you know, all I need is a good recipe and I will be successful. The myth ... [is] a book that starts out: Sarah likes to bake pies. So, she starts a pie baking business? Well, that's a stupid reason to start a business. Because you will have to be the janitor, you have to be the pie baker, you have to be the marketer. And [you have to] how to be all those things and when to be them. And I think it probably just takes people not succeeding ... to realize, 'Oh, maybe I need some help.' The resources are there. Like, a how to start a business workshop, for example, at the Small Business Development Center - they'll go over things like marketing and taxes and bookkeeping and they'll do it in little chunks. And then if you like that, then you sign up for a longer class, it goes into more detail about it. So, it's there. But maybe it's more about how to get people to realize that it's not just because you have a really good recipe, that's not going to lead [your restaurant] to success." [#17]
- The Native American owner of a construction company stated, "It would be just awesome if it was like, 'Hey, you're gonna run the excavation company, here's what you need to do to be legal.' Like, when I go to the scales, I know that all my paperwork straight. But I also feel like maybe I have got a pretty good skill set for navigating [the] internet and reading regulation documents. And I get it, it's easy for me. Not every tradesperson does have the background that I've had. It'd be nice if somebody who wants to go start a business, emerging small business, would have some resource out there that was accessible. Maybe there is a resource out there. I never found it. It'd be great if they could access something that said, 'This is what an excavation company or construction company should be doing to be doing.'" [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "The education of the people managing and producing the RFPs. So, they can learn how to have good relationships with vendors, because we want to have good relationships with them." [#21]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "When you want to do a business, you have to overcome the barrier, how to run a business to first the startup is hard for everyone, but that's the startup process we all need to face." [#31]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Many Latino construction companies' [owners] were construction workers and they have experience. But definitely the lack [of] training or the experience of running a business and having the lack of skills or training ... can be a big hindrance. They maybe know how to do roofing, how to do concrete, whatever, but they don't have the proper training. And most training programs that are out there are not very conducive for minority business in terms of being culturally acoustically appropriate. ... They can't relate, they don't feel comfortable, they don't really work around them.

It's basically based on a model that is very cold, very discounting toward minority business, especially Latino business." [#32]

- The Asian American owner of a construction company stated, "I think a lot of people start their work in this industry without a business plan. And I think it's really hard to start without a business plan for sure." [#34]
- The Black American owner of a construction company stated, "People that have asked me to like teach ... a construction business masterclass. And then people are asking me to kind of consult and talk forums." [#35]
- The owner of a majority-owned goods and services company stated, "If they were gonna try to do the same thing that I was gonna have to do, I don't think that they could start [without] having to learn the bidding system. So, they would have to get education ... because you wouldn't know how to get a bid out. ... So, they would have to have some sort of training. I'm not even sure that colleges are specifically gonna answer that. ... You would have to have some knowledge. ... I don't see this as being the type of business that you're gonna get through. You're not gonna last. It's gonna eat you up. You're gonna make way too many mistakes. And the mistakes in this industry are costly. I think you could learn that, and I've learned that through the work. But you'd have to have some sort of an apprentice program that maybe somebody would hire this person who's motivated and they hired him. ... It would be a difficult task if they were doing, let's say, my same [line of work]. Now if they weren't, ... it wouldn't phase me. I want some sort of an incentive." [#39]
- The co-owner of a WBE- and DBE-certified firm stated, "It's helping young people get started and be successful. And the ones that are really trying and want to do their best. It's encouraging to them." [#42]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "[The trade organization we are members of] didn't have [the space for learning], at the time, but they do now. They have classes and a lot of the money. The technical assistance that came through COBID has gone to these different groups. Now, they have the opportunity to teach classes and make them available to people." [#51]
- A representative of a Black American woman-owned professional services company stated, "It's a fairly new business. I haven't applied for any funding, so I haven't run into any of those obstacles. It's hard to get up and running. It's just me right now. As it grows, I'm hoping to move into a brick-and-mortar store and have employees." [#AV46]
- A representative of a Black American woman-owned construction company stated, "Barrier: coming from a disadvantaged neighborhood: I have no experience in running a business, in taxes, bookkeeping, or just daily operations. I have to wing it, and I have not always done the best job. It's a learning experience. They are no programs on how to run a business for people like me, that is just starting out." [#AV72]
- An Asian American representative of a trade organization stated, "Providing legal support for COBID or DBE, young entrepreneur, contract negotiations, and disputes." [#FG1]
- A representative of a business assistance organization stated, "That's usually the crux of most of the businesses. Either they're strong with the work and don't have a good back office, or they have a good back office and don't understand the work. It's always been like they need more technical assistance, cause they can do the work but they don't understand the back office." [#FG5]

- A participant in a stakeholder engagement session stated, "Will you guys have a section that's dedicated to recommendations for those businesses that may be new to the COBID process that may be a new business? How do you navigate the landscape so that you will have success at the end of the day? Because there is a formula, I believe, to being seen, and some of it, I've found, is not what or what you bring to the table, but who you know and becoming connected in that way. ... One of the biggest challenges is there isn't a roadmap for success for minority contractors to follow, and once you have the roadmap, where to go to get the information training and resources to be successful. So that's high-level, because then it ends up becoming a personnel issue when it comes to the bidding process, project management, all those things just start adding up, and so the lack of a clear roadmap for success and resources and who's trusted to get the information and training from, and the state allocating more resources to that, I think, is at the crux of a lot of challenges that minority contractors have. Adding on to that too, from the general contractor's side, they're given a dual mandate in terms of increasing the minority participation in terms of workers and contractors, and once again, that goes back to that roadmap. How do you do that? You have everyone trying to figure it out on their own. So there really needs to be some really clear roadmaps of how to navigate all this on both sides." [#PT3]
- A participant in a stakeholder engagement session stated, "Running a business is a lot of things, we need to learn about a task, about the payroll, about cashflow, about whatever, how to make the profit. ... It's not just about [whether] you are a minority business or not, it's about how can you run a successful business." [#PT6]
- A representative of a construction trade association stated, "There is work to be done there as well. Connecting them to resources that help them understand how to do, how to communicate, how to estimate, how to bid on work, how to administer a contract, how to do certified payrolls, things of that nature. So, all of that is in play as well." [#PT8]

10. Information on public agency contracting procedures and bidding opportunities.

Twenty-seven business owners and managers provided their thoughts on the accessibility of information about public agencies' contracting procedures and bidding opportunities. Businesses noted it was generally easy to get set up online, but also highlighted that there was confusion in the marketplace over bidding procedures. Others were unaware of how to access necessary information on an agency's contracting and procurement regulations and thought the information would be helpful for small and disadvantaged businesses [#6, #10, #20, #23, #25, #29, #30, #36, #39, #44, #55, #61, #AV, #PT5, #WT8, #WT28]. For example:

- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "Send emails to those companies so that they're aware of the projects, and sometimes just finding the project is a difficult thing, right? So, sending them the project with the bidders list, I could put together a bid and send it to the people who are ... interested bidders, right. So, you might have six companies on there. And you go, okay, these six companies are in are the ones who showed interest in the project. Here you go. This is a project and the plans and you send that out to the companies." [#6]
- The Hispanic American co-owner of a woman-owned professional services company stated, "That somebody here the ability to engage somebody to look for open contract opportunities, and then to help us, you know, we have proposals we do for the private sector to help us be able to get those into the right format, and provide the right information so that they are valid for submission for

tender. Because ... it feels like the government tender format is very different than the private sector tender format and a lot more restrictive, even if we're not talking about like far requirements or anything. ... It would be nice to be able to have somebody help navigate that process. In the same way that some programs offer, for example, assistance with business plans, something like that ... my ultimate dream of being able to see like, here's how this got put together and all of the information you need and the checklist and how to get ready for it and how to assemble it in a way you go. But it doesn't seem like there's any sort of like A-to-Z step guide out there. There's a lot of ... little pieces that you have to put together and again, it's just such a time sink. If there were trainings ... the ones that I found have all seem to be these like sort of short-format, like one-hour, 'here's how to do business with the government' webinars, but they ... kind of say, 'Here's where you can find all of the information on how to do this.' And then they point you at the 27 different websites that are posted by the government. But ... it's more of a 'here's how to find the information that when you fully finish reading and processing, you will have a global understanding of how to do that' and less of like, '... actually we're gonna put one together today, even if it's just [an] example one. What if we're gonna put one together over the next seven days, because it's a long process?' Maybe that's more realistic." [#10]

- The Native American owner of a construction company stated, "It'd be nice if I could have access to the bid documents after the bids close. I don't know why all the bid documents are available prior to bidding and then have to disappear after the bid is completed. ... I tend to travel for work, and I may be out of town and a motel for days a week. The state DOD has to close their bids on Thursdays. So, I may become aware of a project that I'm bidding on Tuesday. From my motel room, I'm looking at it through my phone, or if I bring a laptop I guess I have that. And then I put a number together in QuickBooks and I [send] that out, say, on Wednesday. And then the next week, I'm informed that I want a bid. And I say that's great. But now I don't have access to the bid documents. Now I have to say, 'Okay, how do I get this document?' I can get them, it's fine. It's just, I like to help myself as much as I can. And it doesn't make sense to the bid document thing, a public record, it really doesn't make sense for those to be unavailable." [#20]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "When you go to like the go to those websites, if you pull plans, which means if you're looking at the plans, so if you download the plans on a project, it will tell me which prime contractors have downloaded the plans, which is a pretty good sign that they might be interested in building it. So, then what I do, my office assistant or I will call them and ask them, 'Are you planning to bid this project?'" [#23]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "I had no clue what I was competing against. Had I had access to some of these previous middle samples about what I was competing against, I would have said 'No, [it's a] waste [of] my time.'" [#25]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I have to say I've been certified for eight years, I've never gotten a contract from the state. The process is very complex, it's not very easy to navigate at all. I've talked to a couple people, and they told me that the work that I do belongs behind the scenes with the state so it belongs somewhere within the internal processes state. And those contracts are called price agreements. So, these are the people who help the state function, and that's where I would belong. And so, the way that this is done is that people sign up, sign a contract with the state, and that contract is 10 years long, and people cannot come in within those 10 years and then it opens up for like two

weeks. And then people can sign in, and that's something that I have emailed [about] multiple times and I can't get any kind of information about how do I even get on a list, or even when is the application date. ... It's just very bureaucratic and it's not very helpful. I do need help with finding out how do I get into the pricing lists." [#29]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I would love more information about how to be more competitive for direct awards. I know those exist, but I don't know how to get them or who to talk to or who to get in front of. It's been tricky because when I heard about that, I was like, that's perfect for me. As a photographer, I'm not charging what these construction companies are charging. It should be a perfect way for me to get work with the state, but even having done a lot of networking research over the last year, I have no idea how to get those. I don't know what that would necessarily look like. Maybe there's a way they could be advertising those opportunities or communicating about those opportunities outside of OregonBuys. That's a little bit more direct, so it doesn't feel kind of mysterious." [#30]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "Sometimes the companies will send us out an email directly to say there's an RFP for a security request to fill out the paperwork to become a possible [vendor]. And so, we can bid on the job basically because we're already on the list. But now the RFP is to bid on the job as a security company. ... There is a seminar club that I belong to, and they do seminars on everything. You get these emails where you can go to the website, you can literally look through the list. But there are seminars that are out there on how to bid." [#36]
- The owner of a majority-owned goods and services company stated, "It wasn't too terribly long ago where I would get bid cab results. ... Let's just say I sell Ford or something, I would see my number: Ford, Chevy, Dodge. I would know I was two out of three or three out of three ... but in this day and age, especially with the construction manager, general contractor type of thing, ... I'll get crickets for a long time and if I win, all of a sudden, they're sending me a contract. ... And that's what I know. I don't find out where I stood. That's that kind of a difficult thing. ... It helps me if I knew that I was \$5,000 high, for example, I could go look at my sheets and say, 'Ah, maybe I put too much in.' Or I would just know, maybe I could have dropped my margin. So maybe on the next one I would take a percent or two off if I have to beat my competitor. But I don't get that." [#39]
- The Native American owner of an MBE- and DBE-certified construction firm stated, "That probably should have been on my top five list is, you know, taking on work at the right price at the right margins is key to success. ... You gotta have good information to put together a quality estimate, cuz a lot of our work is low-bid competitive work, you have to have good tracking systems within your business so you can track your cost and know if you're ahead or behind." [#44]
- The Black American owner of an MBE- certified professional services firm stated, "We try to kind of translate our language over to what we think that they're looking for on the public side. But it's for some reason, like the benefits are not picked up. ... So, there is a misalignment of what's in the RFP, what is asked for, what is received, but what was actually wanted ... we find that a lot. ... If they were to come back and say, 'This is our scoring methodology ... who and why they won.' ... They're all so different, right? So is anticipating what the winning [contractor] would write, and they're like trying to out-compete that. That's what we try to do. We [try] to learn from these past experiences and we do public record requests and we do all this stuff." [#55]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The state should be clear with its vendors and transparent about opportunities and contracting requirements, and prime contractors and other vendors should be clear and honest with the state about how they're doing." [#61]
- A representative of a veteran-owned professional services company stated, "Is there a place to look for opportunities, we always find out secondhand?" [#AV12]
- A representative of a Hispanic American woman-owned professional services company stated, "Very difficult, trying to get information pricing agreement. These are contracts are quotes every 10 years and only for two weeks. Very difficult to get, so doesn't align with what they want to do. Not responsive in when they do it next." [#AV20]
- A representative of a Hispanic American woman-owned construction company stated, "We were a subcontractor for the state [for] one job, and how can we get info to work for the state?" [#AV245]
- A representative of a Hispanic American-owned professional services company stated, "Just the learning curve. The stuff that you don't tell people when you're bidding and filling packages. And if you haven't done it before, and you get marked up at the end, nobody tells you this stuff. That's my only complaint. Nobody explains what the points on this point system are based on. But at the end of the bidding, you do find out what you didn't include in the bid, so that sort of thing does help." [#AV38]
- A representative of a Native American woman-owned construction company stated, "From my level of business in transportation, [we] have difficulty in participating in the bidding process without a scope of the job to bid on. My work will not be able to use until six or seven contractors into main bidding process. Most of [our] work is outside of Oregon. Very little opportunities in Oregon. Competing against large brokerage firms in Oregon." [#AV47]
- A representative of a Hispanic American-owned goods and services company stated, "Maybe language barriers, technical terms and contract terms." [#AV77]
- A representative of a majority-owned professional services company stated, "Barrier: Finances - the state requires that you have certain level of finances and equipment or they don't pay you, and you still have pay your employees, before you get paid by the state, could be about 60 to 120 [days]. The bid that was asking for couriers: I got to the last page, I was not qualified as a prime, and I wasn't certified yet so could not submit bid or be a part of the bid. Business Oregon seminar: encourage to submit for COBID certification and was told that they answer their phones I called they don't answer, I finished the application, tried to follow up to get clarification, see if I am missing anything, website says submit if you have a problem, I don't have a problem I am only clarifying?" [#AV80]
- A representative of a Hispanic American woman-owned construction company stated, "We never worked with the state of Oregon on a contract bid because I don't know how to get into it. But I definitely want to get the opportunity." [#AV96]
- A representative of a woman-owned goods and services company stated, "Where do I start looking for contracts? I am a women-owned business, no filing, we are not certified women-owned. Very difficult to run a manufacturing business: why: no real resources, materials and supplies we have to go out of state or out of the country." [#AV99]

- A representative of a Black American-owned professional services company stated, "I would love to be able to get information as to where I can talk to you guys a bit regarding where I can step in if you need anyone for language interpretation services." [#AV185]
- A representative of a Hispanic American-owned construction company stated, "The main thing is that I'm not able to easily find the places online to bid for state work. I tried to get into those websites, and it's hard to find the resources for bidding with the state. They're difficult to find." [#AV222]
- A representative of a majority-owned goods and services company stated, "We'd like to learn the process and how to work with the state." [#AV227]
- A participant in a stakeholder engagement session stated, "It's more effort on my part to find things out, to actually get inside the fence, and then access relevant information. It's just about more effort than it's worth. Thank God I get a big enough pension that I can just spend my time in meetings like this, or doing such things as I described to kind of see what the layout is. But if I just absolutely had to make a living from this business, I'd be having a lot of difficulty, if I didn't get the assistance that I do being disabled and retired from the military." [#PT5]
- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "The bidding still lacks the assistance for business to ... get our bids turned in, accessing information, understanding the process, and more training across the board." [#WT8]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "We also saw an RFP for travel and event services in [the University of Oregon's] bidder portal and requested information on past bidders or who won certain contracts. But in order to see the information we would be required to pay almost \$40 per document, and we were requesting multiple documents. This is a barrier to the quoting process for small business if it is costly to review past successful quotes to learn what a specific government client is looking for." [#WT28]

11. Directories of potential prime contractors, subcontractors, and plan-holders. Eleven business owners and managers thought a hard copy or electronic directories of potential primes, subcontractors, and plan-holders would be helpful for small and disadvantaged businesses. Many firms knew how to access that information through the state's website, while others did not know how to access that information [#9, #21, #25, #55, #56, #59, #61, #AV]. For example:

- The non-Hispanic white owner of a WBE-certified construction company stated, "You have to actively seek it, you can't just wait for it to fall in your lap. But once you get on their outreach list, reach out to the big firms in the area that you know do big work, that is government work that has requirements for ESBs. Make contact with those project managers, 'Hey, when's your next outreach event?' I mean, most of you have to seek it out. And then once you get on their list, they just continue to outreach to you." [#9]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "[I want] a resource for finding other businesses. ... The Small Business Development Council is supposed to help be a resource for that. ... I'm wearing all the hats; I've got to go out there and do the work. It would save me time and energy if I wasn't also trying to figure out where to get the information to do some of those stuff." [#11]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He got his first contract because the state contacted him through a vendor list to provide a quote for an emergency contract. He was bidding against two other businesses, and successfully got his first contract through a limited RFQ process. He knows that he can find the vendor list for most agencies and that multiple organizations that he is a part of offer their membership lists to public agencies to augment their vendor lists." [#61]
- A representative of a Black American-owned professional services company stated, "I would say in one of our divisions we did try to get information. Partner went to several meetings and could never get anything going. Wanted to start as a subcontractor, and could not get any information for those who can be sub [to a] prime. Could never get connected." [#AV10]
- A representative of a Hispanic American woman-owned professional services company stated, "I do not know if I am able to quantify that. It is difficult to find networking opportunities, connect with primes and alert them that I am interested in working as a sub and that I am COBID-certified. Some of the online portals listing open RFPs allow you to identify that you are interested in working as a sub and that you are COBID-certified or DBE-certified, but others do not." [#AV271]

12. Pre-bid conferences. Five business owners thought pre-bid conferences in which prime contractors, subcontractors, and agencies meet would be helpful for small and disadvantaged businesses to network and develop relationships with project managers and prime contractors. [#28, #FG3, #PT13, #WT8]. For example:

- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "I've attended some pre-bid meetings. Some of them are helpful and some honestly haven't been. A lot of times, it's just regurgitation of the same information that's in the RFP. It's not like I don't understand the RFP." [#28]
- A representative of a non-profit organization stated, "I personally go in and speak at all of our pre-bid meetings about my expectations, but also the level of support that I am able to provide ... it just sort of sets the tone up front, that this is something that you need to factor in when bidding." [#FG3]
- A participant at a stakeholder engagement session stated, "If I'm a prime contractor, how do I find the subs to bid with me? ... I've attended meetings where they're talking about these opportunities out there, and they're going... 'Well, this is what I do. This is what I do,' but it's never that connection with that. ... I may have something that I could bring to the table. And I never could figure out how to connect with the primes. I could never figure that out. ... I remember pre-COVID, they used to have those, pre-bid meetings that you could come to, when they talked about the opportunity, but ... it wasn't time to connect or have where you're in person, where you could stand up and give your, 'This is what I do,' type of thing." [#PT13]
- A participant at a stakeholder engagement session stated, "It's not consistent with the state because when it comes to construction, they often will have a pre-proposal or pre-bid meeting with professional services or goods. It's a hit-and-miss on whether they're [going to require a] meeting before you submit your proposal or your bid. So there's just not a consistency and I don't know if it's a threshold of dollar amount that they're thinking, that that's when they hold it, but it's not communicated to, I think, people interested in doing work with the state." [#PT13]

- The Black American owner of an MBE-, WBE-, WOSB-, and DBE-certified construction company stated, "When we attend the pre-bids, half the time we can't get into the meetings via phone or virtual, not sure if it's technical or when we come, we don't get helped. It seems to discourage us from the process." [#WT8]

13. Other agency outreach. Twenty-two business owners and managers thought other agency outreach could be helpful for small and disadvantaged businesses. Many shared their experiences with the state's outreach efforts [#2, #3, #9, #10, #11, #13, #29, #31, #32, #34, #43, #46, #54, #AV, #PT4, #PT6, #WT8, #WT28]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "The City of Portland and [the state of] Washington, the other counties, ... they do open houses, they have quarterly meetings where they invite small businesses. They have those vendor pools where they actively reach out to certified firms to participate in becoming a mentor on their vendor pools. So, with the cities and counties, I see that outreach. ... The counties and cities are really doing well. But with the state government, I haven't seen anything. Even though the interesting thing is like I think the governor last during one of the conferences for small business, she even mentioned about saying that, 'Hey, we are going to reach out to small businesses.' But that's where it ended with the photo op. Just a nice picture and advertising. I'm really, really impressed with the cities and county governments. They are doing a much better job of outreach." [#2]
- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I think events could help. I think for my area specifically, like I know that there's been invitations for mixer types. But quite honestly, I think that we may be because that takes time, right? I think we would be more compelled to go if the actual event was on a larger issue that [affects] all of us. So, we can coalesce around an issue and it's less of this, like, nobody wants to go to a mixer or very few do. Having that purpose in that common topic, at least to get us started is usually much more helpful. And then we can kind of form a relationship." [#3]
- The non-Hispanic white owner of a WBE-certified construction company stated, "Sometimes it's just like, when you're a small firm, you don't have the time to go to every single meeting. I mean, I have to get some work done too and I also have a family and I don't want to go to these networking events at like, five o'clock at night. So, I would say that there is some success with those, but we don't go to nearly as many as we used to, because we've established a clientele and we don't have to go to those as much. When you're first starting out, I feel like those are very important. And they do lead to opportunities. But now that we're more established, it's less of a priority for us. But I feel like there are some successes there and there is they do work. ... Sometimes a prime will have like an open house, like this networking event. Like they have, 10 projects or five projects that they have upcoming, and they'll have an open house and you go there and you hear about all the projects that they have coming up. ... It's all in the private sector. It's not government, if I go to a government thing, it's not really like that, because government work is all low bid, doesn't matter their relationship. I just turned in my number. And if it's the lowest one, then I get the job. So, outreach events for like, the city or the state? I mean, I might go to those to hear about what upcoming projects they have, for sure. But I'm not going to go to those thinking that I'm going to make a relationship that's going to lead to a job." [#9]
- The Hispanic American co-owner of a woman-owned professional services company stated, "Networking opportunities can sometimes be challenging. I know that my wife doesn't necessarily

feel comfortable going to all of them. Just because she's not sure. ... She's a younger woman in a space where networking opportunities are oftentimes older men. And they're intimidating for a couple of reasons, one of which being that you get a lot of people hitting on her and, like, they're not really there to network as much anymore. And so that's a challenge." [#10]

- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "Like Multnomah County and like some of these bigger ones. They have these like meet the prime days and stuff which are intended to be helpful for subcontractors to, you know, almost like personally about themselves. You show up, you meet and greet or whatever. And I find these events to be incredibly awkward and intimidating. Because I'm in a room full of strangers. And most of these people are our marketing people. And when I go to try to talk to them about what I do, they don't even know what land surveying is. I basically have to explain everything to them. They don't even know the kind of contractors that their company [is] representing, ... which is weird. And that's challenging for me. I can't imagine how much more challenging and intimidating that would be for people [of] other races, because the people representing these bigger companies, they're all white people. There's no very good representation when you're going to these events. So, I can just imagine what it would feel like to walk into your room and you're like, 'Okay, not only are we very different colors, and maybe we don't speak the same language quite as well.' But you know, I'm also having to try to explain to you what it is that I do, because even though you're here, you're here to meet me and to provide a service to me, you don't even know what that is." [#11]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "There's so much more business out there that we don't get, because they don't ever hear our name. They don't know our name. And it's hard to get in front of the right people. So, it's hard to get our name out there. When businesses aren't putting their foot forward and going to networking events and going to can meet people. It's more local, like the City of Portland's, and I don't see too much representation from the state." [#13]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "They [higher education institutions] always have [an] annual outreach event. So, that's how I get to know each one of them ... One is [OAME], [they] invite a lot of public agencies [that] attend their meetings. I made a lot of connection[s] through attending." [#31]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Investing more in outreach and community engagement, mentoring, coaching, requires so much more resources, more money. And very few [agencies] are invested in that. ... Many don't do outreach. Many don't do any type of marketing or engagement. They just send a flyer through their email list and that's about it. You know what I mean? That's the problem. There's no real human engagement." [#32]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "I think there was recently a mixer that was hosted jointly between Metro and Multnomah County, and I attended that. ... The different public agencies that were there would be at the table with some handouts or resources, and you would have to kind of wait in a line to talk [to] them. ... Out of the 20 tables, you know, there's probably three or four that were pretty good, pretty helpful." [#43]
- A representative of a majority-owned construction company stated, "They do have a meet the primes for all of the work that's coming out. Sound Transit will do a whole series trim." [#54]

- A representative of a Hispanic American woman-owned construction company stated, "Communication issue, [how to] talk to different people within entities? [I want to] meet folks more, [attend] state-run job fairs to help meet people." [#AV22]
- A representative of a Hispanic American woman-owned construction company stated, "Probably more outreach to minorities." [#AV70]
- A representative of a majority-owned professional services company stated, "There was no communication from the state of Oregon when I started my business. But now I know that they know that I exist." [#AV165]
- A participant in a stakeholder engagement session stated, "If you're selling a product or a service, maybe you're a concrete company and you want to work with ODOT, that's pretty simple to bid on the jobs. If you're selling copy machines or paper or toner cartridges, that sort of thing, it's really easy to bid on the jobs. But if you have a new product, a new mouse trap, it is very difficult to get visibility." [#PT4]
- A participant in a stakeholder engagement session stated, "I get sent opportunities that are no way shape and form of anything to do what I do as a business. So, maybe it would be helpful ... [to have] a liaison or something that could help businesses to take advantage of opportunities. ... A lot of the businesses or the meetings I've attended locally all had to do with construction. They weren't necessarily in line with what I do, so maybe if we could have a little more time with a liaison to help you get information about opportunities that you would have a shot at and maybe even some help on, 'Hey, you'd probably have a better shot at applying for this opportunity if you had these things lined up.' Having to go get out and get resources and bids. I'm applying for a grant and I feel I am literally doing [it] all by myself in the dark and sometimes I stumble. Stumble against great resources and sometimes not so much or don't find out until after the fact. So yeah, if you want us to apply for opportunities with the state, maybe a little more hands-on [approach to] what pertains to your specific business rather than an overall, 'Here, we're just sending you stuff.' And you open it up and you scratch your head as to why you even got sent that opportunity." [#PT6]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "Was invited to take part in a travel trade show at University of Oregon. The cost to participate was \$250 for our booth. We paid the fee and attended and met many U of O employees who have meetings and travel needs. When we asked if they would be interested in getting more information, they asked if we were in U of O's Concur system. We didn't know what that was, so we followed up with the show management afterwards. We were then told that there were already three preferred travel contractors at U of O and university staff were required to use them. So, there turned out to be not a lot of benefit in participating in the show, and no one had told us about needing to be in the Concur system beforehand. We were promoting our service that U of O staff were not allowed to use. We had spent \$250 on the booth, as well as travel and staff time, and overnight hotel rooms for our staff to attend the show, probably over \$1,500 in expenditure. But no one told us that U of O already had a travel program in place. This is a barrier to woman-owned/minority-owned business to participate if there are pre-existing contracts in areas we are asked to bid/participate; but we are not notified that there are already incumbents." [#WT28]

14. Streamlining/simplification of bidding procedures. Seventeen business owners and managers thought streamlining or simplifying bidding procedures would be helpful for small and disadvantaged businesses [#3, #6, #15, #16, #18, #25, #28, #30, #43, #AV, #WT18]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "I [am] a big fan of unifying. And an example that I am familiar with, for federal jobs, if you're applying, there's USA Jobs is the site that you go to it's a unified site. ... [You] put in your resume. And it's standard. You only have to do it once. ... If we had a unified system, and we could ... put [our] prices. The more that we have in there and ready to go, the less we have to keep recreating but in different formats. ... Searching for bids take[s] some time, first of all to get familiar with what keywords are being used, especially for my field where it's more specialized, but people are using some different words, when they're describing what they need. So, there are certainly opportunities where I don't find out about it and my searching until like, two days before it's due because there's not some unified language around it. ... There is no allowances for any sort of neurodiversity or physical accessibility, especially in the proposal process. ... I think having flexibility around a unified process would help, having consistency is one good step, because it's less for us to have trouble focusing on. But then also having some flexibility around that, like, did somebody forget to submit a form? Or is there a missing page? Like, let's call and ask them, instead of just [saying,] 'You're out.' And for physical accessibility, I've not had that experience of needing to ask for accommodation, but I have noticed that it's not obvious as to where to ask for them. So, I imagine that could be improved. ... I'm not quite sure how or who they choose to do the scoring, I imagine people in whichever department. But given my area of specialty, if you are not also in that area of specialty, it can be really hard to understand or to critically evaluate. And so, I've definitely received evaluations where I have written a proposal and I've used the language of our field and specialty. And they'll say that I didn't address something, when in fact, I have, just not in a more common language, because the person is just not as familiar with the actual specialty that's been needed. So, I think part of it is there. I think there needs to be some change around who's scoring and how and what that looks like. ... Perhaps some education for the scores or reviewers. You know, like anti-bias training for one. Or even just like awareness, I think for some people for various reasons they've had to be aware of needing to provide accommodations are needed to be more flexible in interpreting what they receive." [#3]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "So, the bidding is the main catalyst in terms of actually getting the work in terms of getting the work done so that you can actually be successful, that comes down to your operations and how well your field is actually managing the product. ... You put a lot of resources in the bidding these projects." [#6]
- The co-owner of an ESB-certified goods and services company stated, "It's just so cumbersome. It's ridiculously cumbersome. And I understand why it's cumbersome, because someone in the past has violated the ethics standards around something. And so now, you have all these hoops you have to jump through in order to be a supplier of any kind to the state because of someone's past discretion. That being said, the state still has ways around that way. Like I said, when I read an RFP, sometimes I know, well, they've already sold that, they've already bought this from somebody now they're just doing the RFP and they've narrowed it down so far, that no one else can really compete. ... It could be a lot less complicated. If the state were transparent enough to say, 'This is what ... we see is our issue. In my field, this is what we see as the issue. This is what we think the solution may be, and you provide that solution. ... And are there things we're not seeing? So how would you address those things?' And then allow someone to actually write how they would address that." [#15]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "We should not have to be trained on a bidding process. It should be simplified and much shorter. And these proposals don't need to be 20 pages long for the kind of work we do. They're way too elaborate. There's more fine print on the back of the bid of the proposal than there is of what the actual job description is. So, it needs to be much simpler, and much faster. Not so cumbersome. Not so lumbering. State work advertising, it's a nightmare. ... Whittle it down to a one sheet like you want our resume." [#16]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Simplifying those processes would help. Probably loosen up or eliminate some of the processes." [#18]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "I put confidential information in [the proposal]. And I had no idea that it was going to go public, because there was no description in there. ... I put confidential financial information on there so that when my information was released to the public, it was put in there." [#25]
- The Asian American owner of a WBE-, MBE-, and ESB-certified goods and services company stated, "A lot of the requests we receive have short deadlines and lengthy and complex types of responses that are required that, in my opinion, as an event planner, ... don't actually like map to what the event planner is actually going to be doing. Some of these, they don't look anything like what a private sector requester would be asking. So, whatever the state can do to make their requests look more like private sector, simplified types of requests for information and requests for proposals, [that] would be beneficial." [#28]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I think one of the biggest problems that I encounter in trying to engage the state system is that the system is exactly the same, whether it's a like \$2 million contract or a \$10,000 contract. I know there's the direct award stuff, which is all kind of mysterious and, like, maybe it will show up one day, but it's exactly the same. It's still OregonBuys. You're still submitting like an 18-page PDF document with all these checkboxes checked to the state agency, whether it's a half a million dollar project or like a project I could actually do. I wish that the system had a little more understanding of like, these are opportunities that like. ... And I am being really specific to myself, but these are opportunities that a solo entrepreneur might apply for. Let's mold the system around that, like how whatever the submission system is, let's build it around that. ... I wish that the state ... it doesn't necessarily have to be a different system, but I wish there was maybe a more slimmed down way for people who don't have a big administrative staff to chase those sort of opportunities." [#30]
- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "If you're gonna make that a significant part of your business, you need to have dedicated people on staff just doing that work, you know, a graphic person, and a writer. I think they could really simplify a lot of that and just have things. It would be a lot of work on their end, but on the city's end. ... The reporting requirements that they have On the last RFP, the last proposal we had to write, I think it's divided up into a hundred points. And I think 20 or 25 points were for sustainability and community effort. Which is important and I appreciate that they're sort of valuing that. But it's very subjective, if you look at a firm that has had a professional doing that writing, ... if you have a marketing background, I guess you can make things sound really great. If you don't have marketing background, you've gotta spend a lot of time inventing, figuring out how to write this stuff and claim it." [#43]

- A representative of a Black American woman-owned professional services company stated, "The major barrier is the need to write a proposal. Having limited resources, [it] is impossible for a business my size to write a proposal that can compete with big firms. If they were to break down the project to smaller pieces and look at qualifications as per individual owner, that would be helpful." [#AV17]
- A representative of a Black American-owned goods and services company stated, "When I tried to start getting ready to work on contracts for the state, I got busy with daily business. Applications to submit for work are too long. Just to be eligible is too much of a process, and I had to stop to do other things. Like everyone must need work." [#AV50]
- A representative of a Black American service-disabled veteran and woman-owned construction company stated, "PBOT [Portland Bureau of Transportation], we submitted for them and provided an application fee. They wanted more information and was a lot. They needed more about other contractors we had worked for, and we did not understand that. We took a break from work, and we then committed to a few contracts, but not always guaranteed." [#AV54]
- A representative of a Hispanic American-owned professional services company stated, "I think the RFP process, very bureaucrat, the time, energy and resources to apply for RFP compared to bigger companies. We are competitive." [#AV62]
- A representative of a woman-owned professional services company stated, "I think government bid processes are cumbersome. I understand the need to get multiple bids, but it can waste people's time too, especially when they already have someone in mind for the position. This hampered the hiring process when they need to scale up quickly, like with COVID." [#AV76]
- A representative of a Hispanic American woman-owned professional services company stated, "With COVID, printing applications and how much had to write very challenging. Spend a lot of time, time consuming. I think we could get a lot of work if we were able to put proposals together. Some things that state and local agencies are in need of that we have a lot of expertise in." [#AV84]
- A representative of an Asian American woman-owned professional services company stated, "Companies are not always on a budget. Event planning does not calculate capacity, we work like general contractors. Oregon needs to learn not all business are in a budget category. To obtain work with Oregon the request proposal process: the process present barriers for entry. The RFP is broad and general we don't respond, because it takes time and dollars from us just to respond." [#AV96]
- A representative of a Hispanic American-owned business stated, "The bid process should be streamlined both in the process, as well as the language used when creating solicitations. It is unnecessarily complex and worded in such a way that even native English speakers struggle to understand it. This is made worse by the fact that the state doesn't spend enough money on translation services to support non-native speakers in interpreting their solicitations." [#WT18]

15. Unbundling contracts. Fifteen business owners and managers shared mixed thoughts on breaking up large contracts into smaller pieces. Many expressed a desire to see smaller contracts be made available for smaller firms to be able to work on as the prime consultant. [#7, #16, #24, #32, #34, #35, #54, #61, #AV, #FG1]. For example:

- The non-Hispanic white owner of an ESB- certified construction company stated, "The more projects that they can isolate, solely to [MBEs, WBEs,] ESBs, [and] small business enterprises, the better." [#7]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Lotteries, a great example, they could break out their contract. I was doing the outdoor and transit advertising for the state, for instance, they had a full-time person on radio a full-time person on TV. They could do that again. But no, the budget switched all digital. ... Break out the contracts make them smaller." [#16]
- The Asian American owner of a professional services company stated, "Smaller contracts probably, you know, like, it's difficult for me to go bid on \$100,000 contract right. I'm a small business, I got two employees including myself. ... It's hard to service that contract that's kind of stressful." [#24]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Definitely getting contracts that can be broken up into small projects that maybe they can handle." [#32]
- The Asian American owner of a construction company stated, "Having like a job where they are redeveloping a highway, maybe they might need to do an inventory of the trees first before they selectively remove trees. And, you know, those are the things that I could see. I could be doing stuff, whereas smaller-scale stuff. But yeah, there's definitely a gap between what I can do and what needs to be done, I'm sure." [#34]
- The Black American owner of a construction company stated, "In my experience, one of the big ways that the governmental agencies can help with the relationship piece is if they come up with more programs that they can contract directly with these certified firms, particularly like MBEs and DBEs because the ESB programs." [#35]
- A representative of a majority-owned construction company stated, "Do we put more money on these contracts or do we divide these into smaller contracts so that we can have multiple primes? And, and priming is nice because then you are steering, right? So, it's one or the other. Either put the money behind the efforts that you're requesting and have it be a more robust award amount and it with a trusted individual that will share because you audit or break them up into smaller segments back to getting everybody a seat at the table." [#54]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The biggest barrier he identified is the lack of prime contracting opportunities for small businesses; it feels like the only opportunities he is offered from public agencies or large companies is as a subcontractor, which he doesn't find as a useful path to business success. He would rather see more opportunities for small businesses to be the prime on a contract." [#61]
- A representative of a woman-owned construction company stated, "[Given the] size of our company, they should break jobs up over a million, [and] have smaller jobs so we can have jobs also. We want to stay local." [#AV8]
- A representative of a Black American woman-owned professional services company stated, "The major barrier is the need to write a proposal. Having limited resources, [it] is impossible for a business my size to write a proposal that can compete with big firms. If they were to break down the project to smaller pieces and look at qualifications as per individual owner, that would be helpful." [#AV17]

- A representative of a Black American-owned professional services company stated, "Smaller contract pact is a welcome change that they we can prime." [#AV74]
- A Hispanic American representative of a trade organization stated, "Many projects that are larger government projects or city projects, state or city municipalities. It's not like they start tomorrow, and they take years to complete. But yet they want us to have the trucks, the working capital, the staff today, and it's like, how can we invest in something when we don't know whether or not we're gonna get that bid? Help us cross that bridge." [#FG1]
- An Asian American representative of a trade organization stated, "I've never ever gotten a contract with ODOT. I've gotten a few with some other state agencies, but I think smaller contracts as well and with more focus, and I know that takes more staff attention, but ... if they're really serious about reducing these types of disparities, they should do it and it shouldn't be that hard." [#FG1]

16. Price or evaluation preferences for small businesses. Fourteen business owners and managers thought price or evaluation preferences for small and local businesses are helpful [#2, #5, #9, #16, #23, #31, #38, #40, #58, #AV, #WT19]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "There is nothing in the contract, which specifically say that, 'Yes, you have to give 5 percent of the contract work to some certified firm, and you will get five extra points in as part of your evaluation.'" [#2]
- A representative of a majority-owned goods and services company stated, "Why don't you make in the rubric, if you're COBID-certified, you get a lot more points." [#5]
- The non-Hispanic white owner of a WBE-certified construction company stated, "I think that happens more in the like CMGC [construction manager/general contractor] projects, so larger projects, and when you're a sub, and you're sending in a proposal saying 'I'm certified. And here's my price. And here's all the experience I have.' So that's just kind of project-by-project basis." [#9]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "Maybe they could articulate. We want to work with the mightiest, the smallest and the mightiest. We don't care that you have an office downtown Portland with a view of the river, a view of the mountain, a receptionist with a gorgeous flower budget in the lobby. We don't care about that. We want to work with the smallest vendors. That might be one thing." [#16]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "If it's low bid, it's all about price of course, and the hard part for a small company is you know, with only 16 employees, our overhead is not spread out for equipment over lots of jobs ... all my overhead for the payments on my equipment and my insurance has to be covered by the small amount of work that I do." [#23]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "In the evaluation criteria, [it's] fortunate if they have [a] DEI section; mostly it's very small [out of the] hundred points. They give you five points. The most I see is eight credits. ... There's other subcategories. Do you also hire another DEI firm? Do you also have contracted team reviews and they're looking at your inward, or your sustainability level? Do you hire minority employees? Some other questions also wrapped in that very small portion of the DEI thing." [#31]
- The owner of a majority-owned construction company stated, "Emergency management with wildland fires pays the best. I mean, I've got a niche that's pretty unique. And you know what, and

my costs are nominal when they're flying air tankers and bringing on these big bulldozers and just mobilizing to put a fire out. I mean, I won't say there's a blank checkbook because they ... don't want 'em to get too outta hand. ... The wildland fire is my lucrative piece. When I'm working for the Nature Conservancy and Deschutes Land Trust and some of those, or the university, they don't have deep pockets and stuff. So, I typically negotiate a rate that will meet whatever their budget is. You know, like a lot of times I'll say, 'How much do you have?'" [#38]

- The Hispanic American owner of a professional services company stated, "I came in over 50 percent cheaper than my competitor. Why I did that? To show them what I could do. Then after my first six months there, I started raising my prices, then they didn't hire me, then they went with another company." [#40]
- The owner of a majority-owned goods and services company stated, "And then there's other haulers within Baker County that we compete with on price." [#58]
- A representative of a woman-owned construction company stated, "Low bids, if you have the best bid, which is the lowest bid, you get the project." [#AV1]
- A representative of a Hispanic American woman-owned professional services company stated, "A barrier with regard to the county which I encountered is that they asked for a proposal and they know what I charge for my services, but then they came back and asked me to put down less, to charge less. So, I dropped the price to half of what I typically charge, and they kept going back and forth with the price. They want to help POC- and woman-owned businesses, but they want us to do it almost for nothing." [#AV10]
- A representative of a Hispanic American woman-owned construction company stated, "General conditions in Oregon and Washington are just OK, things have slowed down. Getting work is all about getting the estimate out there and most everyone is taking the low bid. It's just a question of how low a person can go and survive." [#AV29]
- A representative of an Asian American woman-owned goods and services company stated, "I was told that women minorities in winning the bids comparing to pricing wise. So far, when we tried to bid, our pricing is compared with a bigger company." [#AV261]
- The woman owner of a professional services company stated, "The DAS price agreement requires a lot of quality metrics. I have a price agreement for interpreting and translation based on that. However, the clients who approach me want the lowest price possible, which is lower than my rate. Therefore, I have not been able to do any business with the state through this process." [#WT19]

17. Small business subcontracting goals. Two business owners and managers thought small business subcontracting goals are helpful for small and disadvantaged businesses [#2, #43]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "You can go and validate look at any contract, which was posted on OregonBuys or ORPIN by state government agencies. There is nothing in the contracts where it says that, 'Yes. You will get extra points,' or, 'You have to spend X percentage of that contract amount with small businesses.' ... This big firm, they did two projects with DHS and DOJ, they were worth like close to \$700 million or \$800 million. And 90 percent of the resources were out in India. But there was nothing in any of those contracts. So, on paper, ... there is no motivation or no incentive for other big companies to work with small

businesses here in Oregon. There was a requirement from the state of Maryland to [have a] certain percentage on the contract awarded to certified firms, local certified firms, then on similar lines, when I was looking at a project, because I do a lot of work with the government agencies, and especially with the human services, so that's my core strength. And so there was a big project in Alaska. And when I had reached out to them, they said the same thing. They said they have to work with small businesses, which are local, which are certified in the State of Alaska. So, what I'm asking is not like, something out of the blue. I mean, a lot of other state agencies do that, where they have specific set-aside percentage of contracts with every prime contract. See, what happens is, if somebody works with a small business, local business, the money stays there, the talent also stays here. And I have had people who worked with me on smaller projects, like six months, one year contract, and we do projects with the state. So, after my contract, they were able to get long-term employment with the state and we encourage that. ... The biggest assistance could be like, if somebody can proactively work with the government contract procurement and contracting officers. And because the governor said she signed something last year or this year, but it was never implemented. So, that is where the assistance would be for other small businesses. Also, to make sure that when there are new contracts, there is specifically some teeth in the contract, which says, 'Hey, you need to give X percentage of that work to small businesses.' I'm doing this since 2003. So, you can go back all the way to 2003. You will not find even one contract where it says that, 'We encourage you to work with small business.' Or even if they say, 'Yeah, I work with it, but we are not going to give you extra points if you work with a small business.' So ... why am I emphasizing on that? ... If you write in the contract that 'Hey, work with a small business,' if I'm here, and if they are doing the work in India, they are paying one-tenth of what they will have to pay me, why would they any vendor want to work with me? Right, because the government is letting them work in anywhere, offshore. And I'm sure it might be in other countries too. So that's the thing that is the biggest barrier there with the city and counties, and sometimes those are really beneficial, but I wish that the state would do more." [#2]

- A representative of an Asian American-owned, DBE- and ESB-certified firm stated, "From my perspective, they seem very beneficial. They work for and with a lot of these very large firms, and they would be, a lot of them have a lot of in-house, landscape geotech survey. But because of these requirements, they're hiring us. They're hiring a lot of other small businesses and minority and women-owned businesses to do this work. ... Not only does it sort of spread that money kind of throughout the community, but I think it makes the projects better. It's more eyes on the project, people are just having to communicate and be transparent and share information. That just seems like a benefit, a good use of public funds, and I think it makes the project better and the community better." [#43]

18. Formal complaint/grievance procedures. Seven business owners and managers felt formal complaint and grievance procedures are helpful for small and disadvantaged businesses. Most firms stressed the need for confidentiality in these procedures [#5, #21, #62, #AV, #FG3, #WT12]. For example:

- A representative of a majority-owned goods and services company stated, "[They need to provide] some sort of mediation or some sort of way to help navigate the racist experiences within subconsultants and consultants in prime because it happens more often than you would know. Some people may have more appetite for that. I don't, it's just me and I don't have that much time to put losing money on these sorts of things." [#5]

- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "Oregon City did the whole [thing], casually asking for stuff and then making it formal and I never gave them permission to do that. So that was a formal complaint with the city again." [#21]
- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "When I contacted COBID and they were telling me, they were helping me, like, go here, go there, but we can't really do anything for you. ... Because it's the city and not a state organization, they can't interfere. The only thing they can do is they're tracking it." [#62]
- A representative of a woman-owned construction company stated, "I did work on a project [that] had issues with getting payment with one of the subcontractors that hired me. [It] would make it easier if small businesses [had an authority to] call and go to with issues they have and get advice. One area where you can call, resource center you can go." [#AV18]
- A representative of a Hispanic American-owned construction company stated, "The only difficulty encountered was working with Bureau of Labor and Industries. [For example,] employees must be protected after having this bureau investigate some of our projects. Bureau of Labor and Industries became nasty. I am now in communication with the commissioner. We wound up overpaying our employees because the Bureau of Labor neglected to put the right wage category." [#AV63]
- A representative of a trade organization stated, "We require an approved respectful workplace program on all of our projects." [#FG3]
- The owner of a WBE- and MBE-certified professional services company stated, "As a small, women-owned, minority business I would like to provide feedback on my experiences from repeatedly getting denied for the SBA's Supplemental Targeted Advance disaster loan opportunities only to learn of the billions of dollars that went to senators and other government connected businesses." [#WT12]

19. Small business set-asides. Twelve business representative thought small business set-asides for minorities and women were an abuse of the program [#3, #9, #10, #11, #18, #31, #33, #38, #AV]. For example:

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "A lot of the proposals that we tend to go for tend to be small business set-aside, or there's an incentive or encouragement, like, 'We want small businesses to apply for this opportunity.' And so small business can be anything from like one to 100 people, depending on the definition of like, how many people are in this business to be small. So, when I've applied before, and it's been just me and one other person, [and] while my proposal is ranked as like the best quality, and I have the best experience, some of the commentary is like, 'But you're only one person. So, like, we're concerned about your ability to do it,' even though like the hours of the project is like totally feasible for a person to do. There's a bias that I have experienced against small businesses where it could just be one or two people. ... When I see that on the search result in terms of like the opportunity and like if it's a set-aside, I am probably 100 percent more likely to actually look at it and significantly consider applying versus just a regular opportunity. And that may be a bias on my part. But I feel like I have a better chance. Knowing that this contract, the people who are behind it are geared towards selecting a firm that's closer to what looks like mine." [#3]
- The non-Hispanic white owner of a WBE-certified construction company stated, "We're part of something called the Prime Contractor Development Program in the City of Portland. And that's a

sheltered market, basically, that there's only a certain amount of contractors that are in it. You're bidding against the competition. Instead of like, 10 bidders on a job out in the open market, you're only bidding against two or three other bidders. So, I would say in that regard, sometimes some of our projects, there's less competition, so those essentially are easier to get." [#9]

- The Hispanic American co-owner of a woman-owned professional services company stated, "Our thought was set asides, because there are women-owned small business and small business set-asides in our NAICS code, usually on federal contract[s]. So, the thought was that if those set asides exist on state level ones, too, then that would make us more competitive." [#10]
- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "There's set-asides, so people are actively trying to seek you out. So, you don't have to try to work as hard to go out and get the work. ... Some of them are much smaller, and you know, I can be the prime on them. And that I have a lot more direct interaction that way." [#11]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Maybe if there was some sort of program that brought different coats of small businesses together to work on a particular project, for example, if there was a building that was being built, and you brought in a prime to complete the project that was minority-owned or small business firms, that might be beneficial." [#18]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "The only benefit [is that] because we're a minority firm and they said they can just only have three firms compete [on certain projects]." [#31]
- A representative of a majority-owned construction company stated, "The City of Portland, they're really hard to work for, but they have a shelter[ed] market program. And, to me, you're better off, if you're gonna take the public's money ... you're better off carving out small jobs and working with people and making sure that they don't bite off more than they can chew. ... You're still getting them involved. You're still providing experience and everything else, but you're gonna allow the cream to rise to the top ... and you gotta have a threshold of graduation where you just say, 'Nope, you're done.' ... It's tough though, because the city doesn't want a contractor to go out there and just screw something up right in the middle of downtown. And, you know, I can see that. But there's a lot of places they could work and if it's not gonna be a huge disaster if it takes an extra week because something didn't go right. ... To me it just makes sense that there should be a program where those people could go in there and learn without having scaling water in a pool. ... You let someone kind of start [in] a more controlled environment, that you would have more, more success and that's gonna allow them to hire [and grow]." [#33]
- A representative of a woman-owned professional services company stated, "There was a team of us to work on post fire research or testing through ODOT, and [was] told it would be open for small businesses and went to a moderate size business. I submitted bids to larger companies to subcontract and do not know who they did select." [#AV5]
- A representative of a majority-owned goods and services company stated, "There are certain contracts that have to be defined as small business where you have to have a partner of 500 employees or less." [#AV94]
- A representative of a Black American-owned construction company stated, "It would be nice if state agencies engaged in more of a small contractor program. How are you ever going to get into the

game if the system is aimed at more seasoned businesses? It just seems like a rigged game at this point." [#AV257]

- A representative of a Asian American-owned professional services company stated, "[The] federal [government] has ability to set aside [contracts] for minorities, that [the] state does not have." [#AV270]

20. Mandatory subcontracting minimums. Three business owners and managers shared their thoughts on mandatory subcontracting minimums. [#2, #9, #25]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "[They] are there with the city and counties, and sometimes those are really beneficial, but I wish that the state would do more." [#2]
- The Native American owner of an MBE-, DBE-, and SBE-certified professional services company stated, "The airport project has been a huge resource for us. We've been on and off. Because of their commitment to ... supporting minority contractors out there. ... I would love to do more. It's starting to come to an end on the engineering side. Now, it's [on] heavy construction and so they don't need our stuff as much." [#25]

I. Insights Regarding Race- and Gender-based Measures

Business owners and representatives shared their experience with the state's certification, minority business programs, and small business programs and provided recommendations for making the programs more inclusive. Part I presents their comments on:

1. Experience with the state's business programs;
2. Experience with federal programs; and
3. Recommendations about race- and gender-based programs.

1. Experience with the state's business programs. Twenty-eight business owners and representatives shared their experiences with the state's programs for certified businesses [#9, #12, #13, #17, #20, #21, #26, #29, #30, #32, #33, #51, #52, #53, #54, #61, #AV, #FG1, #FG6, #PT3, #PT5, #PT6]. For example:

- The non-Hispanic white owner of a WBE-certified construction company stated, "[The] COBID site is hard to navigate, because [for] all the keywords, sometimes it doesn't pull all the firms that do that category of work." [#9]
- The non-Hispanic white owner of an ESB- and WBE-certified goods and services company stated, "I've taken classes on [bidding] and classes on trying to find the suppliers that some of the counties use ... to get their pricing because I know there's a corporate pricing that is different than what I can get. ... Over the years, I have attended various workshops to try and help the business grow. ... Most of them were [helpful], there were some that [were] not worth my time, because it didn't apply to me in my situation." [#12]
- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "I know that individual companies certainly have goals, and I know that some of

them take those goals very seriously. But I don't know any that have mandated it. I know that some care more about it than others do." [#13]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "I know that there are workshops, and I have gone to one. How was it? I just have a vague memory of it. Yeah, I guess I could say 'Gee, it was great,' but there just hasn't been anything to really apply for. [I] certainly made excellent use of the Small Business Development Center. I've done their three-year Small Business Management Program. I didn't find the marketing piece helpful. ... I mean, the guy who's teaching it, he was a good teacher, but he was still thinking in terms of like, smaller items, not big-ticket items. Which is funny, because he was teaching from his restaurant experience, and yet, he currently had a cruise business, which those are big-ticket items. ... [Resources are available] through community colleges [in Oregon], even though it's not like a credit program. It's specifically funded by the SBA. And ... they offer free business advising. And they offer relatively inexpensive classes [that] are all meant to help people get their businesses off the ground. They offer you know, like three-hour workshops, three-day workshops, three-month courses, six-month courses, and a three-year Small Business Management Program. They've got programs for the food industry [and] programs for nonprofits, I mean, they're very much community-oriented and listening to what the community needs. So, I'm a big proponent of them. A lot of people like SCORE. I felt dissed. When I went to talk to the people at SCORE - there's a good example of discrimination - I go to talk about marketing, and they want to talk about cashflow. It's like, I don't need to talk about cashflow. 'Well, you're obviously not good with numbers.' ... I just had to report them. ... So, my experience with them was not great, but other people have really gotten a lot." [#17]
- The Native American owner of a construction company stated, "Are you familiar with the clean diesel legislation we passed a couple years ago? ... I don't have the resources right now to make the right decision to comply with the clean diesel requirements. But from what I was reading, if I if I'm a COBID-certified business [it] buys me time to 2029, I think ... I'd be exempt from the clean diesel requirements on the specs if I'm certified as a DBE and, like I said, Clackamas County and ODOT are like, 70 percent of my work. Once they see I have a middle name that's pretty explicitly Native American, once they see my middle name on like the payroll certification paperwork. So, they say, 'You're Native,' and I say, 'Yep, you got me,' and they say, 'You need to get certified because they have a really hard time finding certified subs to meet their goals.' And so, if I get certified, I know that my clients will best rest easy, but then they say also if I get certified, then I'm just going to dominate the industry because it's really hard to find the percentages." [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "I've been talking with SCORE ... over the past several years ... they weren't kidding when they said don't expect results overnight. This is a very long process to prepare for this type of work." [#21]
- The Asian American woman owner of a professional services company stated, "I really want to join the Oregon Association of minority entrepreneurs. But there's their association fees. And then, their sponsors are all big companies and stuff." [#26]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "I know that there's a program out there that the state pays for, I think they pay like some hours a week. But they're not professionals. I think that they're people who have exited the justice system and they're trying to get their life back on. But I need a professional, I need a curriculum developer." [#29]

- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I would like to get more work through construction companies that are prime contractors, because I know that they have those COBID-oriented... I'm trying to avoid the word quota. ... It came with a lot of promises, like, your phone is just going to start ringing and you're going to get direct awards left and right. I was like, 'Oh, wow,' and then none of that happened. I don't know exactly what that's about, but that is not necessarily a disadvantage, but was a weird part of the experience. I was doing all the setup and it was just like, 'Oh man, yeah, you're in this system and state agencies are just going to call you for a photo gig randomly,' and none of that has ever happened." [#30]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "Especially working with Latino businesses, a lot of it in terms of issues when it comes to discrimination, of legality, of documentation ... we used to have a program here in Salem, called the Latino Micro Enterprise Development Program, which we started, we had it for 13 years, but during the Trump administration, CDBG [Community Development Block Grant] funds, we had to ask for proof of citizenship. ... We felt it was really discounting our communities. People didn't want to come to the program anymore. It just created a certain anxiety strain that [they] decided not to apply again. And they discontinued that program because of those requirements. ... Part of the certification with Oregon COBID, what I hear from minority business, especially Latino business, is that they come from a point of view, something makes you feel uncomfortable and trying to prove yourself. ... It's not really friendly. It's more like, 'Prove to me that you're legal.' ... The thing is, there isn't a lot of certified minority firms within the state COBID system. I don't know if you looked at it, the majority is white. They're certified. So, it started with a good purpose, but ended up really not really doing really good. ... That's why we need a [disparity] study, because by law, the state [of] Oregon can't make it a requirement. It's more aspirational because they're afraid of lawsuits." [#32]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "Most of the support that the public agencies offer is to tie you into one of the other groups that are out there. They don't actually directly assist you. The experience that I have found so far with those public agencies that they've tied me into have not been very good. Most of the time the things that they can help me with, I already know." [#51]
- The Asian Pacific owner of an MBE-, DBE-, and VBE-certified construction company stated, "[I] found the Port of Portland mentor/protégé program and the COBID certification program. I started applying for those. At about the time that I was applying, with both COBID and the Port of Portland, it just was time for me to leave my job where I was, and just try this out." [#52]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "I figured once the state recognized me as a disadvantaged firm that was trying to grow a company and employ people in Oregon and be a fair employer and give great benefits that they would help me learn how to do those things. They would help me with issues, even issues just as a woman trying to talk to a room full of men and how they treat you different than everyone else and how they don't listen to you. ... Nothing has benefited me from being a COBID firm. And now Portland's not even wanting to use COBID. ... Portland ... was kind of running that ship where [the leadership] wanted to get rid of COBID because to be able to be in the prime contractor program, you had to be a COBID firm. And she thought that COBID was all you did was turn in a piece of paper and they said that you were COBID[-certified] and she thought that that gate was not fair to minorities. ... Her thought process was that there are a lot of minority contractors that are just completely forgotten about. And my struggle with that mindset is that she kept saying that but would never produce any

sort of contractors that were like, 'Hey, we're right here.' We keep bidding and no one will help us. ... I've been trying to even log in to get emails to get the notifications to bid in the City of Portland. And they said there's some sort of phenomenon that's going on where I can't get them. ... They don't see me as my own company no matter really what I do. I think they don't want me to bid there. ... And then when I call and ask, they say they don't know what I'm talking about. They don't know why I keep emails." [#53]

- A representative of a majority-owned construction company stated, "COBID is pretty good. They do have outreach. They'll walk you through it. So, they do have those programs. The individual just has to be aware of them ... COBID really does do a good job in their outreach as long as the folks know about it. ... They will reach out to you, they will help you with proposals, they will help you set you up with who you need to contact, what licenses they on that level. Once somebody takes that motivation to reach out, they're gonna get the help they need." [#54]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "He mentioned that it feels like the state is making a push for WBEs rather than MBEs, and that there are many companies out there who are fronts or frauds to take advantage of the state's use of WBE goals. However, he doesn't feel confident speaking out about the fraud, as he still is working on establishing himself." [#61]
- A representative of a majority-owned professional services company stated, "Oregon needs more diverse/inclusive environment, make sure that though the history of minorities, stop cap for 12 years for small business they need to make it longer. They have minority business but only for Asian, Hispanic, for example: I am Afghani: who is considered a minority? It is not considered minority (on the checklist) I have to mark 'Caucasian.' They need to look at this? Look at what you consider a minority. [The] minority list needs to be longer/more diverse." [#AV1]
- A representative of a majority-owned construction company stated, "I don't understand sometimes bids for minority status. I am white and do not think is fair and it is discouraging. Bid preference on how [a business] identifies [is] not fair." [#AV72]
- A representative of a majority-owned goods and services company stated, "Too many jobs have gone to disadvantaged businesses. ODOT projects go to disadvantaged businesses, which creates a disadvantage for me." [#AV152]
- A representative of a majority-owned professional services company stated, "We don't get far with the state of Oregon because of the three questions you asked me earlier regarding women-, minority- and veteran-owned businesses. For us, it's usually three strikes and we're out. But we are a small business. We're in Portland, so all of the issues relating to Portland affect us, like homelessness and drugs, which affects our ability to recruit people and get them to come to work." [#AV196]
- A representative of a majority-owned professional services company stated, "We would like to be classified as a minority company but have struggled. North African Middle Easterners are classified as white. Oregon strives to do a good job, and they have a good approach to small businesses. Again, with the classification system kicked us out, so we get disadvantaged with DEI." [#AV215]
- A representative of a majority-owned construction company stated, "Being a minority contractor is giving benefit for minorities and is not based on their qualifications. Government to choose over them rather than based on qualifications is discrimination." [#AV249]

- A representative of a Native American woman-owned professional services company stated, "It's hard to get in. It is difficult to receive work. We work with the Oregon MBE and they are great to work with. A lot of state agencies have who they work with and it hard to open the doors. We've tried to get a foot in the door but haven't been successful. We keep our small business disadvantaged certification up to date, but we don't put a lot of effort into looking for that work." [#AV256]
- An Asian American representative of a trade organization stated, "ODOT webinars to put together programs. ... I've attended, but it didn't seem worth my time ... they were just talking to the air. And they didn't seem to have any context of who we were or what our challenges were, they're just talking about how to upload something to their [site]. And it wasn't relevant. I've put in proposals before I know how to do that." [#FG1]
- A representative of a business assistance organization stated, "Most of the public agents are requesting people to be certified. And many small businesses don't want to get certified. They don't see [the] advantage [to] that." [#FG6]
- A participant in a stakeholder engagement session stated, "Where you've applied for an RFP? It has the COBID questionnaire in it. You have a COBID number, but you are told, really, we're not going to consider your COBID certifications within the RFP, even though it's written in there as if those that are certified will be in a clear front-runner status to be able to be considered, because they've done the legwork of COBID. Will you be looking at, when you are COBID-certified, and yet you are put to the bottom of the list, as well as businesses that have five or less employees going for RFPs, even though they have other business partners that will partner with them on a mid-size or large RFP, but they are only being considered as a small business that doesn't have the bandwidth to handle the work." [#PT3]
- A participant in a stakeholder engagement session stated, " Thank God I get a big enough pension that I can just spend my time in meetings like this, or doing such things as I described to kind of see what the layout is. But if I just absolutely had to make a living from this business, I'd be having a lot of difficulty, if I didn't get the assistance that I do being disabled and retired from the military." [#PT5]
- A participant in a stakeholder engagement session stated, "I've been a business owner for three years now, so since 2020 and I mean, I haven't seen within Oregon a whole lot of preference for women or minorities from the work that I've been working on. We're bidding on a project now where that question was asked, and this was for a state contract, or a state RFP that's out, 'Are there any preferences for minority or woman-owned?' And the answer is no, it's not on the list. So, it was just surprising. I've tried to participate in a program that the state has for veteran-owned businesses, what I've found is that I have spent a lot of time, given a lot of information, I'm up on my taxes, and I've got nothing in return but paperwork and questions and notices that I would be disenrolled from the program if I didn't provide more information." [#PT6]
- A participant in a stakeholder engagement session stated, "I was accepted by this program for disabled-veteran-owned businesses, and as a result of that, I am sent contracting opportunities, absolutely zero of which have had any relevance to my business, absolutely zero. ... It's a waste of taxpayer money and government work to send a guy with a business in Eastern Oregon information about projects over on the west side that are not remotely related to what I do, it's a waste." [#PT6]

- A participant in a stakeholder engagement session stated, "I get sent opportunities that are no way shape and form of anything to do what I do as a business. So, maybe it would be helpful and going off of what the last speaker was saying, maybe a little help of a liaison or something that could help businesses to take advantage of opportunities." [#PT6]

2. Experience with federal programs. Nine business owners and representatives shared their experiences with federal programs [#2, #10, #16, #40, #47, #51, #61, #AV, #PT6]. For example:

- The Asian American owner of an MBE-certified professional services business stated, "When you work with a federal agency, every federal agency has a small business officer. And each federal agency has a quota that okay, 7 percent of our contracts have to be given for certified firms, which can be minority-owned, disabled-owned, veterans-owned. So, they have this quota and ... by law, they have to give that much contract, unless they don't find the agencies or individuals who can do that work. ... 8(a) related. They had some grants from the federal agency. So, I was selected into a program where they mentored us. And they provided us on training on how to identify the opportunities, how to write a response to the RFP. And so, if there is something similar with the state government, it will help, but that assistance will not help unless the contract document changes. ... The federal certification process is very difficult, it takes between six months to a year, you have to sign more documents and submit more documents than even buying a house. So, it's a very tough process for the federal [program], but then obviously, the rewards are also exponential compared to the COBID [program]." [#2]
- The Hispanic American co-owner of a woman-owned professional services company stated, "There are things like the (8)a certification and such, the federal ones where small businesses ... they try to focus on getting enrollment from people who have some certification, have access to that type of, I think it's that seven-year mentorship business development program. Shorter ones that are more digestible, again, ... I think that's the big gap, honestly, is ones that are accessible to who the program says their target demographic is and actually practical for them and also offer real substance for training or access or education or whatever it might be, and not just providing like an overall fluffy summary. I think that it's not that the information isn't out there. It's that it's out there in a government format. That's really hard to digest unless you have a specific skill, which is reading and understanding government regulations, which, if you did, you probably wouldn't be looking for those courses in the first place. And then again, anything targeting people who are coming from economically disadvantaged or otherwise disadvantaged backgrounds and saying, block off time in the middle of your day? Yeah. Not a reasonable ask." [#10]
- The Hispanic American owner of a professional services company stated, "To me, it's not so much, 'Oh, here's get a business license and here's where you look for work and all that stuff.' It's all the tax stuff and financial stuff that ties in with the federal government work that is really daunting." [#40]
- The owner of a woman-owned DBE-certified construction company. stated, "Currently I'm trying to get certified with SAM, but SAM is telling me that my street address, which we've had at with our family property at like 45 years, doesn't exist. That's completely outside of my realm of handling that, because the post office is saying, 'Yeah, it's an address we deliver [to] all the time,' but yet the SAM website keeps saying, 'Nope, that doesn't exist.'" [#47]

- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "The worst thing about it is that we started right before COVID, and we couldn't show that we had a loss. ... [The trade organization we are members of] didn't have [the space for learning] at the time, but they do now. They have classes and a lot of the money. The technical assistance that came through COVID has gone to these different groups. Now, they have the opportunity to teach classes and make them available to people." [#51]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "His goal is to get into the 8(a) program and work with federal contracts. He thinks all businesses should aim to join the 8(a) program to help them become established and develop their past experience." [#61]
- A representative of an Asian American-owned construction company stated, "We are an 8(a) contractor - a federal program for minority-owned businesses. We've done a lot of federal work. There is a lot of red tape and regulations that make a few more hoops to jump through than what we do for a private company." [#AV241]
- A participant in a stakeholder engagement session stated, "For example, lately ODOT [is] very open to help us, the minority business owners, and they also actually step forward to put on a training online. I actually requested that before, I'm so happy they responded, and to help us when I found the difficulties when we small business want to do the business with all that." [#PT6]

3. Recommendations about race- and gender-based programs. Interviewees provided other suggestions to the state about how to improve its programs for certified firms [#1, #2, #3, #5, #7, #8, #9, #10, #11, #13, #17, #18, #19, #20, #21, #22, #27, #29, #31, #32, #33, #35, #37, #42, #44, #46, #48, #51, #53, #54, #56, #59, #61, #62, #AV, #FG1, #FG2, #FG3, #FG4, #FG6, #PT3, #PT6, #WT27]. For example:

- The Black American owner of a construction company stated, "Where do I find all this information? I'm not that intimidated by the brick wall. I just got to know which brick wall I gotta climb. So, you know, where's all the hidden stuff because I'm not finding the information that I need. And it's kind of like, you have to ask the right specific question, and the words have to be in the right order in order for you to get a response, that's what I'm finding. ... So, if you don't know who to go to and ask the very specific question ... to get a link to go online, to download the information and to find out if you apply for that, can you fit into that category. But that's been the hardest thing, is not having access to that information. There's no document out there that has the road signs with the arrows pointing to 'Here it is, find this information here.' ... I am consciously unconscious. That's saying, I know there's something out there, but I don't know where to find it. And that's kind of the main bread crumb that we're trying to find first, in order to get to the gingerbread house. ... I'm not sure where they can put information that will be at your discretion to find it. I'm not sure how they would do it. ... Social media, it's pretty big ... but I'm wondering if the state has any kind of introductory pieces of information they can start to drop in on Facebook, say, 'Hey, are you a contractor? Or are you minority, this and this and this, here's the place to find information in order to help you ... further your dream, so to speak.' ... Because there are a lot of minority-owned businesses, ... there are different types of service organizations, some of them are food, some of them are cosmetics, like barber shops, and those kinds of things. And I find it very rare that there are the technical sides of things. So, my thing is more technical science, so to speak. And so, I don't find a lot of that being advertised, you can find like when COVID was coming through, you can get

PPP money. You know, if you had this type of service, or these people were delivering pizzas, or whatever they were doing, there was nothing really there for the tech people. You know, one of the tech freaks, like if there's there is like, 'Oh, how am I gonna get PPP money? ... How's this work?' And so there were different parameters that defined how you could get the money, depending on what your business actually was. I didn't see a whole lot of stuff in here for tech people. It opened it up and I looked and what, oh, they're not addressing the technology side. But then again, I'm kind of ... rare as being a tech type of business as opposed to giving haircuts and facials and washing hair. Having a childcare center, the other minorities that I know that are also in the same tech field, they struggle with the same thing they struggle with, like, 'Okay ... nobody knows we're here. Nobody is extending opportunities to us, because they don't know we're here. They don't think we're here. But we are. So, either I've got to illuminate myself better, or I've got to find other links. And I don't know if they're in a book or not, [or] on a website, and ... how do I find the website? No, how do we get this information out on the avenue so that people can actually be able to access it? Because I don't think I'm the only one that's out here, looking to find that. And I strongly suspect that the next generation is going to be very tech-savvy. And, you know, there's a lot of things, a lot of different ideas that are coming on board, we just don't know how to find them. And to try to find a way to make our dream of owning a business. And being creative with that business, is it's going to be profitable and generational. Not just for me right now, but something that's a generation that can be passed out. So that's what that's what we're looking to do is to create that generational wealth ... I think knowledge is power, and ... I think the hard thing is being able to know where you can find the information. And I'll say that again, where you can find where to apply. I don't know if it's housed in [the] Chamber of Commerce, I don't know where that's housed. I don't know where that information lurks. I think they should increase their public service announcement budget." [#1]

- The Asian American owner of an MBE-certified professional services business stated, "When you work with a federal agency, every federal agency has a small business officer. And each federal agency has a quota that okay, 7 percent of our contracts have to be given for certified firms, which can be minority-owned, disabled-owned, veteran-owned. So, they have this quota. ... and by law, they have to give that much contract, unless they don't find the agencies or individuals who can do that work. Even with the City of Portland, I have seen that they do a lot of outreach where they reach out to small business certified firms. And they actively proactively try to work with them to give the work. Obviously, you have to meet the requirements, you have to be qualified, all those things remain the same. Nobody's going to give you the work just because you're a certified firm ... you still have to be competitive, you have to know what you're doing. You have to have the experience. ... I know a lot of big companies, even now, if you go back and look at all the contracts, which have been posted on Oregon, especially IT projects, you will see that there is no incentive for a big company. They may hire people in India, but they will not hire somebody or subcontract with a local business here. Because there is no incentive for them. There is no reason for them to hire you. You can go and validate, look at any contract, which was posted on Oregon buys or ORPIN by state government agencies. There is nothing in the contracts where it says that, 'Yes, you will get extra points, or you have to spend X percentage of that contract amount with small businesses.' Imagine ... I told you this big firm, they did two projects with DHS and DOJ, they were worth like close to \$700 or \$800 million. And 90 percent of the resources were out in India. But there was nothing in any of those contracts. So, on paper, there is ... no motivation or no incentive for other big companies to work with small businesses here in Oregon. Because we are a federal 8(a) [there is an] expo, there is a program where certified firms can get all the things from the state and federal

surplus for pennies on the dollar. And that's an incentive from the federal agency, but there is nothing similar to that with the state. So, I think that is something to be considered, especially now with COVID. If there are like thousands of cars with the state carpool, which are just sitting there for years, and ... most of the people are not going to come back to work. So, if there is an incentive to purchase some of those vehicles or something or other, like all the offices have smartboards, which are like \$70,000. And before COVID, I knew like almost every meeting room had that device. And now it's at 90 percent of the people working remotely. Those are all the devices which are going to become obsolete in a couple of years. So, it'll be interesting to look into that, because that would benefit a lot of small businesses. I've [been] doing this since 2003. So, you can go back all the way to 2003. You will not find even one contract where it says that, 'Yes, we want we encourage you to work with small business.' Or even if they say, 'Yeah, I work with it, but we are not going to give you extra points if you work with a small business.' So, why am I emphasizing on that, is like, see, if you write in the contract that 'Hey, work with a small business,' if I'm here, and if they are doing the work in India, they are paying one-tenth of what they will have to pay me, why would they any vendor want to work with me? Right, because the government is letting them work in anywhere offshore. And I'm sure it might be in other countries too. So that's the thing that is the biggest barrier." [#2]

- The non-Hispanic white owner of a WBE-certified professional services firm stated, "The state of Oregon is so large. And so, when trying to get to know at a more county- or city-level markets, or trying to track like what are some of like the free resource events or workshops, they're usually never in a time or place where it's like I can easily get to them or attend to them. So, I think that's part of the downside of living in such a large state. ... I am aware that like state does try and put resources out there. But I do think like having the ability to actually talk to a person and be able to get the specific confirmations like my business as a single-member LLC. Not multiple, so how does this apply to me, being able to ask and get like that specific confirmation would be tremendously helpful and save a lot of research time, and potentially really bad mistakes. So, one model I'm familiar with, not that I necessarily am saying this is the way that it needs to go, but there's like a women in business organization, and you have to pay a membership fee to get access. But if you're a member, you get like five hours of consultant time a year with that fee. And it could be like a lawyer, like you need a lawyer for an hour or an HR person. So, while I don't love that you have to pay for that access, because obviously there's equity issues in terms of who can afford that. But being able to have like a stable of consultants that have been vetted, so you know that they know what they're doing. And to be able to just have like an hour of time versus needing to like, find someone that then maybe needing to give a retainer first, if it's a lawyer, when really all you want is just ask a couple of questions. Then maybe it makes sense to spend more money. But yeah, that first step is so hard. It's such a large first step I think where it could perhaps be improved is I know, for me, it can be difficult to take advantage of the events, whether due to time or location. And I do wonder if those could evolve into like, a suite of different types of recorded webinars. Even if it's just like a five minute like, 'what is an LLC,' especially to have like a person say that, again, for my particular brain to try and read something and take what I need from it is very difficult, but to hear it and to have a human face. To me that is much easier for me to understand. So, I think that can be a way to help with some accommodations is taking existing good resources and offering them in a couple of different ways." [#3]
- A representative of a majority-owned goods and services company stated, "When we also think about how the state can support businesses, well, provide us with the software and the training

dollars. So that way, institutions like mine and Latino built, that we can provide that training in a culturally specific way in their own language, and be able to teach them how to properly do estimations, how to use software to help them with that, how to provide timely change orders and accountability. Allow for the community to have funds accessible for legal action if the government isn't going to form an agency. These are real problems that subcontractors face every single day. ... There's a lot of lack of education that's available. And so, when I go on Oregon.gov, a lot of the small business administrative links are more towards, you know, if you have a complaint, or if you have an issue, this is where you can file it. But there's such a small amount even of space on the website that even talks about where to receive education, or like, we're in the lending world, right, a lot of businesses don't know how to access SBA loans or other government-sponsored loans. Bridging the gap and how to get there, because it's available. It's just a lot of people don't know about it. And that's where I think if even Oregon, the state had more resource links that on their website, you could navigate that say, 'Hey, here's this organization, that's a nonprofit that offers these type of capital loans.' And then you know, even, 'Here's your local bigger banks that offer this, and this is the process. And this is how you get ready to do it.' But there's more resources on what to do when you've been wronged and not enough of like, how to properly prepare your business so that you don't even have to get to that stage of someone else taking advantage of you because you can do it yourself going this way providing legal support for COBID [firms] or DBEs, young entrepreneurs, contract negotiations, and disputes are based on that field." [#5]

- The non-Hispanic white owner of an ESB- certified construction company stated, "The best thing that can do is issue some RFPs that are solely for firms that are meeting the criteria, the Small Business Administration ... make sure you have RFPs that are solely for small business. The federal government can do it." [#7]
- A representative of a majority-owned professional services company stated, "I think the state maybe has tried this, if there was kind of more of a clearinghouse-type program that is administered that's actually used by government agencies. ... A small company like mine, we don't really have a marketing team ... so marketing is falling on all the project managers to do an in addition to their technical work, so anything that can be done to help streamline that marketing ... so that more government agencies are aware that these small businesses exist and are more aware of the services they provide. Government agencies do small business set-asides for certain projects. I think that certainly helps to do projects." [#8]
- The non-Hispanic white owner of a WBE-certified construction company stated, "The Port of Portland mentor/protégé program is something that I think could be applied in a more broad sense if these government agencies got all behind one big program. ... If the project has requirements for a minority firm, and you bring a minority firm on the project, and they're having a trouble communicating, that it would be great to have somebody in the government agency provide like a liaison that's ... not there to get anyone in trouble or point fingers or any kind of punitive damages. It's just there to help the project move along, and help with ... pointing the people to the right resources and helping the communication flow better. I had a subcontractor that had like, 99 problems, but she never ever told me what the problems were. And I was just like, emailing her, like, 'Hey, you gotta get this done, Hey, you gotta get this done, Hey, you gotta get this done.' And it just wasn't happening. And then the municipality that we were working with started fining them because they were not getting it done. And she never communicated to me what the problems were. And it was like, 'Why didn't you communicate to me at the beginning of the project what the problems were?' 'Well, I thought that maybe you would fire me and I wouldn't have a job anymore.'

Well, people are so afraid of this punitive damage. And I am too, and it's all of the certified firms are afraid of this 'Oh, well, they'll think that I'm not legit. They'll find me they if I'm failing and trying to get help.' ... It's like finger pointing and fining instead of more of a productive and proactive approach to solving problems. ... It would be great if all the municipalities in Oregon could have one program, that one-size-fits-all kind of a thing, that maybe the state of Oregon gets squared away, ... or different municipalities could adopt, and all their efforts could be combined. And the requirements for ODOT are the same as City of Portland and just trying to navigate the different municipalities and the different requirements is difficult for a small, certified firm, ... we just don't have the bandwidth." [#9]

- The Hispanic American co-owner of a woman-owned professional services company stated, "If there were trainings ... the ones that I found have all seem to be these short-format, like one-hour, 'here's how to do business with the government' webinars, but ... they kind of like say, 'here's where you can find all of the information on how to do this.' And then they point you at the 27 different websites that are posted by the government. ... It's more of a 'here's how to find the information that when you fully finish reading and processing, you will have a global understanding of how to do that' and less of like, 'actually we're gonna put one together today, even if it's just example one.' What if we're gonna put one together over the next seven days, because it's a long process, maybe that maybe that's more realistic? Especially if there was some way to see that they ideally would be certified or something by the state. So, you know, they're real, because ... I get countless emails every day, saying, 'We're a government bidding tender agency,' but it's because they've pulled her name from SAM. ... It's all spam. ... If we knew was coming straight from the state, I would not even blink, same thing with like SBA stuff. But our SBA doesn't seem to be as active as some of the other ones that Portland District Office. ... Anything related to compliance or into locating and navigating systems, I think, is really useful, provided that it isn't just a short webinar showing you where to find the information. There's a lot of those, it seems like there's a like the government and the SBA, and any of these organizations loves putting on a one-hour webinar ... with the subject like navigating the bidding process. And it's really just them pointing to again, like the 27 different websites, each of which contain 500-plus pages of information on how to know how to make a bid that government did. ... And it would be nice to have not have shallow learning but have actual, like multi-part learning journeys, where you are actually being taught specifics and information given to you to be digested over the course of those, as opposed to these one-hour webinars. And even better if they you think that if they were self-taught or if they were self-led, or they were scheduled flexibly. Again, like for most people who qualify for any of these certifications, we're working so hard all day that, like, it's cool that you want to put it on at two o'clock on a Tuesday, I can't do that. And then even if you could, even if it was like a structured course, which would be great, like a seven-part course, where each part was two hours long. Gotta be in the evening. Which makes it like a lot of government stuff doesn't happen in the evening. So, then it either has to be self-led, like in a way that makes sense. Or it's got to be scheduling the access so that it's reasonable for people who are small business owners who are probably working 10-hour days anyway. ... If you ask them to give up hours in their working day, you're already you're asking them to disadvantage themselves more to learn how to be less disadvantaged, which makes no fucking sense. Office hours that occur outside of government working hours. Government working hours are working hours. If you're looking for people who are already working small businesses, or operating small businesses, or operating a full-time job, and then try to do a small business, because they're hoping their small business will one day replace their already bad full-time day job.

And then you're saying, 'Great, if you want assistance, please contact the Office of Economic Development Monday through Thursday, 9:30am to 3pm' ... that's a useless offense. ... 'Oh, are you working three jobs and hoping that your small business that you're starting will help you achieve the dreams that you've always wanted? Great, hey, take six hours of your day off in the middle of one of those jobs, and come down so we can tell you how to do better.' Like, it just doesn't work. But outside of the format and anything else, the hours have always been a cow. My wife was a single mother when she was 16. And every time she tried to get any form of government assistance in any way, shape, or form, it was yeah, you will hear she's working as a server at Ruby Tuesdays making \$13 an hour and tips. 'Oh, did you want to try to get some assistance, great, take the bus 45 minutes from where you work downtown in a workday when your restaurant is not going to give you your shift off and apply.' And she couldn't do that. So she can't get the assistance and all the all of these things sort of end up feeling the same at a certain point where it's the requirements, like the intention is good, but the actual requirements to go or the access window for which they're presented are all done very much on a government schedule, which is ... the least convenient schedule possible for people who have any sort of life obligations or jobs or disadvantages or accessibility issues or any of that. And that whole thing, I think' is a big opportunity to address. But it means working outside of government hours and government agencies don't like to do that. ... I know that we encounter when we have people who have English as a second or third language and again, who are exceptionally competent in their first one through seven languages, but happen to have English as their eighth is that the language again, even navigating the assistance is difficult, but also having the ability to a lot of people can render the technical skills and the technical competencies for various services without needing the English but they need the English to actually get into the contract bid to apply, right? ... And they, they could be the most qualified person in the world and they're busy. This can be the most qualified person of the world, their business can also employ native English speakers, if there is a component of it that actually requires that, but they're never going to get there. Because that first bit that it has to involve them doesn't have that language access. And I know that I know that the government has various levels that the government has tried to have that mandate to improve that. And so a lot of the correspondence you get in multiple languages, but at a certain point, it feels like, as soon as it leaves the form letter, that all kind of breaks down, like, when you need to actually speak to someone, that person who's in charge of the program doesn't speak all of those languages. But they're the person you need to speak to. And so, I think that there's opportunity there to either improve or offer assistance to people to get that level of technical interpretation. ... And it's tricky. You need somebody who can interpret government-level language available to these or business or business-level language. And I know that in Oregon, it seems like we do have a relatively good pool for certain languages, for people who have that business-level language. But again, those aren't services that are necessarily available to the small business owners who need them to navigate this process. They exist. But there's no way to connect those people. And if there is, there's a significant cost associated with that. ... So, if there were any sort of way to assist with helping with interpretation and sort of language translation for the purpose of navigating these contracts as part of programs to help get these contracts, I think that that would be something that would be really useful for people who have those challenges." [#10]

- The non-Hispanic white owner of a WBE-, DBE-, and SBE-certified professional services company stated, "I could just subscription myself out of a business by having to pay to have whatever networking opportunities, or educational opportunities. I just can't afford to pay [for a] memberships or pay to go to all of these classes. ... Even people that are already doing some things

that are helpful. It's very decentralized. I don't know that any of these groups talk to each other. If I'm trying to find another company, even with a private project, like maybe I'm gonna go build a house, or if I have been hired by somebody, they asked me for a recommendation, how do I go find a recommendation? If we have some sort of centralized database? Where do you go look, when you want to find a woman- or minority-owned business, no matter what it is, maybe you're looking for a Black-owned bookstore or something like that, like if there was some sort of a centralized database for this. That would help other than just trying to do a Google search, which I think is what most people do. I think that would be helpful. ... We tend to be hesitant if we don't know somebody. ... My business comes from other people recommending me or saying 'I've worked with her,' or 'I know somebody who has worked with her,' that's a betting and some sort, that somebody had a good experience with me, if you just go into this database, you're looking for a Latino builder, out in my area, I don't know what kind of vetting process there has been. They may be really good builder, they're terrible at business. And that ends up creating huge hurdles. For the working relationship, the language barriers create big hurdles. So when [another business owner I know] was talking about or whatever that guy's was talking about, it's like ... the Asian community hires other Asians and Latino community hires other Latinos, white people hire white people, because we know that you understand the quality that I'm demanding, you understand the scheduling, you understand what I am willing to give up, or sacrifice and what I'm not willing to give up or sacrifice, culturally, you kind of are coming from the same background. And that's a really big hurdle for people to get over. If I'm in my community, if I want to hire somebody to go put a fence, and I want to hire somebody who's Latino, I'm gonna call up [someone I know]. ... So, you need to find the cultural hubs and centers of the communities and sort of feed them from the top down, rather than trying to just maybe find individual businesses and help those, because that's essentially what people do when they're looking to hire contractors, is they're gonna go to somebody else that they know, people come to me and ask me, oh, I need to hire an architect. Do you know any that are women or minorities, and I'm gonna be like, maybe, let me look. And sometimes I don't, but they'll come, they come to me, they don't go to Google, they don't go to like the business center or whatever tasks, they ask other people that they know. So, it's like, if we had like a cultural center hub network, for these communities, and we started Googling Latino networks, there's like a big one in Portland. I haven't really looked into it, but I'm sure they're connected to their own communities. So, if you support those cultural centers with this business support to how to run a business, and all that sort of stuff, they'll kind of feed into each other if we feed these networks, social hubs, that they will feed the business community, which will in turn circle, back up and around. Because that way, they're kind of they're sort of gutting themselves, which is getting out and spreading that network around, as we all get better to each other. So, I will know more businesses to recommend that they get connections with other contractors that they wouldn't have otherwise had an end with, because I now know about them. But it's not just a lot of these are just sort of like social hubs. They're not really like business-focused in how to support activities, businesses who are starting up, they want to start a contracting business themselves. There's no support there. So, it's just sort of centralized power, decentralized execution. One thing that I think that would help is if ... wanted to recommend a minority business and English was their second language, that is a big hurdle because how do you know you're going to be able to communicate in technical details about stuff. So [if] there was some sort of guide almost from either side, if those businesses [have a] how-to guide for how to go get projects with my English as a first language people and the other way around, if I am a prime looking to work with other minority businesses and they don't speak the language, whatever, like,

how do we interact? How do we cross these cultural and these language barriers? Because that's a huge ... barrier that a lot of people just aren't going to put the effort into." [#11]

- The co-owner of a Native American-owned, DBE-, MBE-, and WBE-certified goods and services company stated, "I have heard that California has made it mandatory [that] their state employees purchase like 30 percent of their overall yearly spend from COBID vendors. And it would be really wonderful if Oregon could follow suit and make it instead of something that they would like their people to do, they should make it mandatory that they have to spend a certain amount of their spend with minority women owned businesses. ... Mandating a certain percentage go to ... COBID[-certified companies]." [#13]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "I refer people to the Small Business Development Center. I used to be one of their business advisors. ... I said, 'You guys need to offer business advising in Spanish, and I'll do it.' And that was part of my work there was to work with the Latino community to let them know, there are services here that will help you. So, both as the provider and as a consumer, I know that's a great resource. ... I was part of a businesswomen's mentoring program for a while. It's no longer in existence, it was just run by businesswomen ... And that was a great program. And that would be great to see more of that. I think it probably discontinued because there weren't enough mentors. ... When I was doing the bilingual business advising, they didn't want to know about programs, they don't want to know about running a business. They just wanted to know where to get a business license." [#17]
- The Black American owner of an MBE- and DBE-certified construction company stated, "Probably the requirement or aspiration to use a percentage of minority-owned companies on projects public projects. ... A small business program that focuses on finding specific projects that small businesses can take on rather than the larger projects." [#18]
- The owner of a majority-owned goods and services company stated, "I wish they would break those categories up a little bit more instead of one to 500 employees as a small business ... because I think a business that has 500 employees is making millions of dollars a year and yes, they may struggle, but I don't think they're worried of closing their doors as much as a one to three or even five employee business would be worried about closing their doors. So I think that there should be programs associated with multiple categories of employees, and have an opportunity to compete in order to get grants for those, instead of everybody just being combined together, because we get our bills paid, but sometimes I'm pulling money out of a 401(k) or out of a savings account to help or having to borrow money on our business line of credit again. ... I just wish that they wouldn't exclude 50/50 [split ownership] businesses from different types of grants for small businesses, and ... there should be a very small business category [for] what a lot of your mom and pa shops are there, one and two, maybe three employees. And if they're 50/50 owned, they're just excluded. Because during that payroll protection program, we could not apply for the first run in that, because we were 50/50. Only it was for 51 or better percent. So, all the money was gone before we were ever even able to file for that. And it wasn't until the second run on that program that we were able to file. ... Having one employee with a payroll protection program, it almost would have cost me more money, with the time involved, trying to get all this paperwork done and stuff filled out that I'm like, I'm only going to get just this in order [to] even cover one of my employees, one payroll check, and I'm like, so what's the point? You know, so we just kind of just blew it off, because it wasn't going to benefit us at all. By the time it got done, and they came out with all this other red tape." [#19]

- The Native American owner of a construction company stated, "What we need is maybe a consolidation of the of all the different resources that are available you know, I get these emails from the state and seems like there's 10 different programs going on at the same time." [#20]
- The non-Hispanic white owner of an ESB- and SDV-certified professional services company stated, "It would be helpful to have like more encouragement from the state to network with business organizations. The barrier for me as being as busy as I am, I don't have time to drive all the way into Portland to attend [OAME] meetings. ... I think there needs to be more of us policing ourselves, but there's really no organization in my field. There's really no places where they get together except for you know, like OAME and those sorts of organizations. There's no like, founders' organization or whatnot in Oregon, so it makes it difficult for all of us to kind of get together, if that makes sense, aside from trade shows and those things where all you're going to hear is salesy talk and we're not really talking about issues. ... I'm still going through that process, by the way, that is not easy. And it requires me to actually provide my home address, which I'm going to have to turn around after we get approved and quickly hide it so it's not out there to the public ... instead of taking the time to vet themselves ... they just want you to go to SAM and I was planning on doing that anyway for that cert[ification] program through the SBA. But that's been a huge barrier because that whole SAM program is really meant for large enterprise companies doing big business with the feds. It's not meant for the little guys like us. And so, there's really not a lot of resources. ... I went to [the] SBA with some application problems. They sent me to GCAP. GCAP was kind of helpful, but not really helpful. They're like, 'Sorry, this is just how it is you'll have to deal with it,' basically. ... This is not okay." [#21]
- The Black American woman owner of a professional services company stated, "One of my favorite things about Portland is like, before moving here, I never really imagined running a business. But everyone here has some kind of side hustle or business. And, they also have a lot of these free programs that you can apply to and learn more information. I think there should be more of those Portland incubators or accelerators. ... I wish the government would fund those because they're funded to run. But I want them to be funded for people who graduate out of the program. ... I won third place in a pitch competition. I wish money was associated with competition to give you like help you elevate your business. ... I actually think Portland does a really good job of the programs ... but everyone's saying the same thing ... money really, really, really can elevate you." [#22]
- The Hispanic American owner of a construction company stated, "Try to go to a seminar with them or try to talk to someone personally. A guide to something clearer. I don't know the requirements. The state has to have other requirements, but there is no problem with that. We can do them. We already have our business established, but we need more help." [#27]
- The Hispanic American owner of an MBE-, WBE-, and ESB-certified professional services company stated, "Maybe they all can have a department to support particularly women of color in navigating the system and really just be a little bit more intentional about how they engage with folks." [#29]
- A representative of an Asian American-owned, DBE- and MBE-certified professional services company stated, "I didn't know that until a couple years ago [that] when you're talking about [an] aspiration goal, everybody laughs, everybody knows if this aspiration goal, that's mean they don't have to do it because it is only aspiration. So that's something I hope that there's a change in policy. ... The policy when they said aspirations ... that's a goal you cannot reach. That's fine. But a goal is a goal, like, federal is very strict. That's something we should change. We never use the aspiration, don't allow aspiration to become a loophole for people to not to be accountable. Everybody says

they don't have enough minority [businesses]. Everybody said the same thing. There definitely is enough." [#31]

- The Hispanic American woman owner of an ESB-certified professional services company stated, "I joined the Small Business Development Commission with the City of San Jose. Part of our job is to [figure out] how do we address this? How do we spare disparity? How do we fix this? But as you know, there's politics, there's other things that come into play. ... We did a lot of training programs for Latino businesses during that time. We developed technical assistance programs, micro loan programs, incubators. So, I learned a lot during that time in San Jose. ... Many minority workers, they don't get the proper training, the proper access, the proper mentoring, coaching, the proper services, wraparound supports that they need because the system is not built for them. It's not built in a way that's equitable and it really discounts them. And it really treats them in a way that, instead of being easy to use or have easy access, it's more rigid to the point that they don't trust our communities. How do you make people feel respected and valued in a way they feel part of a program that can feel that they can learn and they can feel engaged. ... I talked to all Latino trainers and advisors throughout the state, and many, they're doing the advising cause they're bilingual, but whoever they're working for is not providing the support that they need in terms of paying them. ... Many don't feel that the system is valuing their knowledge, their expertise, and so they don't stay with these institutions that are providing the training. ... It's more like a token and not a real value. ... They see their bosses or the institutions not really believing in the work of helping minority business. So, after a while they get discouraged and disempowered. And so many that I've talked to just don't feel that they have the commitment and they're more there as a token. ... So, the current training program throughout the state of Oregon, the few minority [businesses] they get, there are limited resources. Most of the funding goes ... into white-dominant organizations. They get funding and they get a lot of funding, but then the majority's not targeted toward minority business. The minority business organization that gets funding gets very little and they can do a whole lot with what they get. The whole culture [of] doing business with minority businesses organizations needs to change dramatically. The key is that you have to have minority leadership, and that's with the minority contractors and the minority associations working in partnership with some of the key general contractors to come up and define a roadmap for success for minority workers and minority contractors." [#32]
- A representative of a majority-owned construction company stated, "Like Hispanic people, you have a language barrier too. That's tough. And it's tough to have. It's tougher to have somebody like that who doesn't speak very good English, even though we have a lot of non-English speakers. But that means now ... you might have two people watching somebody instead of just one. And that becomes difficult. ... It's like people that are our age, you might want to drop out of the market or out of the job market, but yet ... people that retire might be interested in helping do some limited amount of stuff." [#33]
- The Black American owner of a construction company stated, "Some of the public stuff that a lot of the members of [under-represented] communities, just don't have access to [public programs]. ... The governmental agencies create an opportunity for [new subcontractors] to [transition from residential to commercial] and maybe provide some type of technical assistance. But a lot of this stuff depend[s] on the economics and people's needs, the work is not readily available or so highly competitive that I just get tired of submitting bids and then losing all the time. ... People have asked me to teach ... a construction business masterclass. And then people are asking me to kind of consult and talk forums. ... There a lot of people think you can get it from the SBA and this and that,

but the small business administration oftentimes doesn't do things specifically for the construction industry. I was learning that the hard way, I didn't find any place where I could have got [business training] otherwise. I mean like, all in one spot, provide some training or technical assistance on how to submit [payment] ... maybe make it as a requirement to have the training that you need to know how to fill out a progress app ... cuz not everybody knows. ... public owners can provide guidance or have a help line to help people with [submitting payment], that would be beneficial ... use some of the taxpayer dollars to do that versus to put it on the general contractor. ... A little online training program or pre-recorded deal on how to fill this out or fill that out and all the stuff you gotta have in a proper progress payment, it'd be helpful. ... I'm working on another program for one of the agencies that I'm working with now. It's for ... people that have been in business three to seven years. It's a way to go back and reverse-engineer some of the stuff that they had and allow them to level up." [#35]

- The owner of a majority-owned goods and services company stated, "For small business and entrepreneurs, you really don't know what the roadmap looks like unless you have someone with that knowledge and experience to help you on that journey." [#37]
- The co-owner of a WBE- and DBE-certified firm stated, "[Lakewood is a] very small district. I think they're trying to do what they can. At one point we had some community college opportunities here, but it's been a flailing kind of a system. Again, it's geography, the location where we are and that we have to rely on resources outside of our area to help with that." [#42]
- The Hispanic owner of an MBE-certified goods and services firm stated, "It's funny actually how many small businesses don't even have their Duns & Bradstreet number, so establishing business credit as soon as possible and getting a credit card as soon as possible and not using your debit card that much. ... [To] get in the program, you have to have a business for at least two years and have your, I's dotted, your T's crossed. Once you get into the program, you are either in the program for eight years or they kick you out if you make at least \$100 million in one year. Pretty much what it is kind of what we're talking about with small businesses and set-aside projects." [#46]
- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "The City of Portland was trying to get something through legislation that would change that and they could give the support directly to the subcontractors instead of having to go through one of these other support groups. ... A way to help [minority companies] get better and step up and grow, you need to have somebody out on site making sure that those primes are doing the things to help those businesses. What I have found is that, we get the project and then we end up being the scapegoat for everything that goes wrong on that project. There's no assistance. There's no insight. There's no help." [#51]
- The non-Hispanic white owner of a WBE- and DBE-certified construction company stated, "Offer free classes, offer training for your payroll person. That would be huge. Offer estimating help ... maybe you partner with heavy bid and then you let all the certified firms sit in on a webinar and the guy walks you through, 'Hey, this is how heavy bid works.' ... Like, programs that the bigger contractors have that the smaller ones don't. Safety webinars that are actually helpful. Like, 'Hey, this is how you do your weekly toolbox talk. Try this app.'" [#53]
- A representative of a majority-owned construction company stated, "I was audited my first year in the position by Bureau of Environmental Services at the City of Portland. And they wanted to know

down to what were the candidates that I supplied, what was the subconsultant? What was the demographic of the candidate, right? ... All the way to the very bottom, we just don't care that you worked with other minority businesses. Do they hire minorities for these better-paying jobs? And I loved being audited. I'm like, this should be the mainstay regardless of the size of contract. ... The lack of trackable accountability, and I guess that's just one layer of management that they don't seem necessary. I would think that ... if some bureaus are able to manage it, I think that we've all probably could. And I would like to see more of that." [#54]

- The non-Hispanic white owner of a WBE-certified professional services company stated, "I didn't take advantage of [business assistance programs]. It's hard because it's hard to say one size fits all. I found some of the programs, and I don't remember specifically, geared towards someone producing widgets or starting a restaurant. And it was easier for me to get more by talking to a peer who knows what it means to do a service kind of business like mine." [#56]
- The Black American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "We are a member of the National Association of Minority Contractors. And with that organization, I have one hundred percent leaned on them, holding their partners accountable for when their partners, the contractors come to them and say, we want to work with certified firms, women-owned businesses, minority-owned businesses, making them be the in-between to go back and forth to say, who did you use on our projects? Who did you not use and why?" [#59]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "The state should research the current knowledge of its business population and offer resources to teach people about all the opportunities and programs offered in the public sector or for certified businesses." [#61]
- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "We should have some legal support somewhere through the state, because I'm too small. ... We need something in place for when it's half this egregious, or there should be something in place if I'm experiencing the kind of discrimination that I was in those meetings. There should be somewhere for me to call immediately." [#62]
- A representative of a woman-owned professional services company stated, "I used to work more with the government. I only work for them on occasion now. I used to work with the state of Oregon up in Salem. I don't do much of that anymore. Most of my work is medical freelancing. I think we need more interpreters here. We are desperate for more interpreters for private business and government agencies. Always been a problem. I just cover what I can." [#AV198]
- A representative of a Hispanic-owned goods and services company stated, "It's insane that we have a lot of ITIN holders that have been here over a decade. And for whatever reason, because they don't have the social that, even though we've seen tax returns, that every year, they're contributing just like anybody else into and even more into our into our public coffers. But there's not the same availability to program to ITIN holders." [#FG1]
- An Asian American representative of a trade organization stated, "I got some money from [a local organization] to help upgrade my website, and I got a free headshot from them and things which is like resource support for small businesses. ... I was guided to where I could find small business loans. ... Not only resources, but services for support." [#FG1]

- A Hispanic American representative of a trade organization stated, "I think what's frustrating is: organizations ... provide resources and support for businesses, and it's very difficult for us to be able to get funding. ... I've talked about separating out white women-, white-owned businesses that qualify under COBID. I've talked about making sure that prime firms that hire minority firms such as myself actually are held accountable for anti-racist practices and cash flow to small businesses, mediation ... and providing legal review of contracts for small businesses." [#FG1]
- A Black American representative of a trade organization stated, "GCAP ... is a federal program. And we utilize it to help businesses become COBID-certified. And so, we prepare them and help them become certified so that they can perform and be prepared to answer or respond to RFPs in the construction industry." [#FG2]
- A participant in a focus group stated, "Micro Enterprise Services of Oregon is a nonprofit organization working for small businesses. They help with business coaching plans, they have also access to capital. So, you can find loans from \$500 to \$250,000. And it is especially for minority and people of color." [#FG2]
- A Black American representative of a trade organization stated, "And we work with our partners who are general contractors and primes to offer a lot of the training that we do. We also have relationships with, whether it's the City of Portland, Metro, Multnomah County, and we will ask their people in procurement to come and do [training], to help businesses understand better what is needed in terms of information, and to be able to use that information to do a better job of building an RFP. [#FG2]
- A Black American representative of a trade organization stated, "It's important that whether it's a governmental agency, or a large or small business, that there is an intention that everybody succeed. ... I've been in my role just since September, the three times I've been asked to give the Safe From Hate training ... And each time I've taken somebody with me who is a fluent Spanish speaker, [in case there is a] non-English speaking guy showing up. But it's about knowing that the workforce is diverse, and making certain that we provide the kind of support that's necessary so that everybody gets the message and feels heard and seen." [#FG2]
- A Hispanic American representative of a non-profit organization stated, "Here in the United States, we have the SBA at the federal level, in Oregon we have Business Oregon and we have other organizations that promote development programs for minorities, for minority micro and small businesses. But ... there's a big problem in both SBA and Business Oregon and Prosper Portland. They have funds and they give funds to 17 organizations, so that they can develop small entrepreneurs, and each organization that receives funds does what they consider appropriate [small business programs] should be developed there. ... And that's what's wrong ... they have different ways of seeing things, when it should be both SBA and Business Oregon, who establish who are going to be given funds to support micro and small businesses." [#FG3]
- A representative of a business assistance organization stated, "If you want to do a class on financials, for example, we used to do classes and we stopped doing classes because, we have expected, 10, 12 people. It was a Friday afternoon, four o'clock, nobody showed up, then we changed the date. We tried to do another class on how to best market your business, because it was raining, et cetera. Nobody showed up. ... How do I get over that threshold where it's worth me taking the time to go to this meeting now cause I can see how it's gonna benefit me, versus I gotta find work. I gotta get this thing done to make sure this doesn't fall apart. ... I think the state has to

see more into capabilities of each organization. ... I have seen organizations that don't have too many staff and they get a big grant. ... An example of that ... is the Portland Clean Energy Fund. \$111 million, \$26 million was allocated to construction in that LatinoBuilt received \$333,000, Constructing Hope received \$7.2 million. I mean, what Construction Hope does is important service, but when you look at the size of the population ... Hispanic versus formerly incarcerated and Hispanic is clearly definable. The formerly incarcerated is a difficult population to track and target outreach. So yes, there needs to be an allocation of resources based upon, in my opinion ... the outreach and the number of people in those different groups that that organization is actually touching." [#FG6]

- A participant in a stakeholder engagement session stated, "If you really want to have someone come up and become a MBE or a DBE contractor, they have to have experience doing the work to actually get that certification through COBID, and if there isn't a component looking at having those people access work, it can be really hard to create and grow our own MBE/DBE contractors in the state. So, I really strongly encourage the state to ... look at the workforce equity components and the workforce of the MBE/DBE contractors that are getting contracts from the state and hope that is included. ... There is a formula, I believe, to being seen, and some of it, I've found, is not what or what you bring to the table, but who you know and becoming connected in that way. ... One of the biggest challenges is there isn't a roadmap for success for minority contractors to follow, and once you have the roadmap, where to go to get the information training and resources to be successful. So that's high-level, because then it ends up becoming a personnel issue when it comes to the bidding process, project management, all those things just start adding up, and so the lack of a clear roadmap for success and resources and who's trusted to get the information and training from, and the state allocating more resources to that, I think, is at the crux of a lot of challenges that minority contractors have. Adding on to that too, from the general contractor's side, they're given a dual mandate in terms of increasing the minority participation in terms of workers and contractors, and once again, that goes back to that roadmap. How do you do that? You have everyone trying to figure it out on their own. So there really needs to be some really clear roadmaps of how to navigate all this on both sides." [#PT3]
- A participant in a stakeholder engagement session stated, "So, maybe it would be helpful and going off of what the last speaker was saying, maybe a little help of a liaison or something that could help businesses to take advantage of opportunities. I'm not asking to jump over another business who's better at whatever they're asking for than I am. But a lot of the businesses or the meetings I've attended locally all had to do with construction. They weren't necessarily in line with what I do, so maybe if we could have a little more time with a liaison to help you get information about opportunities that you would have a shot at and maybe even some help on, 'Hey, you'd probably have a better shot at applying for this opportunity if you had these things lined up.' Having to go get out and get resources and bids. I'm applying for a grant and I feel I am literally doing [it] all by myself in the dark and sometimes I stumble. Stumble against great resources and sometimes not so much or don't find out until after the fact. So yeah, if you want us to apply for opportunities with the state, maybe a little more hands-on, what pertains to your specific business rather than an overall, 'Here, we're just sending you stuff.' And you open it up and you scratch your head as to why you even got sent that opportunity." [#PT6]
- The Hispanic American owner of an ESB-, MBE-, and WBE-certified construction company. stated, "The difference of [this Hispanic trade organization] is that they meet you at the level you are at and they advise you accordingly. ... I would like a program that focuses more on how to organize

the financials. For example, we know we are winning bids. Yes, we are winning them, but I would like them to tell me, 'Ok, from this project you are winning [because of that].' Maybe to help me to compare myself with other companies on the market to see if I am very low, very high, or very good, because I feel that we are doing well, but at the same time I do not have feedback that tells me." [#PT6]

- A representative of a goods and services-related union stated, "We recommend that any procurement policy the state develops to address disparities in contracting should not promote MWSDVBes that maintain low job-quality standards at the expense of their workers. Instead, the state should develop a multi-pronged approach to promote both MWSDVBes and Responsible Contractors that maintain high job quality standards. Such an approach can simultaneously promote promoting equity for diverse business owners, foster quality jobs in industries where the workforce is disproportionately people of color and/or women, and reduce risks to the state in the form of poor service quality, disrupted operations, and financial loss. This approach would have the maximum impact on reducing disparities." [#WT27]

J. Other Insights and Recommendations.

Interviewees shared other insights or recommendations for the state or other public agencies in Oregon to improve the availability and participation of small businesses [#1, #2, #5, #6, #7, #8, #15, #16, #18, #23, #30, #32, #33, #34, #36, #37, #38, #41, #48, #51, #54, #57, #62, #AV, #FG1, #FG3, #FG5, #FG6, #PT13, #WT10, #WT15]. For example:

- The Black American owner of a construction company stated, "I want to be in the same arena, and being able to have the freedom to bid and be successful and to do a really good job, and to have the work speak for itself. That is kind of one of the main mantras that I try to carry for myself, and I hope I can expand it to the company. The other thing is to have visibility, because I believe that once you see somebody that looks like you that's in this business, you're going to change minds, you're going to give the younger generation, younger Black minority generation an opportunity to say, 'Hey, I think I can do that too. ... I got somebody that can train me, that can teach me how to do it, if I'm interested in it.' So, for me, it's more of being an octopus with more arms. And the two that I had, was to reach out, reach back, and to reach around, and to be able to pull folks who were maybe told that they weren't smart enough to do it. Or they were intimidated, because somebody said, 'You'll never learn this stuff,' or they just never took the time to sit down and explain stuff to make to make it to make it workable. So that's kind of what's there. And that's all part of the education of this stuff. ... I think knowledge is power, and ... I think the hard thing is being able to know where you can find the information. And I'll say that again, where you can find where to apply. I don't know if it's housed in [the] Chamber of Commerce, I don't know where that's housed. I don't know where that information lurks. ... If you look at the economy of the United States, and you extrapolate out a few years, where's our service trades going to be, you know, we're sending all of our kids to college, you're sitting there, that coming out in debt, you know, and then they're struggling with trying to pay those huge debts. One of the ways that you can push the younger people into being economically stable. That's kind of why I said that story. But really, it's an opportunity to give them more access to what could be the American dream, and to actually be, you know, reasonably financially stable as we go forward. And I think that's what we're trying to do with our kids. We don't want our kids to owe \$100,000 to the universities and never be able to afford a house. I mean, can make money selling houses. That's part of the dream." [#1]

- The Asian American owner of an MBE-certified professional services business stated, "The biggest assistance could be like, if somebody can proactively work with the government contract procurement and contracting officers. And because the governor said she signed something last year or this year, but it was never implemented. So that is where the assistance would be for other small businesses. Also, to make sure that when there are new contracts, there is specifically some teeth in the contract, which says, 'Hey, you need to give X percentage of that work to small businesses.'" [#2]
- A representative of a majority-owned goods and services company stated, "If ODOT and the state is really interested in doing this and extracting information from us, so we should be compensated for this. ... Of a lot of this is, in my perspective, is the idea that the agencies or the owners or the prime contractors, they just want to do business as usual, which we know based on the results will not include minority contractors. And when these organizations or public agencies put these goals on projects, that can't be the only thing that they do, if they truly want to achieve those goals, they have to add in other things that are not going to be business as usual, but other supports that go towards the root cause. That is the disparate impact the disparity that has been created by the history and the current ramifications of racism, oppression, colonization, all of those pieces, and they're deep. They're not only access to capital, it's not only language barrier, it is every single measurable metric of a person's life as a person of color that's been impacted by this toxicity that this country was founded on, which is the exploitation of Black and brown people to capitalize the country into the pockets of white men. And so, I mean, until it gets down to that granular level at the beginning and start to unravel and put things in place to address all of those things, there will always be the disparity." [#5]
- The Black American co-owner of an ESB-, MBE-, and DBE-certified construction company stated, "So all the all the different cities have these questions that they want to ask about? 'How do we help you train your people? How do we help you train your people?' We don't actually need help training our people what we need is help with financing to people." [#6]
- A representative of a majority-owned professional services company stated, "There are so many different public entities in the state of Oregon, between municipalities and water districts and at the county level and state level, that it's difficult to market to all these different entities, public entities. And so, you kind of really have to pick and choose who you who you market to." [#8]
- The co-owner of an ESB-certified goods and services company stated, " I had one recommendation for this state. That is that they would really tap into a program that helps them develop and sustain really good leadership. It's the only way to have the transition be smoother. And it's the only way for the state to really start competing in the market for the talent that they need. It doesn't need to be with us. They just need to get better at leadership." [#15]
- The non-Hispanic white owner of a WBE-certified professional services company stated, "It's like, put yourself in the shoes of these people that you're there working for, they got to put food on the table too. So don't hold them hostage with pay. Don't put them through the gauntlet of these 20-page RFPs. That takes a week. I mean, when was the last time you took a week to apply for your state job here. Really? So yeah, it could all be simplified. And the decision makers could be a lot smarter about it, but they would need you know, someone like me and a group of us to coach them." [#16]

- The Black American owner of an MBE- and DBE-certified construction company stated, "With the news reporting on crimes and different things the way they are, I think there needs to be a counter measure, to the presumption that people of color or small businesses are a certain way or they conduct themselves. I think if there was a website or commercial that introduced a person or a group of people and said, you know, 'These are the people and this is the services they provide.' I think it would counter the negative images that get projected by the news and different things like that. A lot of times in a movie or television show, Black people are oftentimes betrayed as either a comedian or an idiot or a criminal. And there's a lot of people out there who aren't any of those things. And I think if there was a way to introduce those people or give more exposure to the everyday Joe that goes to a job and does what he does every day without committing crimes, it would be beneficial. A lot of folks think they're not smart enough to go to school. And so, reaching out to people and saying to them, the reason you go to school is to get experience and exposure and become smart. ... Reaching those people and letting them know, 'Hey, school's here, ... and you're welcome to it, and we can help you with the financing.'" [#18]
- The non-Hispanic white owner of a WBE- and DBE-certified construction business stated, "Having the apprenticeship programs are all super important because ... 20 or 30 years [ago], all the kids were kind of told to go get their four-year degree and ... and then they don't have any skills. ... Making people aware that construction is a viable trade ... I think because I've run into a lot of people that don't even consider it and they don't realize that is a good opportunity for them. But there desperately needs to be education and training available to help people, and you're only as good as the education the training you get." [#23]
- The Hispanic American owner of an MBE-, DBE-, and ESB-certified goods and services company stated, "I don't know if this is necessarily the state's responsibility, but I'm really scared. And I know other entrepreneurs and minority entrepreneurs are concerned that all this good feeling and networking and mutual support is going to disappear when all the COVID funds dry up. Even though I care a lot about these things and try to learn about it, I don't really even understand all of the stuff I've been a part of. The \$20,000 three-year contract with Prosper, the IBRN, all these things I'm participating in, the money I've gotten through Metro, the mentorship program, all this stuff, I don't know what percentage of those dollars were only there because of the pandemic. ... And so, I have some fear that I know other entrepreneurs have shared with me as well, that as all those funds dry up, I'm reading the news reports about like, people aren't getting Medicaid benefits anymore ... people aren't getting food bank benefits anymore. I start to get scared that the good fortune and good feeling and connections that I've been able to build in these sort of networks, that the money in them will dry up because there isn't COVID funds flying around anymore. ... Obviously, the pandemic was a lesson that we could afford to do that shit and should be doing that shit all the time. And I'm worried that we haven't learned that lesson. And it's going to get a lot harder for minority entrepreneurs in the next six to 18 months." [#30]
- The Hispanic American woman owner of an ESB-certified professional services company stated, "I really believed entrepreneurship as a way to have more freedom or [a] better income. ... Equal access to career opportunities—not a job, but career opportunities—equal access to education and training to propel your career. And the number three, equal access to authentic relationships that are transactional. ... That is critical for a lot of minority communities. You have to change with what the market, with whatever the needs are of whatever you're trying to do. Even the way that we speak about minorities when they use terms like minority, BIPOC, and brown people, it, to me,

seems like it's a way to hide the Latino numbers in there. ... You can raise money for BIPOC, but it'd be more difficult to raise money for Hispanics." [#32]

- A representative of a majority-owned construction company stated, "There's a couple people that I've met over the years and when I hear they've worked for someone, like [company] is a big contractor, material supplier in the state, one of the largest. And this person has worked there. That instantly gives a certain amount of credibility. I really do think that if you're gonna run your business ... someone is brand new and [you ask] where else have you worked, and then you quickly gather [that] they haven't really done a lot in the industry that they're going to embark in. We'd all be better off if they came and worked for us. And you tell me you wanna run your own business, great, I'll try to help you along the way here, but you need to put your time in and watch how we're doing it. ... You gotta have some experience. I mean, real, real tangible experience that you just don't get in a year. ... Five years would be the minimum of someone who's put some time in. ... If you're putting in people ... it's like you're selling 'em a bill of goods, 'Oh, no problem. This is gonna be easy.' I don't know what kind of programs they have for funding or any kind of borrowing, even if they have anything, I don't know. But I just think you're doing a disservice to those people by oversimplifying what they gotta go through and there's no substitute for experience." [#33]
- The Asian American owner of a construction company stated, "It's just really kind of weeding through it or finding those opportunities or connecting with somebody who can show you something that maybe you weren't aware of, you know? And I felt like that's kind of how I got started." [#34]
- The Black American owner of a WBE-, MBE-, and DBE-certified professional services company stated, "We wanted to expand it to all BIPOC and minority people that we're having problems just getting employment. Because that is one of the things that I've noticed just outside of being a supervisor, manager, just an employee within America, is that it is not easy for certain people to get jobs. ... Our guards were doing the exact same work that our contractor's guards are doing, but we were not getting paid a fair wage ... and we weren't getting a fair billing rate. ... I just was kind of flabbergasted because I know that they were making more than \$23 an hour. ... I fought and fought and fought and finally in, I wanna say July of 2022, we got a fair wage for the guards." [#36]
- The owner of a majority-owned goods and services company stated, "I wonder to myself, if this study had not been commissioned, how would I have ever found out that I could even have the opportunity to bid on these jobs?" [#37]
- The owner of a majority-owned construction company stated, "My parents worked in the aerospace industry in the fifties, and that was a lot like the dot-com era is now, one company would get a contract for some type of engineering hat, whether guidance systems, propulsion systems, or whatever show associated with the aircraft industry. ... I worked with a program called Navajo Youth Corps, where we brought Navajo kids down off the reservation and worked [with] them on Forest Service [in] crews doing maintenance and all kinds of odds and ends. So, I think that model really is a real advocate for those borderline people that don't have a really good idea of what they wanna do, where they're going." [#38]
- The owner of a majority-owned professional services company. stated, "I know a couple of firms in Portland that have been around a while [in the technology field] that are minority-owned. They're really good firms, and they've done some business, not necessarily a lot with the state, they do more private sector work. I think it's growing and I think that starts at the collegiate level. It's the

university system and encouraging people of color to get in the technology space, which I think has been happening more recently, but it takes a while for that to filter into those people getting some experience working for other firms and then spinning off on their own." [#48]

- The Black American woman owner of an MBE-, DBE-, and ESB-certified construction company stated, "I can't be out on site on all of our jobs and make sure that our employees are being treated right and make sure that the project is running as it should and make sure that we're included in the meetings we need to be included." [#51]
- A representative of a majority-owned construction company stated, "Metro really wanted to provide jobs for disadvantaged people and ... the jobs that they were talking about creating were sorting trash. ... If you are talking to me about affordable housing and the only jobs that you are offering are the lowest wage paying jobs, I'm not really tracking a meaningful solution. It goes back to show me, don't tell me. ... That whole want for offering DBEs a seat at the table, you also wanna enjoy the meal that's being served. ... There was a Women in Transportation summit and there was a keynote speaker and they said [that] what diversity, equity and inclusion really means is that, you're at a wedding and the song list that they're playing, you hear a song you actually like and know, and ... it's like, you can't serve a steak dinner to a bunch of vegetarians and say that, well, they had a seat at the table. ... If we were to do an Excel sheet and give it to high school students, give it to their parents, get started at the dinner table. This is what your finances and your retirement and your career opportunities look like in these rules. And we always go to the same roles. Lawyer, doctor, engineer, secretary, manager. Electricians out of the hall are making \$150,000 a year and their average retirement age is in their mid-fifties. That's not being shared with anybody because it's a dirty job. ... So, my sister who has her doctorate degree, guess how many tens of thousands of dollars in debt? Look at the person who took the trades and got their electrical license or got their civil inspector license or as a backhoe operator or on cranes. ... It's like, tell the actual financial story." [#54]
- The non-Hispanic white owner of a WBE- and DBE-certified professional services company stated, "Somehow we need to also support the small cities, and if you're going to be hiring consultants, this is what you should expect, and this is what they should be providing as far as project management goes. Records of all the meetings and decisions, and not this, we just have phone calls and nothing gets recorded. In that way they're never held liable or accountable." [#62]
- A representative of a woman-owned construction company stated, "If not a person of color, not disadvantaged, they don't care about you, just want you to pay taxes." [#AV19]
- A representative of a majority-owned goods and services company stated, "We have problems with the homeless, drug-taking individuals blocking our sidewalks. It's really hurt our business. I think parts of downtown Portland are economically distressed right now. A lot of the buildings are owned by out-of-state entities, and a lot of these buildings went into shut-down mode during the pandemic and have remained boarded up. There's nothing but crackheads and drug addicts in this area now, and the government is not taking care of it. I was born in Portland, and I've never seen a situation like on First, Second, Third and Fourth Streets before. Lots of crime here, and, as a result, people don't want to come down here to our business anymore." [#AV26]
- A representative of an Asian American woman-owned goods and services company stated, "Complicated and complex issues in downtown Oregon. Ex: Issues for small business to operate in downtown. Ex: The houseless issue, crime issue and drug issue." [#AV53]

- A representative of an Asian American-owned professional services company stated, "The only issue I've foreseen, personal moral objections to supporting political for military assets." [#AV56]
- A representative of a majority-owned goods and services company stated, "We would be more successful if they drop the taxes on us. Less taxes on small businesses." [#AV88]
- A representative of a majority-owned construction company stated, "Being non-minority-owned has restricted my ability to even bid or be competitive on projects." [#AV132]
- A representative of a majority-owned construction company stated, "I think being a white man is a barrier to the state of Oregon doing business. Accessibility to the process of the work. General market conditions, we have been busy." [#AV129]
- A participant at a stakeholder engagement session stated, "I am a Black small business owner, but I also tell people that before I'm a Black small business owner, I'm a disabled woman. And within that, there are not as many advantages for... So, for instance, for what your study is entailing, it doesn't include also disabled people in general. It's just including veterans. ... There's not as many opportunities, grants, loans and things specifically for disabled. ... There could be an opportunity to maybe even partner with the Social Security Disability. I know that they have a Ticket to Work program or something like that. Maybe you can start advertise to people who are looking for specific jobs. ... On a personal basis, just living and growing up in Portland, Oregon, I've had several jobs. I've been disabled for 20 years, but before I received disability, I'd worked so many different jobs, been fired and hired or even at points disclosing eventually that, 'Oh, yeah. I have such and such,' and just openly talking about my personal life. And then, all of a sudden, I recognize that I'm fired all of a sudden and it's like, 'Oh, okay, well, do they think I'm a liability?' There's no job stability. And I could have continued to work at that Cricket store or whatever it was, and even though I got compliments from customers coming in and things like that, and like, 'Oh, she's doing such a good job,' and whatever. ... The moment that I kind of opened up and disclosed that, 'Oh, yeah. I deal with certain such and such,' and then I actually was fired at one point. And I kind of felt like there was... Obviously there's no way to fight and legally have any say in doing any[thing]. ... There's no job security and that also economically hurts disparaged communities like myself. And it would just be nice to eventually have job security, so that way, people have something to do." [#PT13]
- An Asian American representative of a trade organization stated, "There's lots of information out there, there's a lot of ways that they can already track [data on Asian subgroups], and do a better job of just even reporting back to the community. I was rather insulted actually, when I saw the last disparity [study], I mean, people were like, 'That's doing a great job, and they reduced all these disparities.' It's like, 'Well, okay, ... nobody asked me.' ... So, when this is published, you folks that are working on this, I'd really like to see more nuanced, reporting, and disaggregation. Because, you know, from at least my perspective, ... I haven't seen any of the disparities reduced in the Asian community, I've seen them increase just because of the economy, the politics, racial violence, and things like that. [#FG1]
- A participant in a focus group stated, "I would like to share about the homeless issue for Multnomah County. Businesses are really concerned about that, because they legally have a lot of security issues." [#FG1]
- A Hispanic American representative of a non-profit organization stated, "In minority businesses, there are, we could say, up to three [major types] - Ones that have formal documents to work with,

others are minority businesses that do not have formal documents to work with, but are still registered with the IRS. And we have a third group that are mixed, where there are some who are partners, where one has social security number and the other does not have social security number and has ITIN. I do not see in many forums talk about support for minorities. ... It seems that the businesses of undocumented minorities were invisible." [#FG3]

- A Hispanic American representative of a non-profit organization stated, "There are people who come to this wonderful country and do not have documents, and probably do not get a job, but they do manage to make a business, an enterprise, their way out is to register with the IRS having ITIN. But when they start looking for contracts, the very fact that they recognize them as businesses with ITIN, as ITIN holders, it already limits them ... that's why we negotiate and look for those responsible for the contracts ... to build a bridge that improves access, because legally there is nothing that obliges not to hire undocumented minority businesses." [#FG3]
- A Hispanic American representative of a non-profit organization stated, "It would be a very good source of information ... to validate the results [against the] results that they have already obtained on disparities in minority businesses." [#FG3]
- A representative of a business assistance organization stated, "You gotta have leadership of color in all these places for there to be any success inside outside approach." [#FG5]
- A representative of a business assistance organization stated, "The construction area needs to be visible as a viable trade for somebody who may not wanna get into technology-related things. If I was the guru of education in the state, I would say you do K through 12 and then you do two years of community college, and then you finish your college, the, the junior, senior and, graduate schools at the regular universities. And that's how I fund people and put 'em through that kind of thing where they can see more trade-related, classes at the community college than you do at a university. I think those kind of experiences are important. ... It might entice more people to go into the trades of which we need, and that's part of what I think the problem is getting people into the trades, cuz they haven't been exposed to it. That's why we built in a section in our youth program, even though it's just an hour luncheon." [#FG6]
- The owner of a majority-owned goods and services company stated, "DAS is a three-letter bad word in Oregon." [#WT10]
- A representative of a construction company stated, "Our hope is that the most qualified contractor gets each bid. No matter what color or gender that bidder is. That is true non-discrimination." [#WT15]

APPENDIX D.

Availability Analysis Approach

BBC Research & Consulting (BBC) used a *custom census* approach to analyze the availability of Oregon businesses for construction; professional services; and non-professional services, goods, and supplies prime contracts and subcontracts State of Oregon (state) executive branch agencies award.¹ Appendix D expands on the information presented in Chapter 7 to further describe:

- A. Availability data;
- B. Representative businesses;
- C. Availability survey instrument; and
- D. Survey execution.

A. Availability Data

BBC partnered with Davis Research to conduct telephone and online surveys with hundreds of business establishments throughout the *relevant geographic market area* (RGMA), which BBC identified as the entire state of Oregon. Businesses Davis Research surveyed were ones with locations in the RGMA that BBC identified as doing work in fields closely related to the types of contracts and procurements the state awarded between July 1, 2017, and June 30, 2022 (the *study period*). BBC began the survey process by determining the work specializations, or *subindustries*, relevant to each state contract and procurement and identifying eight-digit Dun & Bradstreet (D&B) work specialization codes that best corresponded to those subindustries.² We then compiled information about Oregon businesses D&B listed as having their primary lines of work within those work specializations. As part of the survey effort, the study team attempted to contact 14,193 local business establishments that perform work relevant to state contracting and procurement. We were able to successfully contact 1,935 of those business establishments, 1,257 of which completed availability surveys.

B. Representative Businesses

The objective of BBC's availability approach was not to collect information about each and every business operating in the RGMA, but rather, to collect information from a large, unbiased subset of Oregon businesses that appropriately represents the entire relevant business population. That approach allowed BBC to estimate the availability of person of color (POC)-owned businesses, woman-owned businesses, and service-disabled veteran (SDV)-owned businesses for state work in an accurate, statistically valid manner. In addition, we did not design the survey effort so we would contact every local business possibly performing construction; professional services; and non-professional services,

¹ "Woman-owned businesses" refers to white woman-owned businesses. Information and results for businesses owned by women of color are included along with those of businesses owned by men of color according to their corresponding racial/ethnic groups.

² The state bases its work specialization classifications on National Institute of Governmental Purchasing (NIGP) codes, a taxonomy for identifying commodities and services that are organized as three-digit, five-digit, seven-digit, and eleven-digit codes. Eight-digit D&B codes correspond most closely to seven-digit NIGP codes.

goods, and supplies work. Instead, we determined the types of work most relevant to state contracting by reviewing contract and procurement dollars the state awarded to different types of businesses during the study period. Figure D-1 lists 8-digit work specialization codes within each relevant industry most related to the contract and procurement dollars the state awarded during the study period. BBC grouped those specializations into distinct subindustries, which are presented as headings in Figure D-1.

C. Availability Survey Instrument

BBC created an availability survey instrument to collect information from relevant businesses located in the RGMA. As an example, the survey instrument the study team used with construction businesses is presented at the end of Appendix D. BBC modified the construction survey instrument slightly for use with businesses working in professional services to reflect terms more commonly used in that industry.³ (For example, BBC substituted the words “prime contractor” and “subcontractor” with “prime consultant” and “subconsultant” when surveying professional services businesses.)

1. Survey structure. The availability survey included 13 sections, and Davis Research attempted to cover all sections with each business the firm successfully contacted.

a. Identification of purpose. The surveys began by identifying the state as the survey sponsor and describing the purpose of the study. (e.g., “The state is conducting a survey to develop a list of companies potentially interested in providing construction-related services to government organizations or that have provided such services in the past.”)

b. Verification of business name. The surveyor verified he or she had reached the correct business. If the business was not correct, surveyors asked if the respondent knew how to contact the correct business. Davis Research then followed up with the correct business based on the new contact information (see areas “X” and “Y” of the availability survey instrument).

c. Verification of for-profit status. The surveyor asked whether the organization was a for-profit business as opposed to a government or nonprofit organization (Question A2). Surveyors continued the survey only with those businesses that responded “yes” to that question.

d. Confirmation of primary lines of work. Businesses confirmed their primary lines of work according to D&B work specialization codes (Question A3a). If those codes were incorrect, businesses described their primary lines of work to the surveyor (Questions A3b). Businesses also identified the other types of work they perform (Question A3c). BBC subsequently coded information on primary and additional lines of work into appropriate 8-digit D&B work specialization codes.

e. Locations and affiliations. The surveyor asked business owners or managers if their businesses had other locations (Question A4) and if they were subsidiaries of other businesses (Questions A5 and A6).

f. Past bids or work. The surveyor asked about bids businesses submitted and work they performed on past prime contracts and subcontracts in either the private or public sectors (Questions B1 and B2).

³ BBC also developed e-mail versions of the survey instruments for businesses that preferred to complete the survey online.

Figure D-1.
Subindustries included in the availability analysis

Industry Code	Industry Description	Industry Code	Industry Description
Construction			
Building construction		Excavation, drilling, wrecking, and demolition (continued)	
15420101	Commercial and office building, new construction	16290101	Caisson drilling
15420103	Commercial and office buildings, renovation and repair	16290102	Canal construction
Concrete work		16290103	Dam construction
16110206	Sidewalk construction	16290104	Dock construction
17410100	Foundation and retaining wall construction	16290110	Marine construction
17410101	Foundation building	16290111	Pier construction
17710200	Curb and sidewalk contractors	16290113	Waterway construction
17710201	Curb construction	17949901	Excavation and grading, building construction
17710202	Sidewalk contractor	Fencing, guardrails, barriers, and signs	
17719901	Concrete pumping	16110100	Highway signs and guardrails
17719902	Concrete repair	16110101	Guardrail construction, highways
17719904	Foundation and footing contractor	16110102	Highway and street sign installation
17959901	Concrete Breaking For Streets and Highways	17999912	Fence construction
Concrete, asphalt, sand, and gravel products		Forestry	
14420000	Construction sand and gravel	08310000	Forest products
29510000	Asphalt paving mixtures and blocks	08510100	Forest management services
29510201	Asphalt and asphaltic paving mixtures (not from refineries)	08510101	Forest management plans, preparation of
32730000	Ready-mixed concrete	08510102	Reforestation services
50320100	Paving materials	Heavy construction	
50320101	Asphalt mixture	16110200	Surfacing and paving
50320102	Paving mixtures	16110204	Highway and street paving contractor
Electrical equipment and supplies		16119901	General contractor, highway and street construction
36690206	Traffic signals, electric	16229901	Bridge construction
39930100	Electric signs	Landscape services	
59999910	Electronic parts and equipment	07110000	Soil preparation services
Electrical work		07829902	Highway lawn and garden maintenance services
17310000	Electrical work	07830105	Tree trimming services for public utility lines
Excavation, drilling, wrecking, and demolition		07839901	Arborist services
16290100	Dams, waterways, docks, and other marine construction	07839902	Removal services, bush and tree

Figure D-1.
Subindustries included in the availability analysis (continued)

Industry Code	Industry Description	Industry Code	Industry Description
Construction, continued			
Landscaping supplies and equipment		Plumbing and HVAC	
01810104	Nursery stock, growing of	17110400	Heating and air conditioning contractors
Other construction materials		17110401	Mechanical contractor
73599912	Work zone traffic equipment (flags, cones, barrels, etc.)	50780303	Refrigerators, commercial (reach-in and walk-in)
Other construction services		Remediation and cleaning	
73899921	Flagging service (traffic control)	17990800	Decontamination services
Painting, striping, marking, and weatherproofing		17990801	Asbestos removal and encapsulation
17210200	Commercial painting	49590302	Environmental cleanup services
17210201	Exterior commercial painting contractor	87449904	Environmental remediation
17210300	Industrial painting	Roofing, siding, and flooring contractors	
17210302	Bridge painting	17610000	Roofing, siding, and sheetmetal work
17210303	Pavement marking contractor	17610100	Roofing and gutter work
Heavy construction equipment rental		17610102	Roof repair
35310000	Construction machinery	17619900	Roofing, siding, and sheetmetal work, not elsewhere classified
35319908	Road construction and maintenance machinery	17619903	Sheet metal work, not elsewhere classified
50820100	Road construction equipment	17719903	Flooring contractor
50820102	Road construction and maintenance machinery	Trucking, hauling and storage	
50820300	General construction machinery and equipment	42139903	Contract haulers
50820304	Excavating machinery and equipment	42139910	Refrigerated products transport
73530000	Heavy construction equipment rental	42140000	Local trucking with storage
73539900	Heavy construction equipment rental, not elsewhere classified	Water, sewer, and utility lines	
73539901	Cranes and aerial lift equipment, rental or leasing	16230203	Telephone and communication line construction
73539902	Earth moving equipment, rental or leasing	16230300	Water and sewer line construction
73899909	Crane and aerial lift service	16230302	Sewer line construction
Insulation, drywall, masonry, and weatherproofing		16230303	Water main construction
17419907	Stone masonry	16239904	Pipeline construction, nsk
17420000	Plastering, drywall, and insulation	16239906	Underground utilities contractor
17990209	Waterproofing		

Figure D-1.
Subindustries included in the availability analysis (continued)

Industry Code	Industry Description	Industry Code	Industry Description
Professional services			
Advertising, marketing and public relations		Engineering	
73119901	Advertising consultant	87110202	Mechanical engineering
73890300	Advertising, promotional, and trade show services	87110400	Construction and civil engineering
73890309	Trade show arrangement	87110401	Building construction consultant
79410200	Stadium event operator services	87110402	Civil engineering
79410202	Sports field or stadium operator, promoting sports	87110404	Structural engineering
87430000	Public relations services	87119905	Electrical or electronic engineering
87439903	Public relations and publicity	87119909	Professional engineer
Architectural and design services		Environmental services	
87120000	Architectural services	87489905	Environmental consultant
Business consulting		Finance and accounting	
87429902	Business management consultant	87210100	Auditing services
87429904	General management consultant	87210200	Accounting services, except auditing
87480300	Communications consulting		
Business services		Human resources and job training services	
73899953	Translation services	73610000	Employment agencies
Construction management		73610100	Placement agencies
87419902	Construction management	73610102	Labor contractors (employment agency)
IT and data services		73630103	Temporary help service
48999901	Data communication services	87420200	Human resource consulting services
73710101	Computer software systems analysis and design, custom	87420201	Compensation and benefits planning consultant
73710200	Computer software writing services	87420206	Training and development consultant
73730000	Computer integrated systems design	Medical testing, laboratories and pharmaceutical services	
73730100	Systems software development services	80710000	Medical laboratories
73730101	Computer systems analysis and design	80710100	Testing laboratories
73730200	Systems integration services	80710102	Biological laboratory
73740000	Data processing and preparation	80710103	Blood analysis laboratory
73749902	Data processing service	80710104	Pathological laboratory
73759901	Data base information retrieval	80719900	Medical laboratories, not elsewhere classified
73780000	Computer maintenance and repair	80990100	Blood related health services
73790100	Computer related maintenance services	Transportation planning services	
73790202	Data processing consultant	87420410	Transportation consultant
73790203	Online services technology consultants	87480200	Urban planning and consulting services
		87480201	City planning
		87480204	Traffic consultant

Figure D-1.
Subindustries included in the availability analysis (continued)

Industry Code	Industry Description	Industry Code	Industry Description
Non-professional services and goods			
Automobiles		Industrial chemicals	
35370200	Trucks, tractors, loaders, carriers, and similar equipment	51910102	Fertilizer and fertilizer materials
50120000	Automobiles and other motor vehicles	Industrial equipment and machinery	
50120100	Automotive brokers	50840000	Industrial machinery and equipment
50120102	Automobiles	50870000	Service establishment equipment
50120208	Trucks, commercial	Medical transportation	
50840608	Trucks, industrial	41199902	Ambulance service
55110000	New and used car dealers	Office equipment, supplies, and furniture	
55119904	Vans, new and used	25220102	Chairs, office: padded or plain: except wood
Cleaning and janitorial		25420000	Partitions and fixtures, except wood
28410000	Soap and other detergents	26310300	Container, packaging, and boxboard
50870304	Janitors' supplies	47830000	Packing and crating
73490101	Building cleaning service	50210100	Office and public building furniture
Food equipment and supplies		50440000	Office equipment
35560000	Food products machinery	50440200	Copying equipment
35560200	Cutting, chopping, grinding, mixing, and similar machinery	50440207	Photocopy machines
35560206	Grinders, commercial, food	51120000	Stationery and office supplies
35890100	Commercial cooking and foodwarming equipment	57129904	Office furniture
36390100	Major kitchen appliances, except refrigerators and	59439902	Office forms and supplies
50230105	Kitchen tools and utensils, not elsewhere classified	59991401	Business machines and equipment
50460300	Commercial cooking and food service equipment	73590702	Furniture rental
50460301	Bakery equipment and supplies	Other services	
50460303	Cooking equipment, commercial	58129905	Commissary restaurant
50460306	Restaurant equipment and supplies, not elsewhere classified	58129906	Contract food services
Food products, wholesale and retail		Petroleum and petroleum products	
51419901	Food brokers	51720000	Petroleum products, not elsewhere classified
51430000	Dairy products, except dried or canned	51720202	Diesel fuel
51480000	Fresh fruits and vegetables	51729905	Petroleum brokers
54210200	Meat markets, including freezer provisioners	59830000	Fuel oil dealers
59630200	Food services, direct sales	Printing, copying, and mailing	
Food services		27590000	Commercial printing, not elsewhere classified
58120305	Delicatessen (eating places)	73340000	Photocopying and duplicating services
58120314	Snack bar		
58120502	Restaurant, family: independent		

Figure D-1.
Subindustries included in the availability analysis (continued)

Industry Code	Industry Description	Industry Code	Industry Description
Non-professional services and goods, continued			
Security guard services		Uniforms and apparel (continued)	
73810100	Guard services	56990102	Uniforms
73810105	Security guard service	56990103	Work clothing
Uniforms and apparel		56990406	T-shirts, custom printed
23110300	Men's and boys' uniforms	72130204	Uniform supply
23110301	Firemen's uniforms: made from purchased materials	72180203	Industrial uniform supply
23110302	Military uniforms, men's and youths': purchased materials	72180206	Work clothing supply
23110303	Policemen's uniforms: made from purchased material	Vehicle maintenance and repair	
23260000	Men's and boy's work clothing	75320300	Customizing services, nonfactory basis
23260100	Work uniforms	75349903	Tire repair shop
23260101	Medical and hospital uniforms, men's	75380101	Diesel engine repair: automotive
23379901	Uniforms, except athletic: women's, misses', and juniors'	75380104	Truck engine repair, except industrial
23530000	Hats, caps, and millinery	75389902	General truck repair
23890200	Uniforms and vestments	75490100	Automotive maintenance services
31439905	Work shoes, men's	Vehicle parts and supplies	
51360000	Men's and boy's clothing	50130100	Automotive supplies and parts
51360603	Uniforms, men's and boys'	Waste and recycling services	
51360604	Work clothing, men's and boys'	49530200	Refuse collection and disposal services
51379905	Uniforms, women's and children's	49530201	Garbage: collecting, destroying, and processing
56519902	Unisex clothing stores		
56990100	Uniforms and work clothing		

g. Interest in future work. The surveyor asked businesses about their interest in future work with government or other public sector organizations in Oregon (Questions B3 through B5).

h. Geographic area. The surveyor asked businesses whether they could serve customers in various regions of Oregon (Questions C1 through C6).

j. Capacity. The surveyor asked businesses about the values of the largest prime contracts and subcontracts they have the ability to perform (Question D1).

k. Ownership. The surveyor asked whether businesses were at least 51 percent owned and controlled by POCs or women (Questions E1 and E2). If businesses indicated they were POC-owned, they were also asked about the race/ethnicity of their owners (Question E3). The surveyor also asked whether businesses were at least 51 percent owned and controlled by veterans (Question E4). If businesses indicated they were veteran-owned, they were also asked if their owners had any disabilities due to their military service (Question E5). The study team confirmed ownership information through several other data sources, including:

- State contract and vendor data; (e.g., B2Gnow)
- The state's DBE directory;
- D&B business listings and other business information sources;
- Information from other available certification directories and business lists; and
- Business websites and other secondary research.

l. Business revenue. The surveyor asked questions about businesses' size in terms of their revenues and number of employees across all locations (Questions F1 through F4).

m. Potential barriers in the marketplace. The surveyor asked an open-ended question concerning working with the state and other government organizations as well as general insights about conditions in the Oregon marketplace (Questions G1a and G1b). In addition, the survey included a question asking whether respondents would be willing to participate in a follow-up interview about conditions in the Oregon marketplace (Question G2).

n. Contact information. The survey concluded with questions about the participant's name, position, and contact information (Questions H1 through H3).

D. Survey Execution

Davis Research conducted all availability surveys between December 2022 and June 2023. The firm made multiple attempts during various times of the day and on different days of the week to successfully reach each business establishment. The firm attempted to survey the owner, manager, or other officer of each business establishment who could provide accurate responses to survey questions.

1. Establishments the study team successfully contacted. Figure D-2 presents the disposition of the 14,193 business establishments the study team attempted to contact for availability surveys and how that number resulted in the 1,935 businesses the study team was able to successfully contact.

Figure D-2.
Disposition of attempts to
contact businesses for the
availability survey

Source:
BBC availability analysis.

	Number of Establishments
Beginning list	14,193
Less duplicate phone numbers	100
Less non-working phone numbers	1,581
Less wrong number/business	478
Unique business listings with working phone numbers	12,034
Less no answer	7,015
Less could not reach responsible staff member	3,074
Less language barrier	10
Businesses successfully contacted	1,935

a. Non-working or wrong phone numbers. Some of the business listings BBC purchased from D&B and Davis Research attempted to contact represented:

- Duplicate phone numbers (100 listings);
- Non-working phone numbers (1,581 listings); or
- Wrong numbers for the desired businesses (478 listings).

Some non-working phone numbers and wrong numbers resulted from businesses going out of business or changing their names and phone numbers between the time D&B listed them and the time the study team attempted to contact them for the availability survey.

b. Working phone numbers. As shown in Figure D-2, there were 12,034 business establishments with working phone numbers Davis Research attempted to contact. They were unsuccessful in contacting many of those businesses for various reasons:

- The firm could not reach anyone after multiple attempts for 7,015 businesses.
- The firm could not reach a responsible staff member after multiple attempts for 3,074 businesses.
- The firm could not conduct the availability survey due to language barriers for 10 businesses.

Thus, Davis Research was able to successfully contact 1,935 business establishments.

2. Establishments included in the availability database. Figure D-3 presents the disposition of the 1,935 businesses Davis Research successfully contacted and how that number resulted in the 953 businesses BBC included in the availability database and considered potentially available for state work.

a. Establishments not interested in discussing availability for state work. Of the 1,935 businesses the study team successfully contacted, 678 were not interested in discussing their availability for state work. In total, 1,257 successfully contacted businesses completed availability surveys.

**Figure D-3.
Disposition of successfully
contacted businesses**

Source:
BBC availability analysis.

	Number of Establishments
Businesses successfully contacted	1,935
Less businesses not interested in discussing availability for work	678
Businesses that completed surveys	1,257
Less not a for-profit business	20
Less line of work outside of study scope	50
Less no interest in future work	198
Less multiple locations of same business	36
Businesses potentially available for State work	953

b. Businesses available for state work. BBC deemed only a portion of the businesses that completed availability surveys as potentially available for the contracts and procurements the state awarded during the study period. We excluded many of the businesses that completed surveys from the availability database for various reasons:

- BBC excluded 20 businesses that indicated they were not for-profit businesses.
- BBC excluded 50 businesses that reported primary lines of work that were outside the study scope.
- BBC excluded 198 businesses that reported they were not interested in contracting opportunities government or other public sector organizations.
- Thirty-six businesses represented different locations of the same businesses. Prior to analyzing results, BBC combined responses from multiple locations of the same business into a single data record according to several rules:
 - If any of the locations reported bidding or working on a contract or procurement within a particular subindustry, BBC considered the business to have bid or worked on a contract or procurement in that subindustry.
 - BBC combined the different roles of work different locations of the same business reported into one response. For example, if one location reported working as a prime contractor and another location reported working as a subcontractor, then we considered the business available for both prime contracts and subcontracts.
 - BBC considered the largest contract or procurement any locations of the same business reported being able to perform as the business' capacity (i.e., the largest project for which the business could be considered available).

After those exclusions, BBC compiled a database of 953 businesses we considered potentially available for state work.

DRAFT Availability Survey Instrument [Construction]

Hello. My name is [INTERVIEWER NAME] from Davis Research, calling on behalf of the State of Oregon. This is not a sales call. The State is conducting research to understand the participation and availability of different types of businesses for the contracts and procurements state agencies award. As part of that process, we are conducting a survey to collect information about businesses qualified and interested in performing construction-related work for government entities in Oregon.

The survey is designed only to gather information and will have no impact on present or future work opportunities with the State. Your participation in the survey would be very valuable to the process, and it should only take 15 minutes to complete.

Whom can I speak with to gather information about your firm's characteristics and potential interest in working with government entities in Oregon?

[AFTER REACHING AN APPROPRIATELY SENIOR STAFF MEMBER, THE INTERVIEWER SHOULD RE-INTRODUCE THE PURPOSE OF THE SURVEY AND BEGIN WITH QUESTIONS]

[IF ASKED, THE INFORMATION DEVELOPED IN THE SURVEYS WILL RESULT IN DATA ON BUSINESSES QUALIFIED AND INTERESTED IN WORKING WITH GOVERNMENT ENTITIES IN OREGON AND WILL INFORM VARIOUS ANALYSES AS PART OF THE RESEARCH.]

Please answer each question as honestly and accurately as possible so the State can develop a realistic understanding of the businesses potentially available for government work in Oregon.

X1. I have a few basic questions about your company and the type of work you do. Can you confirm that this is [firm name]?

1=RIGHT COMPANY – SKIP TO Y4

2=NOT RIGHT COMPANY

99=REFUSE TO GIVE INFORMATION – TERMINATE

Y1. What is the name of this firm?

1=VERBATIM

Y2. Is [new firm name] associated with [old firm name] in anyway?

1=Yes, same owner doing business under a different name

2=Yes, can give information about named company

3=Company bought/sold/changed ownership

98=No, does not have information – TERMINATE

99=Refused to give information – TERMINATE

Y3. Do you work for [new firm name]?

1=Yes

2=No – TERMINATE

Y4. Can you give me the address for [firm name/new firm name]?

[NOTE TO INTERVIEWER - RECORD IN THE FOLLOWING FORMAT]:

. STREET ADDRESS

. CITY

. STATE

. ZIP

1=VERBATIM]

A2. Let me confirm that [firm name/new firm name] is a for-profit business, as opposed to a non-profit organization, a foundation, or a government office. Is that correct?

1=Yes, a for-profit business

2=No, other – TERMINATE

A3a. Let me also confirm what kind of business this is. The information we have from Dun & Bradstreet indicates your main line of business is [SIC Code description]. Is that correct?

[NOTE TO INTERVIEWER – IF ASKED, DUN & BRADSTREET OR D&B, IS A COMPANY THAT COMPILES INFORMATION ON BUSINESSES THROUGHOUT THE COUNTRY]

1=Yes – SKIP TO A3c

2=No

98=(DON'T KNOW)

99=(REFUSED)

A3b. What would you say is the main line of business at [firm name/new firm name]?

[NOTE TO INTERVIEWER – IF RESPONDENT INDICATES FIRM'S MAIN LINE OF BUSINESS IS "GENERAL CONSTRUCTION" OR "GENERAL CONTRACTOR," PROBE TO FIND OUT MORE INFORMATION.]

1=VERBATIM

A3c. What other types of work, if any, does your business perform?

[ENTER VERBATIM RESPONSE]

1=VERBATIM

97=(NONE)

A4. Is this the sole location for your business, or do you have offices in other locations?

1=Sole location

2=Have other locations

98=(DON'T KNOW)

99=(REFUSED)

A5. Is your company a subsidiary or affiliate of another firm?

1=Independent – **SKIP TO B1**

2=Subsidiary or affiliate of another firm

98=(DON'T KNOW) – **SKIP TO B1**

99=(REFUSED) – **SKIP TO B1**

A6. What is the name of your parent company?

1=VERBATIM

98=(DON'T KNOW)

99=(REFUSED)

B1. Next, I have a few questions about your company's role in doing construction-related work or providing construction-related materials. During the past five years, has your company submitted a bid or received work for any part of a contract or procurement as a prime contractor, subcontractor, trucker/hauler, supplier, or in any other roles? This includes work in either the private sector or the public sector.

[MULTIPUNCH, EXCEPT 6, 98, AND 99 EXCLUSIVE]

1=Yes, as a prime contractor

2=Yes, as a subcontractor

3= Yes, as a trucker/hauler

4=Yes, as a supplier

5=Yes, in another role SPECIFY: _____

6=No – **SKIP TO B3**

98=(DON'T KNOW) – **SKIP TO B3**

99=(REFUSED) – **SKIP TO B3**

B2. Is your company specifically interested in pursuing work or working for government entities or other public sector organizations in Oregon as a prime contractor, subcontractor, trucker/hauler, supplier, or in any other roles?

[MULTIPUNCH, EXCEPT 6, 98, AND 99 EXCLUSIVE]

1=Yes, as a prime contractor

2=Yes, as a subcontractor

3= Yes, as a trucker/hauler

4=Yes, as a supplier

5=Yes, in another role SPECIFY: _____

6=No – **SKIP TO B3**

98=(DON'T KNOW) – **SKIP TO B3**

99=(REFUSED) – **SKIP TO B3**

I want to ask you about the geographic areas your company works within Oregon. Please think about the geographic areas in which your company has submitted bids, performed work, or served customers as you answer the following questions.

C0. Is your company able to work in all regions of Oregon or only certain regions of the state?

1=All of the state - **SKIP to D1**

2=Only parts of the state

3=None of the state - **TERMINATE**

98=(DON'T KNOW)

99=(REFUSED)

I'm going to list several regions of Oregon. After each region, please tell me if your company is able to work there.

C1. Is your company able to work in the Portland Metro Region, which includes Multnomah, Clackamas, Washington, Columbia, Clatsop, and Tillamook Counties?

[NOTE TO INTERVIEWER: IF ASKED, THIS REGION IS LOCATED IN THE NORTHWEST CORNER OF THE STATE.]

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

C2. Is your company able to work in any part of the Central-West Coast Region of the state, which includes Yamhill, Polk, Marion, Linn, Benton, and Lincoln Counties?

[NOTE TO INTERVIEWER: IF ASKED, THIS REGION IS LOCATED ON THE CENTRAL-WEST BORDER OF THE STATE.]

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

C3. Is your company able to work in any part of the Southwestern Coast Region of the state, which includes Lane, Douglas, Coos, Curry, Josephine, and Jackson Counties?

[NOTE TO INTERVIEWER: IF ASKED, THIS REGION IS LOCATED IN THE SOUTHWEST CORNER OF THE STATE.]

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

C4. Is your company able to do work or serve customers in any part of the Valley Region of the state, which includes Hood River, Wasco, Sherman, and Gilliam Counties?

[NOTE TO INTERVIEWER: IF ASKED, THIS REGION IS LOCATED ON THE NORTH CENTRAL BORDER OF THE STATE, JUST EAST OF THE PORTLAND AREA.]

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

C5. Is your company able to do work or serve customers in any part of the Central Region of the state, which includes Jefferson, Wheeler, Grant, Deschutes, Crook, Klamath, Lake, and Harney counties?

[NOTE TO INTERVIEWER: IF ASKED, THIS REGION INCLUDES JEFFERSON, WHEELER, GRANT, CROOK, DESCHUTES, KLAMATH, LAKE, AND HARNEY COUNTIES.]

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

C6. Is your company able to do work or serve customers in any part of the Eastern Region of the state, which includes Morrow, Umatilla, Union, Wallowa, Malheur, and Baker Counties?

[NOTE TO INTERVIEWER: IF ASKED, THIS REGION INCLUDES MORROW, UMATILLA, UNION, WALLOWA, BAKER, AND MALHEUR COUNTY]

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

I'd like to ask you a few questions about the size of work your business is able to compete for or perform.

D1. What is the largest prime contract or subcontract your company is able to compete for or perform? This includes contracts in either the public sector or private sector.

1=VERBATIM

[NOTE TO INTERVIEWER - READ CATEGORIES IF NECESSARY]

1=\$100,000 or less

2=More than \$100,000 to \$250,000

3=More than \$250,000 to \$500,000

4=More than \$500,000 to \$1 million

5=More than \$1 million to \$2 million

6=More than \$2 million to \$5 million

7=More than \$5 million to \$10 million

8=More than \$10 million to \$20 million

9=More than \$20 million to \$50 million

10=More than \$50 million to \$100 million

11= More than \$100 million to \$200 million

12=Greater than \$200 million

97=(NONE)

98=(DON'T KNOW)

99=(REFUSED)

D2. Approximately what is the maximum volume of work your business can take on or perform at any given time?

1=VERBATIM

[NOTE TO INTERVIEWER - READ CATEGORIES IF NECESSARY.]

[NOTE TO INTERVIEWER – FOR EXAMPLE, IS THERE SOME AMOUNT OF TOTAL WORK THAT IF YOUR FIRM OBTAINED IT, YOU WOULD HAVE TO START TURNING DOWN ADDITIONAL WORK BECAUSE YOU SIMPLY COULDN'T TAKE ON ANYMORE?]

1=\$100,000 or less

2=More than \$100,000 to \$250,000

3=More than \$250,000 to \$500,000

4=More than \$500,000 to \$1 million

5=More than \$1 million to \$2 million

6=More than \$2 million to \$5 million

7=More than \$5 million to \$10 million

8=More than \$10 million to \$20 million

9=More than \$20 million to \$50 million

10=More than \$50 million to \$100 million

11= More than \$100 million to \$200 million

12=Greater than \$200 million

97=(NONE)

98=(DON'T KNOW)

99=(REFUSED)

My next questions are about the ownership of your business.

E1. A business is defined as a woman-owned business if more than half—that is, 51 percent or more—of the ownership and control of daily management and operations is by individuals who identify as women. By this definition, is [firm name/new firm name] a woman-owned business?

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

E2. A business is defined as a person of color-, or POC-owned business if more than half—that is, 51 percent or more—of the ownership and control of daily management and operations is by individuals who identify as Asian, Black, Hispanic, Native American, or another non-white race or ethnicity. By this definition, is [firm name/new firm name] a POC-owned business?

1=Yes

2=No – SKIP TO E4

98=(DON'T KNOW) – SKIP TO E4

99=(REFUSED) – SKIP TO E4

E3. Which of the following best represent the race/ethnicity of the business' owner(s)?

1=Black American

2=Asian Pacific American (persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Tuvalu, Nauru, Federated States of Micronesia, or Hong Kong)

3=Hispanic or Latin American (persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race)

4=Native American (American Indians, Alaska Natives, Aleuts, or Native Hawaiians)

5=Subcontinent Asian American (persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal, or Sri Lanka)

6=(OTHER - SPECIFY) _____

98=(DON'T KNOW)

99=(REFUSED)

E4. A business is defined as a veteran-owned business if more than half—that is, 51 percent or more—of the ownership and control of daily management and operations is by veterans of the United States military. By this definition, is [firm name/new firm name] a veteran-owned business?

[NOTE TO INTERVIEWER – U.S. MILITARY SERVICES INCLUDE THE U.S. ARMY, AIR FORCE, NAVY, MARINES, AND COAST GUARD.]

1=Yes

2=No – SKIP TO F1

98=(DON'T KNOW) – **SKIP TO F1**

99=(REFUSED) – **SKIP TO F1**

E5. Does the owner(s) have a United States Department of Veterans Affairs disability rating of at least 0 percent as a result of an injury or illness incurred or aggravated during active military service and who received a discharge or release under other than dishonorable conditions?

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

F1. Dun & Bradstreet indicates that your business has about [number] employees across all its locations. Is that an accurate estimate of the number of employees who work at your business, including both full-time and part-time employees?

1=Yes – **SKIP TO F3**

2=No

98=(DON'T KNOW) – **SKIP TO F3**

99=(REFUSED) – **SKIP TO F3**

F2. About how many employees work at your business, including both full-time and part-time employees?

1=VERBATIM

[NOTE TO INTERVIEWER – READ CATEGORIES IF NECESSARY]

1=100 employees or fewer

6=501-750 employees

2=101-150 employees

7=751-1,000 employees

3=151-200 employees

8=1,001-1,250 employees

4=201-250 employees

9=1,251-1,500 employees

5=251-500 employees

10=1,501 or more employees

F3. Dun & Bradstreet lists the average annual gross revenue of your business, including all your locations, to be [dollar amount]. Is that an accurate estimate of your business' average annual gross revenue over the last three years?

1=Yes – **SKIP TO G1a**

2=No

98=(DON'T KNOW) – **SKIP TO G1a**

99=(REFUSED) – **SKIP TO G1a**

F4. Roughly, what was the average annual gross revenue of your company, including all of your locations, over the last three years?

1=VERBATIM

[READ LIST IF NECESSARY]

1=\$1 Million or less

7= More than \$16 Million to \$19 Million

2=More than \$1 Million to \$3 Million

8= More than \$19 Million to \$22 Million

3=More than \$3 Million to \$6 Million

9= More than \$22 Million to \$28 Million

4=More than \$6 Million to \$8 Million

10=More than \$28 Million

5=More than \$8 Million to \$12 Million

98= (DON'T KNOW)

6=More than \$12 Million to \$16 Million

99= (REFUSED)

G1a. We're interested in whether your business has experienced barriers or difficulties related to working with, or attempting to work with, the State of Oregon or other government entities in Oregon. Do you have any thoughts to share?

1=VERBATIM (PROBE FOR COMPLETE THOUGHTS)

97=(NOTHING/NONE/NO COMMENTS)

98=(DON'T KNOW)

99=(REFUSED)

G1b. Do you have any additional thoughts to share regarding general marketplace conditions in Oregon, being successful in your industry, or obtaining work?

1=VERBATIM (PROBE FOR COMPLETE THOUGHTS)

97=(NOTHING/NONE/NO COMMENTS)

98=(DON'T KNOW)

99=(REFUSED)

G2. Would you be willing to participate in a follow-up interview about any of those topics?

1=Yes

2=No

98=(DON'T KNOW)

99=(REFUSED)

H1. Just a few last questions. What is your name?

1=VERBATIM

H2. What is your position at [firm name / new firm name]?

1=Receptionist

2=Owner

3=Manager

4=CFO

5=CEO

6=Assistant to Owner/CEO

7=Sales manager

8=Office manager

9=President

9=(OTHER - SPECIFY) _____

99=(REFUSED)

H3. At what email address can you be reached?

1= VERBATIM

Thank you very much for your participation. If you have any questions or concerns, please contact Christopher D. Wilson, Disparity Study Manager Oregon Department of Administrative Services at (971) 283-4990.

If you have any questions for the Disparity Study project team or wish to submit written questions, comments, or insights on the Oregon marketplace, please email OregonDisparity@bbcresearch.com.

APPENDIX E.

Disparity Analysis Results Tables

As part of the disparity analysis, BBC Research & Consulting (BBC) compared the actual participation, or *utilization*, of person of color- (POC-) and woman -owned businesses in construction; professional services; and non-professional services, goods, and supplies prime contracts and subcontracts the State of Oregon (the state) awarded between July 1, 2017 and June 30, 2022 (i.e., the *study period*) with the percentage of contract dollars those businesses might be expected to receive based on their *availability* for that work.¹ Appendix E presents detailed results from the disparity analysis for relevant business groups and various sets of projects the state awarded during the study period.

A. Format and Information

Each table in Appendix E presents disparity analysis results for a different set of projects. For example, Figure E-1 presents disparity analysis results for all projects the state awarded during the study period. A review of Figure E-1 introduces the calculations and format of all disparity analysis tables in Appendix E. As shown in Figure E-1, the tables present information about each relevant business group in separate rows:

- “All businesses” in row (1) pertains to information about all businesses regardless of the race/ethnicity and gender of their owners.
- Row (2) presents results for all POC- and woman-owned businesses considered together, regardless of whether they were certified with the Oregon Certification Office for Business Diversity and Inclusion (COBID).
- Row (3) presents results for all non-Hispanic white woman-owned businesses, regardless of whether they were certified with COBID.
- Row (4) presents results for all POC-owned businesses, regardless of whether they were certified with COBID.
- Rows (5) through (8) present results for businesses of each relevant racial/ethnic group, regardless of whether they were certified with COBID.
- Rows (9) through (15) present utilization analysis results for businesses of each relevant racial/ethnic and gender group that were certified with COBID.

1. Utilization analysis results. Each results table includes the same columns of information:

- Column (a) presents the total number of prime contracts and subcontracts (i.e., *contract elements*) BBC analyzed as part of the set. As shown in row (1) of column (a) of Figure E-1, BBC analyzed 22,392 contract elements the state awarded during the study period. The values presented in column (a) represent the number of contract elements in which businesses of each group

¹ “Woman-owned businesses” refers to white woman owned businesses. Information and results for businesses owned by women of color are included along with those of their corresponding racial/ethnic groups.

participated. For example, as shown in row (5) of column (a), Asian American-owned businesses participated in 175 prime contracts or subcontracts the state awarded during the study period.

- Column (b) presents the dollars (in thousands) associated with the set of contract elements. As shown in row (1) of column (b) of Figure E-1, BBC examined approximately \$3.2 billion that was associated with the 22,392 contract elements the state awarded during the study period. The value presented in column (b) for each individual business group represents the dollars businesses of that particular group received on the set of contract elements. For example, as shown in row (5) of column (b), Asian American-owned businesses received approximately \$30.3 million of the prime contract and subcontract dollars the state awarded during the study period.
- Column (c) presents the participation of each business group as a percentage of total dollars associated with the set of contract elements. BBC calculated each percentage in column (c) by dividing the dollars going to a particular group in column (b) by the total dollars associated with the set of contract elements shown in row (1) of column (b), and then expressing the result as a percentage. For example, for Asian American-owned businesses, the study team divided \$30.3 million by \$3.2 billion and multiplied by 100 for a result of 1.0 percent, as shown in row (5) of column (c).

2. Availability results. Column (d) of Figure E-1 presents the availability of each relevant group for all contract elements BBC analyzed as part of the contract set. Availability estimates, which are represented as percentages of the total contracting dollars associated with the set of contract elements, serve as benchmarks against which to compare the participation of specific groups for specific sets of contracts. For example, as shown in row (5) of column (d), the availability of Asian American-owned businesses for state work is 8.3 percent. That is, Asian American-owned businesses might be expected to receive 8.3 percent of relevant state contract dollars based on their availability for that work.

3. Disparity indices. BBC calculated a disparity index, or ratio, for each relevant racial/ethnic and gender group, which compares the participation of POC- and woman-owned businesses in agency work to their estimated availability for that work. Column (e) of Figure E-1 presents the disparity index for each group. For example, as reported in row (5) of column (e), the disparity index for Asian American-owned businesses was 11.5, indicating that the state awarded approximately \$0.12 to Asian American-owned businesses for every dollar one might expect the state to award to those businesses based on their availability for that work. For disparity indices exceeding 200, BBC reported an index of “200+.” When there was no participation and no availability for a particular group for a particular set of projects, BBC reported a disparity index of “100,” indicating parity.

B. Index and Tables

The table of contents presents an index of the sets of projects for which BBC analyzed disparity analysis results. In addition, the heading of each table in Appendix E provides a description of the subset of projects BBC analyzed for that particular table.

Table of Contents.

Table	Organization	Characteristics					
		Time period	Contract area	Contract role	Contract size	Potential MWDBE	Region
E-1	All	07/01/2017 - 06/30/2022	All Industries	Prime contracts and subcontracts	N/A	N/A	All
E-2	All	07/01/2017 - 06/30/2020	All Industries	Prime contracts and subcontracts	N/A	N/A	All
E-3	All	07/01/2020 - 06/30/2022	All Industries	Prime contracts and subcontracts	N/A	N/A	All
E-4	All	07/01/2017 - 06/30/2022	Construction	Prime contracts and subcontracts	N/A	N/A	All
E-5	All	07/01/2017 - 06/30/2022	Professional services	Prime contracts and subcontracts	N/A	N/A	All
E-6	All	07/01/2017 - 06/30/2022	Non-professional services, goods, and supplies	Prime contracts and subcontracts	N/A	N/A	All
E-7	All	07/01/2017 - 06/30/2022	All Industries	Prime contracts	N/A	N/A	All
E-8	All	07/01/2017 - 06/30/2022	All Industries	Subcontracts	N/A	N/A	All
E-9	All	07/01/2017 - 06/30/2022	All Industries	Prime contracts	Small contracts	N/A	All
E-10	All	07/01/2017 - 06/30/2022	All Industries	Prime contracts	Large contracts	N/A	All
E-11	All	07/01/2017 - 06/30/2022	All Industries, Adjusted for statistical outliers	Prime contracts and subcontracts	N/A	N/A	All

Figure E-1.

Agency: All

Time period: 07/01/2017 - 06/30/2022

Contract area: All industries

Contract role: Prime contracts and subcontracts

Business Group	(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1) All businesses	22,392	\$3,184,967			
(2) POC- and woman-owned businesses	2,490	\$348,328	10.9	33.9	32.3
(3) White woman-owned	1,749	\$210,610	6.6	18.6	35.5
(4) POC-owned	741	\$137,717	4.3	15.3	28.3
(5) Asian American-owned	175	\$30,278	1.0	8.3	11.5
(6) Black American-owned	59	\$3,351	0.1	0.5	22.9
(7) Hispanic American-owned	396	\$62,819	2.0	5.1	38.9
(8) Native American-owned	111	\$41,269	1.3	1.5	88.3
(9) POC- and woman-owned W/M/DBE	381	\$87,793	2.8		
(10) White woman-owned W/M/DBE	266	\$68,503	2.2		
(11) POC-owned W/M/DBE	115	\$19,290	0.6		
(12) Asian American-owned W/M/DBE	24	\$2,277	0.1		
(13) Black American-owned W/M/DBE	11	\$167	0.0		
(14) Hispanic American-owned W/M/DBE	35	\$8,523	0.3		
(15) Native American-owned W/M/DBE	45	\$8,323	0.3		

Note: | Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-2.

Agency: All

Time period: 07/01/2017 - 06/30/2020

Contract area: All industries

Contract role: Prime contracts and subcontracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	12,990	\$1,710,474			
(2)	POC- and woman-owned businesses	1,385	\$153,442	9.0	33.8	26.5
(3)	White woman-owned	989	\$85,771	5.0	19.0	26.4
(4)	POC-owned	396	\$67,671	4.0	14.9	26.6
(5)	Asian American-owned	107	\$15,720	0.9	8.1	11.4
(6)	Black American-owned	19	\$1,455	0.1	0.5	18.4
(7)	Hispanic American-owned	204	\$30,377	1.8	4.9	36.1
(8)	Native American-owned	66	\$20,119	1.2	1.4	84.4
(9)	POC- and woman-owned W/M/DBE	204	\$24,002	1.4		
(10)	White woman-owned W/M/DBE	141	\$12,010	0.7		
(11)	POC-owned W/M/DBE	63	\$11,992	0.7		
(12)	Asian American-owned W/M/DBE	12	\$1,341	0.1		
(13)	Black American-owned W/M/DBE	4	\$35	0.0		
(14)	Hispanic American-owned W/M/DBE	19	\$3,735	0.2		
(15)	Native American-owned W/M/DBE	28	\$6,880	0.4		

Note: Numbers are rounded to the nearest thousand dollars or tenth of one percent. "Woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-3.
Agency: All
Time period: 07/01/2020 - 06/30/2022
Contract area: All industries
Contract role: Prime contracts and subcontracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	9,402	\$1,474,493			
(2)	POC- and woman-owned businesses	1,105	\$194,885	13.2	34.0	38.9
(3)	White woman-owned	760	\$124,840	8.5	18.2	46.4
(4)	POC-owned	345	\$70,046	4.8	15.7	30.2
(5)	Asian American-owned	68	\$14,558	1.0	8.5	11.7
(6)	Black American-owned	40	\$1,896	0.1	0.5	28.3
(7)	Hispanic American-owned	192	\$32,442	2.2	5.3	41.8
(8)	Native American-owned	45	\$21,150	1.4	1.6	92.3
(9)	POC- and woman-owned W/M/DBE	177	\$63,791	4.3		
(10)	White woman-owned W/M/DBE	125	\$56,493	3.8		
(11)	POC-owned W/M/DBE	52	\$7,298	0.5		
(12)	Asian American-owned W/M/DBE	12	\$936	0.1		
(13)	Black American-owned W/M/DBE	7	\$131	0.0		
(14)	Hispanic American-owned W/M/DBE	16	\$4,788	0.3		
(15)	Native American-owned W/M/DBE	17	\$1,443	0.1		

Note: Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-4.
Agency: All
Time period: 07/01/2017 - 06/30/2022
Contract area: Construction
Contract role: Prime contracts and subcontracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	8,222	\$1,040,234			
(2)	POC- and woman-owned businesses	993	\$135,661	13.0	31.8	41.1
(3)	White woman-owned	655	\$45,407	4.4	18.3	23.9
(4)	POC-owned	338	\$90,254	8.7	13.5	64.3
(5)	Asian American-owned	29	\$11,820	1.1	5.1	22.4
(6)	Black American-owned	21	\$2,013	0.2	0.4	43.7
(7)	Hispanic American-owned	220	\$48,857	4.7	6.5	72.6
(8)	Native American-owned	68	\$27,564	2.6	1.5	176.2
(9)	POC- and woman-owned W/M/DBE	224	\$22,477	2.2		
(10)	White woman-owned W/M/DBE	149	\$8,131	0.8		
(11)	POC-owned W/M/DBE	75	\$14,345	1.4		
(12)	Asian American-owned W/M/DBE	8	\$1,444	0.1		
(13)	Black American-owned W/M/DBE	8	\$147	0.0		
(14)	Hispanic American-owned W/M/DBE	22	\$6,537	0.6		
(15)	Native American-owned W/M/DBE	37	\$6,218	0.6		

Note: Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-5.
Agency: All
Time period: 07/01/2017 - 06/30/2022
Contract area: Professional services
Contract role: Prime contracts and subcontracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	5,834	\$1,432,505			
(2)	POC- and woman-owned businesses	789	\$172,485	12.0	39.1	30.8
(3)	White woman-owned	513	\$139,141	9.7	20.7	46.9
(4)	POC-owned	276	\$33,345	2.3	18.4	12.7
(5)	Asian American-owned	80	\$16,348	1.1	12.0	9.5
(6)	Black American-owned	26	\$988	0.1	0.4	16.0
(7)	Hispanic American-owned	153	\$12,781	0.9	4.4	20.4
(8)	Native American-owned	17	\$3,227	0.2	1.6	14.5
(9)	POC- and woman-owned W/M/DBE	139	\$64,524	4.5		
(10)	White woman-owned W/M/DBE	100	\$59,586	4.2		
(11)	POC-owned W/M/DBE	39	\$4,938	0.3		
(12)	Asian American-owned W/M/DBE	15	\$826	0.1		
(13)	Black American-owned W/M/DBE	3	\$20	0.0		
(14)	Hispanic American-owned W/M/DBE	13	\$1,986	0.1		
(15)	Native American-owned W/M/DBE	8	\$2,106	0.1		

Note: Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-6.

Agency: All

Time period: 07/01/2017 - 06/30/2022

Contract area: Non-professional services, goods, and supplies

Contract role: Prime contracts and subcontracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	8,336	\$712,229			
(2)	POC- and woman-owned businesses	708	\$40,182	5.6	26.6	21.2
(3)	White woman-owned	581	\$26,063	3.7	15.1	24.3
(4)	POC-owned	127	\$14,119	2.0	11.5	17.2
(5)	Asian American-owned	66	\$2,110	0.3	5.3	5.6
(6)	Black American-owned	12	\$351	0.0	0.5	9.1
(7)	Hispanic American-owned	23	\$1,180	0.2	4.5	3.7
(8)	Native American-owned	26	\$10,478	1.5	1.2	119.3
(9)	POC- and woman-owned W/M/DBE	18	\$792	0.1		
(10)	White woman-owned W/M/DBE	17	\$785	0.1		
(11)	POC-owned W/M/DBE	1	\$7	0.0		
(12)	Asian American-owned W/M/DBE	1	\$7	0.0		
(13)	Black American-owned W/M/DBE	0	\$0	0.0		
(14)	Hispanic American-owned W/M/DBE	0	\$0	0.0		
(15)	Native American-owned W/M/DBE	0	\$0	0.0		

Note: Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-7.

Agency: All

Time period: 07/01/2017 - 06/30/2022

Contract area: All industries

Contract role: Prime contracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	21,219	\$3,116,911			
(2)	POC- and woman-owned businesses	2,355	\$334,518	10.7	34.0	31.6
(3)	White woman-owned	1,651	\$203,843	6.5	18.6	35.1
(4)	POC-owned	704	\$130,675	4.2	15.3	27.3
(5)	Asian American-owned	165	\$29,752	1.0	8.4	11.4
(6)	Black American-owned	54	\$3,308	0.1	0.5	23.2
(7)	Hispanic American-owned	385	\$62,172	2.0	5.0	39.5
(8)	Native American-owned	100	\$35,443	1.1	1.5	78.1
(9)	POC- and woman-owned W/M/DBE	316	\$84,620	2.7		
(10)	White woman-owned W/M/DBE	216	\$66,112	2.1		
(11)	POC-owned W/M/DBE	100	\$18,508	0.6		
(12)	Asian American-owned W/M/DBE	20	\$2,164	0.1		
(13)	Black American-owned W/M/DBE	6	\$123	0.0		
(14)	Hispanic American-owned W/M/DBE	29	\$7,898	0.3		
(15)	Native American-owned W/M/DBE	45	\$8,323	0.3		

Note: Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-8.

Agency: All

Time period: 07/01/2017 - 06/30/2022

Contract area: All industries

Contract role: Subcontracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	1,173	\$68,057			
(2)	POC- and woman-owned businesses	135	\$13,810	20.3	30.2	67.2
(3)	White woman-owned	98	\$6,768	9.9	18.2	54.8
(4)	POC-owned	37	\$7,042	10.3	12.0	86.1
(5)	Asian American-owned	10	\$526	0.8	3.3	23.7
(6)	Black American-owned	5	\$43	0.1	0.5	12.5
(7)	Hispanic American-owned	11	\$647	1.0	6.3	15.1
(8)	Native American-owned	11	\$5,826	8.6	2.0	200.0
(9)	POC- and woman-owned W/M/DBE	65	\$3,173	4.7		
(10)	White woman-owned W/M/DBE	50	\$2,391	3.5		
(11)	POC-owned W/M/DBE	15	\$782	1.1		
(12)	Asian American-owned W/M/DBE	4	\$113	0.2		
(13)	Black American-owned W/M/DBE	5	\$43	0.1		
(14)	Hispanic American-owned W/M/DBE	6	\$626	0.9		
(15)	Native American-owned W/M/DBE	0	\$0	0.0		

Note: Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-9.

Agency: All

Time period: 07/01/2017 - 06/30/2022

Contract area: All industries

Contract role: Prime contracts

Small prime contracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	19,236	\$786,982			
(2)	POC- and woman-owned businesses	2,149	\$89,882	11.4	33.9	33.7
(3)	White woman-owned	1,567	\$61,392	7.8	20.2	38.6
(4)	POC-owned	582	\$28,490	3.6	13.7	26.5
(5)	Asian American-owned	148	\$6,420	0.8	5.6	14.6
(6)	Black American-owned	50	\$1,763	0.2	0.7	33.7
(7)	Hispanic American-owned	316	\$16,528	2.1	6.2	33.7
(8)	Native American-owned	68	\$3,779	0.5	1.2	40.2
(9)	POC- and woman-owned W/M/DBE	278	\$12,657	1.6		
(10)	White woman-owned W/M/DBE	202	\$8,625	1.1		
(11)	POC-owned W/M/DBE	76	\$4,033	0.5		
(12)	Asian American-owned W/M/DBE	18	\$806	0.1		
(13)	Black American-owned W/M/DBE	6	\$123	0.0		
(14)	Hispanic American-owned W/M/DBE	19	\$1,304	0.2		
(15)	Native American-owned W/M/DBE	33	\$1,800	0.2		

Note: Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-10.

Agency: All

Time period: 07/01/2017 - 06/30/2022

Contract area: All industries

Contract role: Prime contracts

Large prime contracts

Business Group		(a) Number of contract elements	(b) Total dollars (thousands)	(c) Utilization percentage	(d) Availability percentage	(e) Disparity index
(1)	All businesses	1,983	\$2,329,928			
(2)	POC- and woman-owned businesses	206	\$244,636	10.5	34.0	30.9
(3)	White woman-owned	84	\$142,451	6.1	18.1	33.7
(4)	POC-owned	122	\$102,185	4.4	15.9	27.6
(5)	Asian American-owned	17	\$23,331	1.0	9.3	10.8
(6)	Black American-owned	4	\$1,545	0.1	0.4	17.1
(7)	Hispanic American-owned	69	\$45,644	2.0	4.7	42.1
(8)	Native American-owned	32	\$31,664	1.4	1.5	87.9
(9)	POC- and woman-owned W/M/DBE	38	\$71,962	3.1		
(10)	White woman-owned W/M/DBE	14	\$57,487	2.5		
(11)	POC-owned W/M/DBE	24	\$14,475	0.6		
(12)	Asian American-owned W/M/DBE	2	\$1,358	0.1		
(13)	Black American-owned W/M/DBE	0	\$0	0.0		
(14)	Hispanic American-owned W/M/DBE	10	\$6,594	0.3		
(15)	Native American-owned W/M/DBE	12	\$6,523	0.3		

Note: Numbers are rounded to the nearest thousand dollars or tenth of 1 percent. "White woman-owned" refers to non-Hispanic white woman-owned businesses.

Source: BBC Research & Consulting Disparity Analysis.

Figure E-11.

Agency: All

Adjusted for statistical outliers

Time period: 07/01/2017 - 06/30/2022

Contract area: All industries

Contract role: Prime contracts and subcontracts

Business Group	(a) Number of contract elements	(b) Total dollars (thousands)	(c) Adjusted total dollars (thousands)	(d) Utilization percentage	(e) Availability percentage	(f) Disparity index
(1) All businesses	22,392	\$3,184,967	\$3,184,967			
(2) POC- and woman-owned businesses	2,490	\$348,328	\$280,672	8.8	33.9	26.0
(3) White woman-owned	1,749	\$210,610	\$151,273	4.7	18.6	25.5
(4) POC-owned	741	\$137,717	\$129,399	4.1	15.3	26.6
(5) Asian American-owned	175	\$30,278	\$31,000	1.0	8.3	11.8
(6) Black American-owned	59	\$3,351	\$3,431	0.1	0.5	23.5
(7) Hispanic American-owned	396	\$62,819	\$64,320	2.0	5.1	39.8
(8) Native American-owned	111	\$41,269	\$30,647	1.0	1.5	65.6

Note: Numbers are rounded to the nearest thousand dollars or

Source: BBC Research & Consulting Disparity Analysis.