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IMPACT STATEMENT

Date: September 2, 2016

Council Date: September 21, 2016

Legislation Title: ²² Accept evaluation of the effectiveness on the Community Benefits Agreement piloted on the Kelly Butte Reservoir and Interstate Maintenance Facility Renovation Projects (Report)

Contact Name: Teresa K. Elliott, P.E., Chief Engineer

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Presenter Name: Teresa K. Elliott, P.E., Chief Engineer
Christine Moody, Chief Procurement Officer

Purpose of proposed legislation and background information:

On September 5, 2012 Resolution No. 36954 directed the Portland Water Bureau to pilot the Community Benefits Agreement (CBA) in support of the Kelly Butte Reservoir and Interstate Maintenance Facility Renovation Projects. Both were alternative construction projects. City Council directed Procurement Services staff to work with Portland Water Bureau to evaluate the effectiveness of the CBAs for both projects in meeting the goals and objectives of the City and the principles set forth in the resolution and to report back to Council. This report includes that evaluation of the effectiveness the CBA had in meeting the principles set forth in the resolution.

On March 26, 2013 the City of Portland and stakeholders executed modified versions of the Model CBA for both the Kelly Butte Reservoir and Interstate Maintenance Facility Renovation Projects. Stakeholders included representatives from Hoffman Construction Company, State of Oregon certified disadvantaged, minority, women and emerging small business (DMWESB) subcontractors; unions; community based organizations serving minority, women, and low income people; and City employees. The stakeholders were challenged to develop and administer the two pilot CBAs.

The CBA model agreement is similar in many respects to Project Labor Agreements (PLAs) commonly used on the East Coast where there is a much higher incidence of labor strikes and unrest. This has not generally been experienced on the West Coast. In fact, there were no labor disputes encountered on either the Kelly Butte Reservoir or Interstate Maintenance Facility Renovation Projects (Projects) which needed to be addressed using the terms of the agreements.

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In addition to the provisions common to PLAs, the model CBA also contained a number of provisions designed to increase workforce and subcontractor utilization. The evaluation of the CBA pilots in these respects revealed benefits and deficiencies for both Projects that are identified in detail in this report.

Both Projects met all CBA workforce and subcontractor utilization goals except for the aggressive goal set for female journey level participation. The market availability for journey women was identified as a constraint from the onset of the Projects. There were no issues with wage benefits or unskilled labor and neither of the projects encountered any problems with efficiency or productivity. Prevailing wage were paid on both projects.

The CBA did create a new mechanism to use for holding contractors, subcontractors and stakeholders accountable for goals and active compliance monitoring, beyond what the City has used in the past, but also had some major deficiencies which are addressed in the Report to Council.

The pilot CBA's provided valuable information and lessons learned in moving the City of Portland forward in the development of a more robust instrument to employ for future City of Portland construction projects that use an alternative procurement method. The City recognizes the importance of institutionalizing a process, or citywide system that will help enable future alternative procurement construction projects achieve more aggressive social equity contracting goals.

The City is committed to taking the lessons learned and the benefits of the CBA and creating an updated MWESB Program and some form of Community Equity and Inclusion Plan (CEIP) that can be used for alternative construction methods that will enable projects to achieve higher subcontracting and workforce diversity goals.

What the City learned on the two pilot projects, with community input and considering the lessons learned from the pilot projects, will be used in development of CEIP and modification to the City's existing MWESB program going forward.

These Plans will ensure that the public served by the City receives the fullest benefit of the project undertaken by the City, and will ensure that the City does not indirectly perpetuate the under-inclusion of racial and ethnic minorities and women in the construction industry and trades. The CEIP also assists the City in receiving the benefit of a highly skilled, well-trained and diverse workforce and contractor and subcontractor pool.

The CEIP also supports workforce diversity, and retention to Minority, Women, and Disadvantaged Business Enterprise firms and minority and women workers. Enhancements that can be made going forward are included in the Report to Council.

Financial and budgetary impacts:

This legislation does not have any financial or budgetary impacts.

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Community impacts and community involvement

A final report of the Community Benefits Agreement Pilot Evaluation, appendices and memorandum from City's Chief Administration Officer Fred Miller, are attached to the Report to Council as exhibits. The evaluation was performed by an independent consultant hired by the Office Management and Finance to assess the effectiveness of the pilot CBA's. The CBA Labor Management Community Oversight Committee (LMCOC) also completed a report on the CBA pilot projects summarizing their outcome, CBA framework and processes, best practices and lessons learned. That information is attached to the Report to Council as an exhibit.

Budgetary Impact Worksheet

Does this action change appropriations?

- YES: Please complete the information below.
- NO: Skip this section

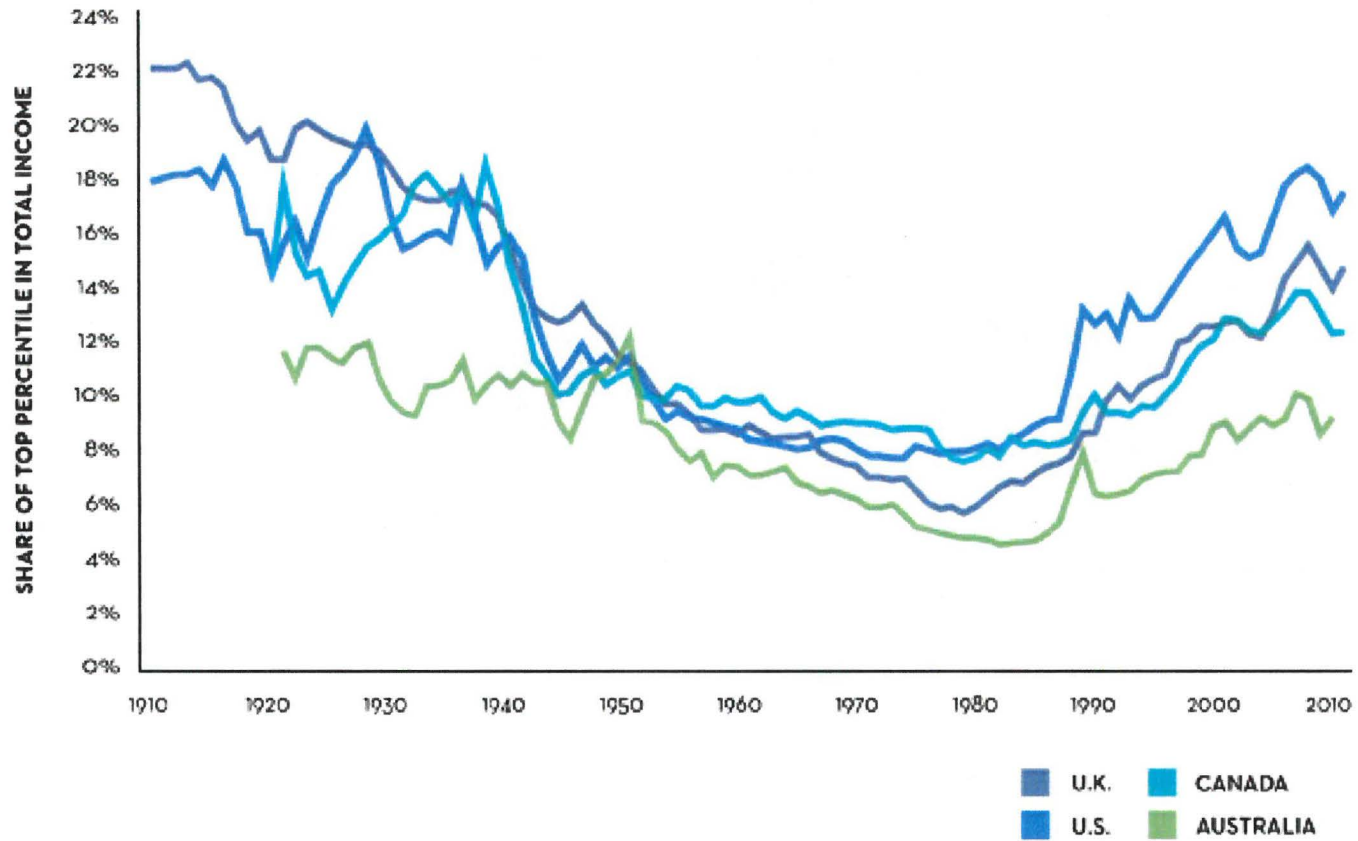
Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount


9/7/16

Michael Stuhr, P.E., Administrator Date

Submitted 9/22/2016
Submitter unknown

INCOME INEQUALITY IN ANGLO-SAXON COUNTRIES, 1910-2010



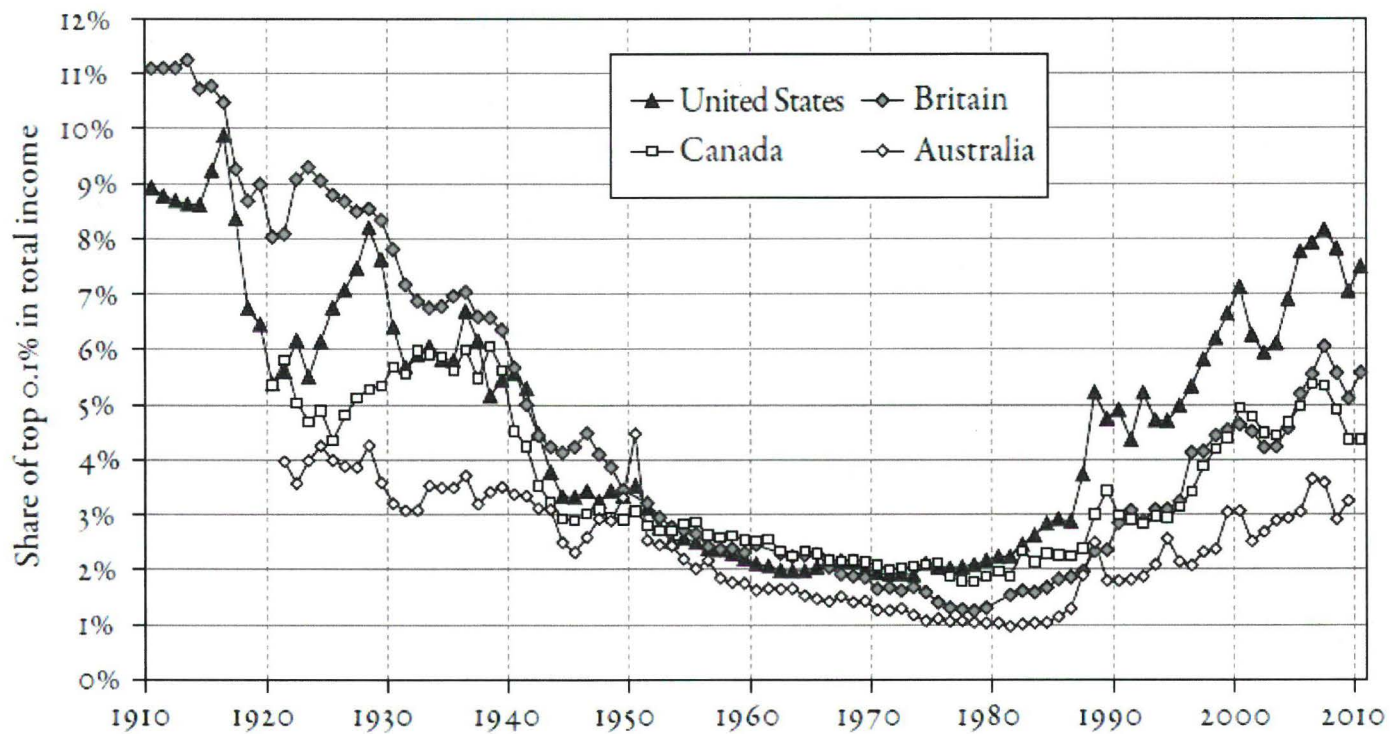


FIGURE 9.5. The top decile income share in Anglo-Saxon countries, 1910–2010

The share of the top 0.1 percent highest incomes in total income rose sharply since the 1970s in all Anglo-Saxon countries, but with varying magnitudes.

Sources and series: see piketty.pse.ens.fr/capital21c.