

## IMPACT STATEMENT

**Legislation title:** Direct the Office of Management and Finance (OMF) to implement the Community Opportunities and Enhancements Plan for the Portland Building Reconstruction project and to allocate \$1 million of the project budget for these purposes. (Resolution)

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### **Purpose of proposed legislation and background information:**

#### Reason for this resolution

This resolution directs the Office of Management and Finance (OMF) to implement a plan for allocating \$1 million (equivalent to 1% of the high-end of the construction cost estimate) of the Portland Building Reconstruction project for community opportunities and enhancements.

This plan describes how to allocate \$1 million in funds to: diversify the workforce; support Minority/Women/Disadvantaged Business Enterprises (MWDBE); support individual workers; provide for a continuity of opportunity for MWDBEs and minority and female workforce; support the Portland Building vendors; and facilitate open competition and performance management.

#### Previous legislative action relating to this action

On October 15, 2015, City Council passed Resolution #37158, which directed OMF to reconstruct the building with a budget not to exceed \$195 million and to be completed by the end of 2020.

Council also passed Resolution #37160 which directed OMF to develop a plan to allocate 1% of hard construction costs for community opportunities and enhancements and to develop recommendations for implementation. These funds were to provide opportunities for people of color, women, economically disadvantaged individuals and communities, people with disabilities, local contractors and organizations, and the minority vendors on the first floor of the Portland Building.

#### Background

In developing the progressive Design-Build-Relocate (DBR) Request for Proposal (RFP) and the 1% community opportunities and enhancements plan for the project, we reviewed Community Benefits Agreements (CBAs) and Community Benefit Plans (CBPs) from other projects, as well as a variety of contracting policies and strategies. We incorporated specific elements that were beneficial to achieving the minority contracting goals into both the DBR RFP and this plan. For example:

#### Design-Build-Relocate RFP

- Including an Equity, Inclusion and Diversity plan that outlines the contracting goals.
- Setting more aggressive goals than used before, for any prior City project, for minority and women contracting for construction services.
- Incorporating accountability measures, for achieving the set goals, in the contracting process. Incentives and damages will be applied for meeting, exceeding or not meeting the goals.
- Including a Diversity Manager who will provide assistance to the contractor and subcontractors in the preparation of Disadvantaged/Minority/Women/Emerging Small Businesses (DMWESB)

procurement procedures and ensure contractor and subcontractor compliance with Equity, Inclusion and Diversity plan requirements.

- Requiring a Design Services Team Mentor-Protégé. This protégé role will provide technical assistance and administrative support to DMWESB Professional, Technical and Expert (PTE) consultants. This will help build capacity to meet the aspirational goals of the project.
- Tracking and reporting on women and minority workforce utilization at both the apprentice and journey levels and by trade. Goals have been established at each level and reports will be provided to demonstrate utilization throughout the project and to monitor whether goals are being met.
- The Equity, Inclusion and Diversity Plan requirements were developed with the participation of Faye Burch, who was selected as a Social Equity Support and Oversight consultant as part of the Owner's Representative contract.

#### Proposal for "Community Opportunities and Enhancements Plan"

- Support to Diversify Workforce - \$750,000
- Support for MWDBE Businesses - \$200,000
- Continuity of Opportunity - \$50,000
- Support for Building Vendors – Rent concessions

Both the DBR RFP and the proposed Community Opportunities and Enhancements Plan include other elements consistent with Council direction, including Green Building and other contracting requirements and support for the Portland Building vendors.

#### **Financial and budgetary impacts:**

The overall budget for the Portland Building Reconstruction project costs are not to exceed \$195 million and includes: design, relocation, reconstruction and project management. This resolution describes how we will allocate \$1 million for community opportunities and enhancements.

The Grant, Contract and Performance Management Coordinator activities will require staffing support. That support has yet to be determined; the financial impact, staffing needs and where the position will be housed within the City. The Coordinator will be responsible for preparing requests for proposals for grants and contracts, support selection processes, manage multiple grants and/or contracts, process financial transactions, and report on accountability metrics and program outcomes for the allocation of the remaining \$1 million.

#### **Community impacts and community involvement:**

##### Potential Impacts and involvement

The reconstruction of the Portland Building is a unique project for the City and provides an opportunity to be creative about minority and women contracting goals and activities. The goals set for minority and women contracting are more aggressive than any other City project to date. In addition to the goals established through the DBR contract, the 1% for community opportunities and enhancements provides the City with the ability to support building and retaining a diverse workforce that is ready for current and future projects.

The potential impact of the \$1 million being set aside for the Community Opportunities and Enhancements Plan is significant and supportive of the City's overall goals; however, the greatest impact

from the Portland Building Reconstruction project will be from the spending under the DBR contract for those businesses and individuals who will work on the project, helping us meet the aggressive goals of the Equity, Inclusion and Diversity Plan.

The Community Opportunities and Enhancements Plan and the \$1 million allocation may also provide for longer-term benefits to underrepresented workers and minority and women-owned businesses, beyond the life of this one project. There are many public projects that are in construction, or are out to bid, that are, or will rely on the same resources to meet contracting goals. One of the elements of this proposal is to work with regional partners to create a mechanism where all projects have access to the same resources and technical assistance, thereby eliminating the project by project one-off approaches. The end result could be a continuous pipeline of opportunity where there is a ready and diverse businesses and workers able to bid on or work on these projects.

#### Community Input

On March 14 and 16, 2016, OMF, with the Office of Equity and Human Rights (OEHR) facilitating, convened community stakeholder input meetings to gather ideas about how to allocate the 1% for community opportunities and enhancements. City Council gave suggestions of which groups to invite to these meetings. Representatives included the minority and women contracting community, the Anti-Displacement Portland Coalition, members of the Equitable Contracting and Purchasing Commission (ECPC), and the Portland Building first floor vendors. OMF received a wide range of input from a variety of stakeholders who have a diverse set of ideas about how the money can be spent. All ideas shared at these two meetings were posted to the Portland Building website.

On April 19, the draft proposal was posted to the Portland Building website with a survey form requesting both general and specific feedback. All participants from the March stakeholder meetings and ECPC members were contacted and asked to provide feedback on the draft plan. In addition, drafts were shared with City bureaus and staff with experience in contracting, social equity strategies, CBAs, and CBPs.

In May, 2016, the resolution was put on hold while OMF and OEHR went back to the community to engage in more stakeholder outreach. In June, Dante James, Director of the Office of Equity and Human Rights, took the proposal to the ECPC to discuss the allocations. The proposal was updated and reflects the additional outreach conducted.

**Budgetary Impact Worksheet****Does this action change appropriations?**☐ **YES:** Please complete the information below.☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount