

ANNUAL REPORT

FY 2006-07

Bureau of Purchases Annual Report



City of Portland, Oregon
Office of Management and Finance
Bureau of Purchases
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MISSION STATEMENT

Provide strategic responsible public contracting services to deliver the best value for our customers.

VISION STATEMENT

Our vision is excellence in public procurement services that provide consistent customer satisfaction and preservation of the public trust.

We are recognized nationally for our leadership, expertise and professionalism.

We are proud of our contributions toward a socially just, environmentally sound, economically vibrant and diverse community.



BUREAU OF PURCHASES OVERVIEW

The Bureau of Purchases is part of the City of Portland Office of Management and Finance, a group of six bureaus and subordinate organizations in the Mayor's portfolio that provide administrative and financial support to the City. The Purchasing Director reports directly to the Chief Administrative Officer.

The Bureau of Purchases provides leadership, policy development, oversight and management of the City's procurement, contract award processes, contract compliance and small business outreach programs. Bureau activities are driven by City Council directives; federal, state and local regulations; established goals and programs; best practices as established by nationally recognized purchasing organizations; customer requirements; and the recommendations of internal and external stakeholders. Purchases adds value to City procurement by assuring that public funds are spent on goods and services that minimize negative environmental impacts, are fair and socially just, and make economic sense now and in the long term.

City Council – The City's Contract Review Board

As required by state law (ORS 279A.055), the City Council is designated as the Local Contract Review Board for the City. Council delegates specific authority to the Purchasing Agent, while reserving to itself the authority to approve contracts valued at \$500,000 or where other circumstances require. Council also reviews and approves contract amendments in excess of 25% when the original contract amount was \$500,000 or more or when the amended contract price would exceed \$500,000. Additionally, City Council must approve all Professional, Technical and Expert Services (PTE) contracts exceeding \$100,000 and contract amendment exceeding 25% of the original contract amount. Changes to City Code chapters 5.33, 5.34 and 5.68, which cover City of Portland procurement policies, are brought before Council for review and approval to ensure consistency with state law and to incorporate any updates through legislative action.

Purchasing Agent

The Purchasing Agent is also the Director of the Bureau of Purchases. In addition to providing administrative oversight and leadership to the operation of the bureau, the Purchasing Agent's responsibilities include:

- Advertising for Bids or Proposals for Goods and Service, Construction and PTE projects;
- Awarding and executing contracts and price agreements for the purchase or lease of goods and services, revenue producing services and construction projects whenever the contract amount, cost to the City or yearly estimated revenue is \$500,000 or less;
- Awarding and executing Professional, Technical and Expert (PTE) Services whenever the contract amount is \$100,000 or less;
- Recommending the award of contracts for construction projects and goods and services, and revenue producing services by a report to City Council for Contracts in excess of \$500,000;
- Authorizing and executing certain contract amendments in compliance with City Code;



- Authorizing final payment for construction PTE contracts;
- Adopting forms, procedures, and administrative rules for the purchase of all City construction projects, PTE services and goods and services;
- Authorizing or revoking authority or placing conditions on the authority of appropriation unit managers, directors and officers to issue limited purchase orders obligating the City for purchase of materials or services not to exceed \$5,000;
- Resolving protests of Contract Award decisions and other matters as required by City Code;
- Reviewing state legislative activity regarding procurement policy development and providing commentary in coordination with the City's Office of Government Relations;
- Participating in industry and governmental activities to influence legislation and regulatory change consistent with the City's interest and needs;
- Serving on City of Portland and regional committees, councils or advisory boards where procurement issues, public contracting issues or local business development programs are discussed;
- Representing the City of Portland in a variety of multi-jurisdictional forums, outreach functions and professional groups and organizations;
- Directing and providing oversight to central support functions, including the procurement card and travel contracts; and
- Advising City officials regarding procurement policies and best practices in order to assist in policy development, budgeting, scheduling or making sound business decisions.

The Purchasing Agent utilizes an administrative staff to provide direct support to his office and central support to the Bureau of Purchases. For maximum results and efficiency, the Purchasing Agent may delegate duties and responsibilities to the Purchasing Manager or other staff.

Purchasing Manager

The Purchasing Manager reports directly to the Purchasing Agent. This position provides leadership to the Bureau of Purchases' procurement staff and business development group. In the absence of the Purchasing Director, the Purchasing Manager assumes responsibility for management of the Bureau of Purchases and acts in the capacity of Purchasing Agent. Other responsibilities include:

- Planning, organizing, controlling and evaluating the work of assigned staff, including supervisors, program staff, procurement staff and assistants;
- Developing and retaining a high performance, service-oriented work environment that supports the City's and bureau's mission, objectives and service expectations;
- Providing leadership and participation in programs and activities that promote workplace diversity and positive employee relations;
- Directing and participating in the City's centralized procurement operations;
- Developing, implementing and managing City-wide procurement and contracting procedures, policies and programs;



- Providing oversight or directing studies to determine the best sources of supply for standard and specialized purchases;
- Analyzing, developing and monitoring performance quality measures;
- Representing the bureau in a variety of forums, outreach functions, workshops, community organizations and professional groups;
- Proposing new procurement programs and processes that will improve cost and quality as well as customer responsiveness and inclusion; and
- Managing the use of the materials management module of the City's enterprise business system.

Procurement Teams

The Procurement Manager provides leadership to four procurement teams:

- Construction and Public Improvement
- Goods and Services;
- Professional, Technical and Expert Services; and
- Outside Services

Construction and Public Improvement

The Construction and Public Improvements Contracting Team works with the City's bureaus to create and maintain the infrastructure, including municipal buildings, parks, water and sewer facilities and roadways. In addition to getting the best value for dollars spent on public improvement projects, buyers consistently apply both Fair Contracting Strategy and Sustainable Procurement Strategy guidelines to the contracting process in order to insure that they are fair, equitable, inclusive and sustainable.

In order to assure that City construction contractors have the equipment, staff, required insurance coverage and financial ability to complete their jobs, the Construction team prequalifies them by gathering data about their firms and sending it to project managers for expert review. The prequalification process assures that public monies are awarded to contractors who have demonstrated their ability to complete projects on time and in alignment with specifications and cost estimates.

Goods and Services

The City of Portland is a large consumer of goods and non-professional services. The Goods and Services Team makes sure that public monies are responsibly spent by:

- Following 'best practices' on single commodity related purchases;
- Using advanced procurement techniques to save money on commodity purchases;
- Utilizing existing government contracts for advantageous pricing and time savings;
- Incorporating the Sustainable Procurement principles to buy environmentally friendly and socially responsible products or services; and
- Managing a procurement card program to reduce costly paperwork and receive rebates on City expenditures.



Professional, Technical and Expert Services

When City bureaus need Professional, Technical or Expert (PTE) services, our team guides them through the contracting process. By carefully leading or monitoring the PTE contracting process, the Bureau of Purchases guarantees fairness, equity, and accountability while meeting the tenets of City-wide programs, goals and initiatives.

The team also provides compliance on PTE contracts to assure that M/W/ESB firms are utilized as promised, and to make sure that payments to subcontractors are made in a timely and complete manner.

Outsides Services and Business Development

The Outside Services team markets compliance services to other public agencies and coordinates programs designed to increase contracting opportunities for minority-owned, women-owned, and emerging small business (M/W/ESB) firms. The City's Fair Contracting and Employment Strategy programs include:

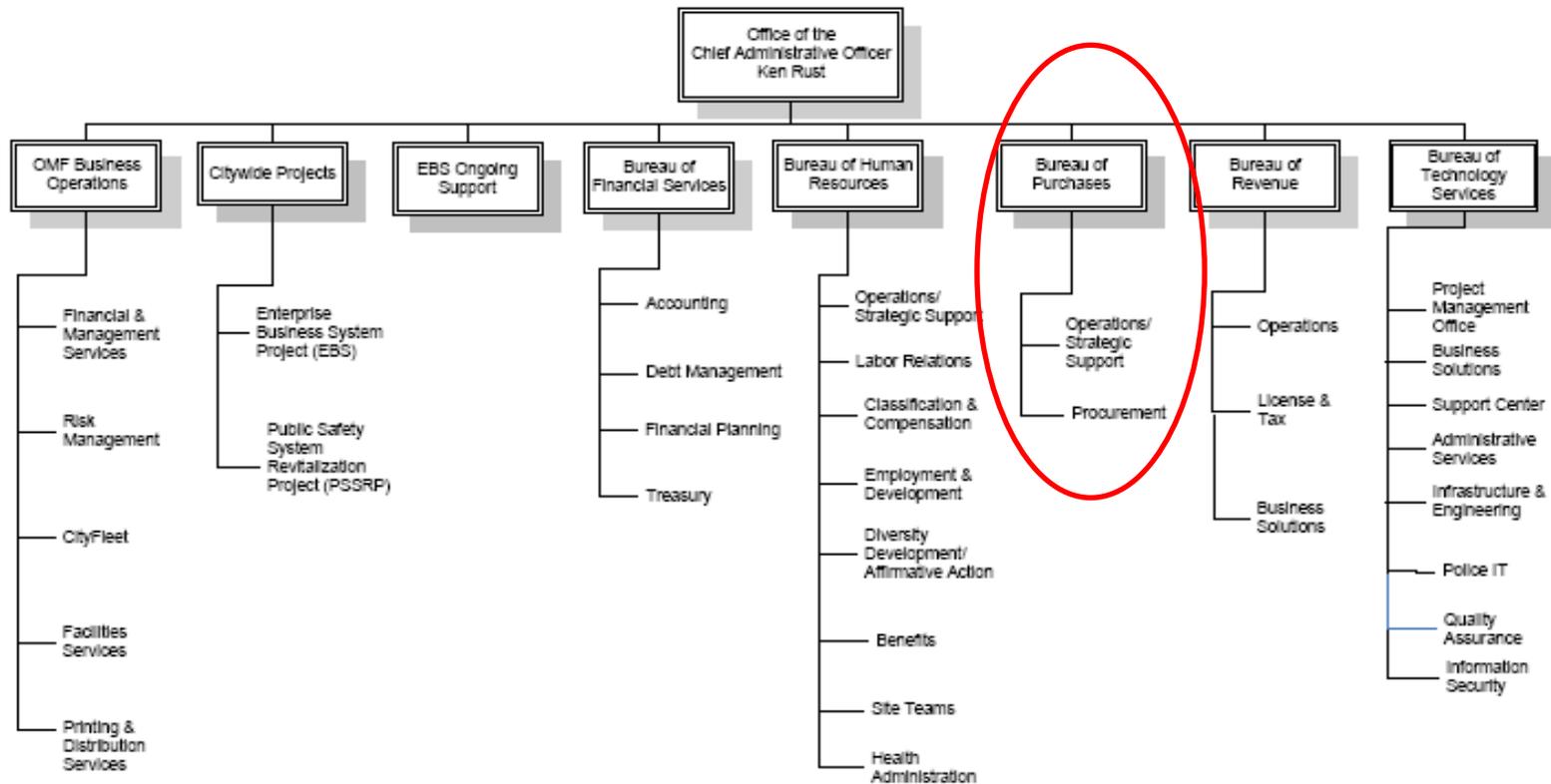
- Project Manager Training,
- Professional Services Marketing and Outreach
- Administration of the construction Sheltered Market Program (SMP),
- Technical Assistance for M/W/ESB firms, and
- Administration of the Workforce Training and Hiring program for both the City and outside public agency partners.

See pages 8 and 9 for detailed descriptions of these programs.



Office of Management & Finance

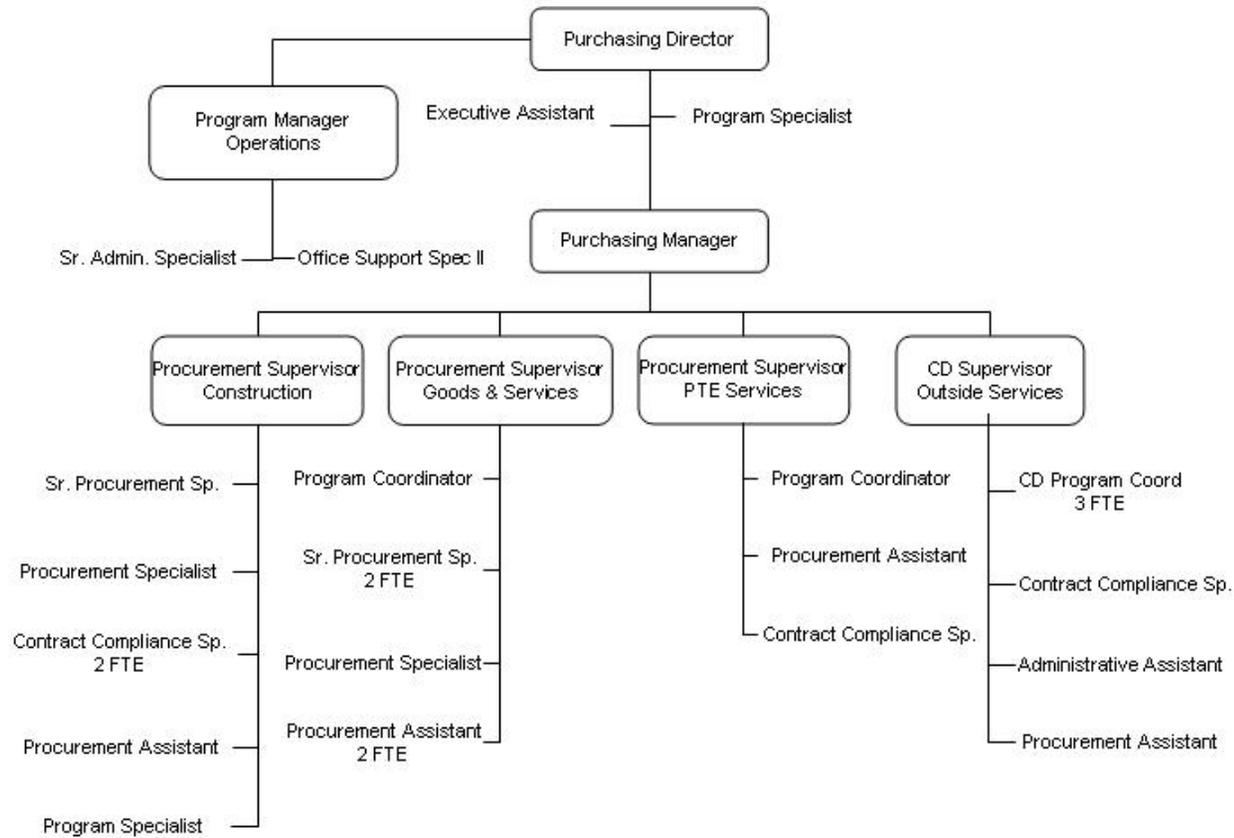
FY 2007-08 (updated 10/07)



Office of Management and Finance Organization Chart (Bureau of Purchases circled)



Bureau of Purchases Organization Chart FY 2006 - 2007



Fair Contracting and Employment Strategy

In February 1997 the City of Portland City Council adopted The Fair Contracting and Employment Strategy. In addition to upgrading systems to better track City contracting activity, the aim of the Strategy was to provide a system that maximizes contracting opportunities for minority-owned, woman- owned and local small businesses. Following is a brief description of programs related directly to the Fair Contracting and Employment Strategy.

Project Manager Training

The Bureau of Purchases coordinates a city-wide training program that offers comprehensive training to equip front line staff to represent the City in a fair and professional manner to all its customers and contractors. Students have come from nearly every bureau in the City, as well as Multnomah County, Portland Development Commission, Clark County, and hundreds of private construction firms. The majority of instructors are City employees, but private consultants are utilized when appropriate. For more information visit: <http://www.portlandonline.com/omf/purchasing> .

Professional Services Marketing and Outreach

The Professional Services Marketing and Outreach Program is designed to increase opportunities for minority, women and emerging small businesses (M/W/ESBs) to obtain consulting contracts with the City of Portland by increasing access to useful information, removing barriers, improving policies, and advising City employees. Outreach takes the form of workshops, trade shows, business events and regularly scheduled professional group events. The program coordinator provides technical assistance, contracting problem solving, opportunities for strategic alliances for proposal development, and general networking and morale boosting for attendees.

Sheltered Market Program

The Sheltered Market Program (SMP) gives M/W/ESB construction firms access to formal and informal City construction contracts valued between \$5,000 and \$200,000. Each contractor completes an application and must be a State of Oregon M/W/ESB certified firm and must perform work in an area the City is specifically recruiting for. Contractors selected for the program must agree to receive technical assistance and to abide by all state and local regulations regarding bidding and contracting. Contractors compete with others on the roster for projects and, if needed, are provided project-specific technical assistance. SMP contractors also receive support and assistance from the Outside Services Group.

The Portland Development Commission, Multnomah County, and the Housing Authority of Portland partner with the City of Portland and use its roster of SMP firms as a first source in their contracting.



Technical Assistance for M/W/ESB Firms

The City of Portland, Multnomah County, Portland Development Commission, and the Housing Authority of Portland work together to maintain a technical assistance program for Sheltered Market Contractors, and other Minority, Women, and Emerging Small Businesses who are bidding on or providing construction related service. Services include business training and software; bidding and estimating assistance; project-specific assistance; and regular peer meetings.

Workforce Training and Hiring Program

The Workforce Training & Hiring Program promotes apprenticeship training and inclusive hiring processes to achieve a skilled and diverse trades workforce on City construction projects. The Bureau of Purchases Outside Services Group administers the Workforce Training & Hiring Program for City projects as well as for Multnomah County, the Portland Development Commission, the Housing Authority of Portland, and Tri-Met.

Good Faith Effort Requirements

The Good Faith Effort Program requires prime contractors to make an effort to provide subcontracting opportunities to state certified Minority-owned, Women-owned or Emerging Small Business (M/W/ESB) firms. The prime is required to contact state certified firms by fax or letter and phone for those divisions of work specified by the City at the time the contract is put out to bid. Efforts to contact and work with certified firms must be documented to the City.

Equal Employment Opportunity Certification

All vendors and contractors wishing to do business with the City must be certified as Equal Employment Opportunity (EEO) employers by filing a biannual statement of non-discrimination. Large employers and construction contractors also supply detailed data about their workforce. The Bureau of Purchases utilizes an online EEO certification system to promote maximum participation and compliance of all of the City's vendors and contractors.

Mentor – Protégé Program

In conjunction with the Port of Portland, the City sponsors the Regional Mentor - Protégé Program to help minority-owned, women-owned and emerging small businesses gain experience and build capacity. The program links these emerging businesses with mature, established firms that volunteer to share their expertise. In regular monthly meetings, the mentor helps the smaller firm develop plans, identify needs, and overcome barriers to success.

For established firms, this is an opportunity to share some of their success with the community. For motivated minority-owned, woman-owned and emerging small businesses, it is an opportunity to leap some of the barriers that traditionally inhibit their progress.



Equal Benefits Ordinance

In April 2006, the Portland City Council unanimously passed the Equal Benefits Ordinance (Ordinance 180077). The ordinance requires certain City contractors to provide benefits to their employees with domestic partners equivalent to those provided to employees with spouses.

This requirement applies to construction contracts, Professional, Technical and Expert Services (PTE), and goods and services contracts exceeding the formal solicitation limits for those contracts awarded on or after January 1, 2007.

The stated policy goal is to bring the City's contracting practices in line with its existing non-discrimination laws, which prohibit City contractors from discriminating against employees based on sexual orientation and marital status. Employee benefits often comprise between 30 and 40 percent of total employee compensation. In addition, some benefits-such as health insurance or company discounts-are frequently available to an employee's spouse and/or dependents.

The goal of the Equal Benefits Program is equal pay for equal work. Whenever possible, employees of City contractors must be paid the same total compensation (i.e. have the same access to benefits), regardless of whether the employee's household is organized around his or her marriage or domestic partnership.

Bureau Innovation Project Directives

In February of 2005, Mayor Potter initiated the Bureau Innovation Project. The project had four goals:

- To create a workforce that reflects the rich diversity and cultural awareness of the city;
- To break down barriers between City bureaus and build a collaborative workforce with shared goals;
- To make every customer the City's most important customer;
- To implement *Managing for Results* so citywide decisions could be made based on a shared set of goals.

Bureau Innovation Project #13, *Review of Contracting Procedures*, was one of the 20 project efforts adopted for development by City Council in June 2005. Purchasing Agent Jeff Baer was assigned as the lead for this project and was co-chaired by Bruce Feathers, CEO of Featherlite Industries, and Gale Castillo, Executive Director of the Hispanic Chamber of Commerce. In November of 2005, Jeff Baer and Bruce Feathers presented the BIP 13 committee recommendations to Council for initial approval. Those recommendations included funding a supplier diversity program and creating a professional, technical & expert (PTE) program that provides greater opportunity to Minority, Women and Emerging Small Businesses. With Council's backing, these recommendations were presented to the Bureau Innovation Project implementation team for discussion, development and approval during January and February of 2006. A final implementation report was presented in March of 2006. Council unanimously accepted the report and enthusiastically supported moving the recommendations forward. Mayor Potter expressed that he looks forward to expanding opportunities for Minority, Women and Emerging Small Businesses. Funding for these two programs will begin in FY 2007-08.



Contractor Prequalification

The contractor prequalification program was established in 2000. Prequalification helps protect taxpayer dollars and limits City liability by insuring that contractors bidding on construction jobs have the necessary equipment, skills, bonding, licensing and experience to complete the work. A significant charge of the prequalification program is to avert costly and time-consuming appeals and protests by ensuring that the City applies all contractor evaluation standards legally, fairly, and equally to all applicants.

In addition to evaluating contractors for general prequalification, the Bureau of Purchases works closely with City construction bureaus and the Portland Development Commission to create special prequalification requirements for projects where the work to be done is unique or highly complex.

Sustainable Procurement

Sustainable procurement is a challenging approach to public procurement that aims to balance environmental issues with the interrelated issues of economics and social equity. As stewards of the public dollar as well as the public trust, the City has a responsibility to minimize environmental and human health impacts of the products and services we procure and use.

In 2002 the Bureau of Purchases developed the Sustainable Procurement Strategy jointly with Multnomah County. The Sustainable Procurement Strategy set a goal of reviewing 3 to 5 commodities per year for five years. During that time the City reviewed a variety of commodities, from office paper to diesel fuel. For more details, please refer to the City's Sustainable Procurement Strategy reports at www.portlandonline.com/buygreen.

In addition to the work started through the Sustainable Procurement Strategy, Purchases' sustainable procurement activities involve specific projects as they surface. Highlights of these projects for 2007 include:

- **Buying Green Case Studies**: To capture some of the sustainable procurement work happening in City bureaus independent of the Sustainable Procurement Strategy, in June 2007 Purchases published twelve environmentally preferable (EP) product case studies. Each case study discusses the cost, benefit, performance, and any lessons learned associated with the purchase and use of the EP product. To view the case studies go to www.portlandonline.com/buygreen.
- **Office Supplies**: Purchases worked closely with the City's office supplies vendor to expand the use of EP products by City employees. Purchases provided insight and feedback on improving the consistency of information regarding EP products within the vendor's catalog, improving communication and customer service related to EP products, and improving the quality of the EP office product fair for City employees.



Strategic Sourcing

In May 2004, City Council passed Ordinance #178906 for the first phase of a multi year effort to change how the City buys its goods and services. By taking advantage of new procurement processes, the City realized an initial savings of \$730,000 from price reductions. Through the Strategic Sourcing program the City continues to obtain savings through volume buying, standardizations, annual contract rebates and aggressive contract administration. Strategic Sourcing projects that have been completed include office paper, biosolid transportation, motor fuels, and asphalt concrete. Upcoming projects include laser printers, resource management services and laundry/uniform services.

Procurement Card Program

Since its inception in 1997, the City's procurement card program has been a significant success. The City is the leader of a procurement card consortium of 32 regional public agencies that pool their spending power to receive superior rebates and service from the provider bank.

The "p-card" reduces nearly two-thirds of the cost of other payment processing methods, helping the City realize significant savings in the handling of small purchases. In addition, the City receives a rebate according to our total volume in a calendar year. In 2007 we completed the implementation of Works, a new Web-based system for tracking and reporting on the use of the City's procurement cards. Provided at no cost by the procurement card bank, Works now provides far more robust front-end controls and reporting ability than was previously available.

Training for cardholders and supervisors is a standard benchmark for procurement card programs in both public and private sectors. Such training helps ensure the success and safety of these innovative cost-saving programs. The Bureau of Purchases provides extensive p-card training for all 1000 City cardholders and their managers to help them understand the benefits, responsibilities and legalities of p-card use, and to attract new City cardholders.

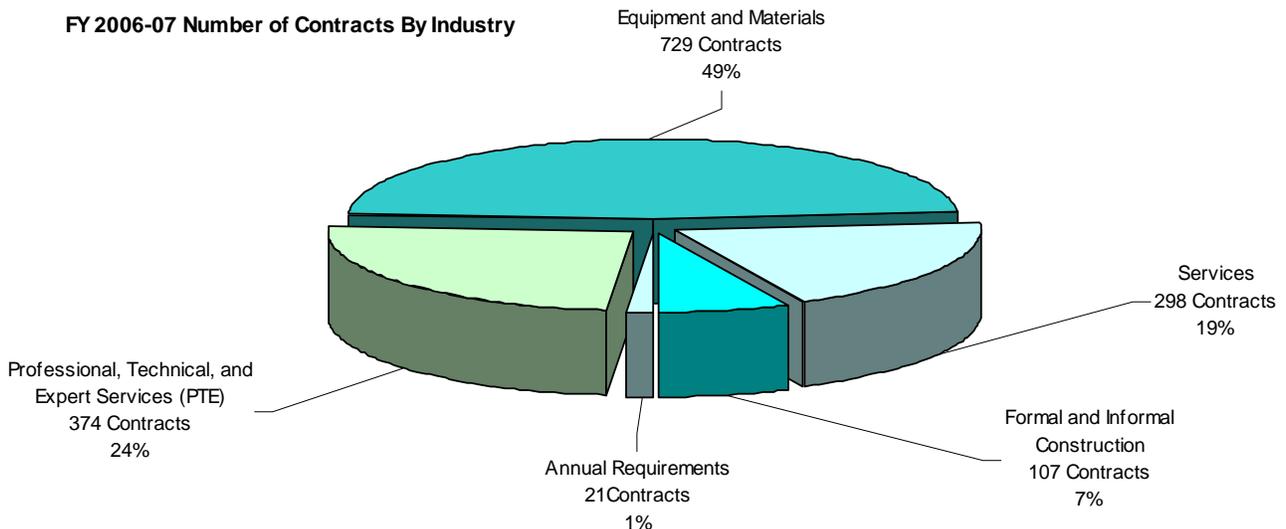


PERFORMANCE MEASUREMENT

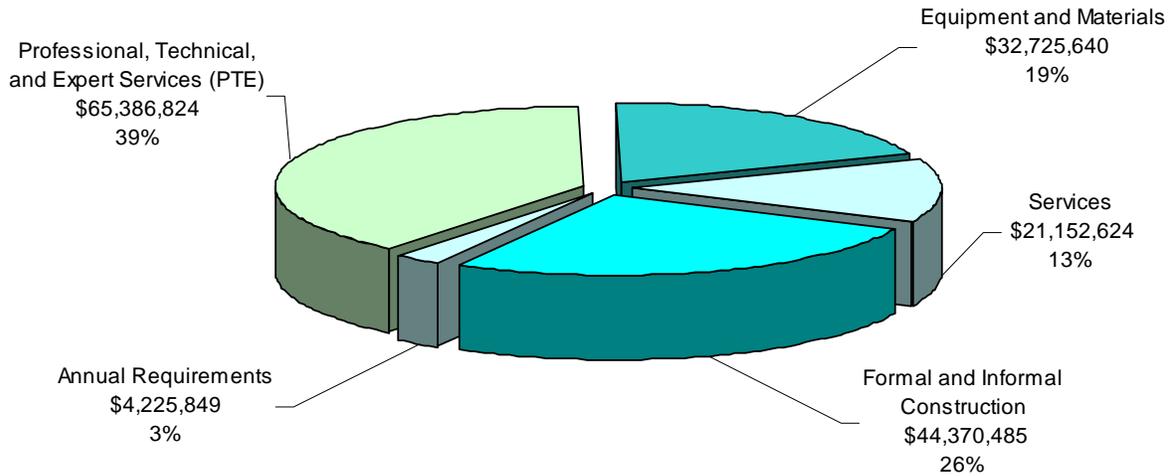
F/Y 2006 – 2007 City Contracting

During Fiscal Year 2006/07 the City entered into 1,529 new contracts with a value of nearly \$168 million.

Type of Contract	Number	Amount
<i>Annual Requirements</i> Goods and services the City uses on a continuous basis, such as water treatment chemicals, asphalt, furniture and paint.	21	\$4,225,849
<i>Professional, Technical, and Expert Services (PTE)</i> Services from professionals such as engineers, architects, and consultants. Most City PTE contracts are awarded by the bureaus, with the Bureau of Purchases acting in an advisory capacity.	374	\$65,386,824
<i>Equipment and Materials</i> Fleet vehicles, fire-fighting equipment, computers, and laboratory equipment, as well as non-annual purchases of such items as software, lumber, and lab equipment, are among the items we procure with these types of contracts.	729	\$32,725,640
<i>Services</i> Non-professional services such as equipment maintenance, advertising, temporary staffing services and security.	298	\$21,152,624
<i>Formal and Informal Construction</i> Public works construction projects—streets, sewers, park renovations, building remodels, etc.—are bid and contracted as formal construction if over the formal limit of \$100,000 (\$50,000 for highway projects), or as informal construction if less than \$100,000.	107	\$44,370,485
TOTALS	1,529	\$167,861,422



FY 2006-07 Dollar Value of Contracts By Industry



Training

Classes offered by Bureau of Purchases during Fiscal Year 2006-07:

Number of Classes:	33
Instructor Hours:	77
Participant Hours:	1,235
Number of Students:	282
Number of City Employee Students:	220
Number of Private Contracting Companies Represented in Classes:	35
Number of Students from Private Companies:	62

Prequalification

Number of construction prequalifications processed in FY2006-2007:

Number of Requests for Annual Prequalification	237
Number of Bid Specific Requests	38
Special Prequalifications	27
Denials	9
TOTAL	311

Sheltered Market Program

Number of Contracts Qualified for Sheltered Market Program:	13
Value of Contracts Qualified for Sheltered Market Program	\$1,931,588
Number of Contracts Awarded to Sheltered Market Program Contractors:	4
Dollar Value of Contracts Awarded to Sheltered Market Program Contractors	\$98,600



Workforce Utilization

Workforce Utilization (City prime contracts valued over \$200,000 and subcontracts over \$100,000):

Number of Workers	Count	Percentage
Apprentice Workers on City Construction Contracts	813	12%
Journey Workers on City Construction Contracts	5,835	88%
Minority Apprentice Workers on City Construction Contracts	220	27%
Minority Journey Workers on City Construction Contracts	982	17%
Female Apprentice Workers on City Construction Contracts	53	7%
Female Journey Workers on City Construction Contracts	369	6%
Combined Minority/Female Apprentice Workers on City Construction Contracts	273	34%
Combined Minority/Female Journey Workers on City Construction Contracts	1,351	23%

Number of Hours	Count	Percentage
Apprentice Hours Worked on City Construction Contracts	59,745.3	15%
Journey Hours Worked on City Construction Contracts	333,958.8	85%
Minority Apprentice Hours Worked on City Construction Contracts	17,196.3	29%
Minority Journey Hours Worked on City Construction Contracts	54,990.4	16%
Female Apprentice Hours Worked on City Construction Contracts	4,350.7	7%
Female Journey Hours Worked on City Construction Contracts	14,501.8	4%
Combined Minority/Female Apprentice Hours Worked on City Construction Contracts	21,547	36%
Combined Minority/Female Journey Hours Worked on City Construction Contracts	69,492.2	21%



Utilization of Minority-Owned, Women-Owned and Emerging Small Businesses (M/W/ESB) on City Construction Projects

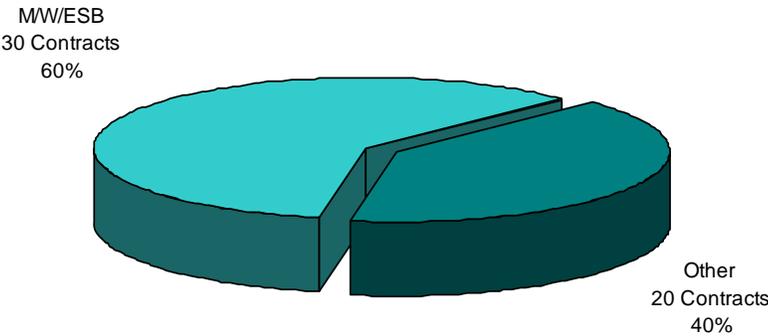
Construction Contracts Valued Under \$100,000

Construction contracts valued under \$100,000 are offered first to the City’s Sheltered Market Program firms. If there are no SMP firms able to bid on these contracts, they are offered to State of Oregon registered M/W/ESB firms. As indicated by the charts below, M/W/ESB involvement in contracting at this level is robust.

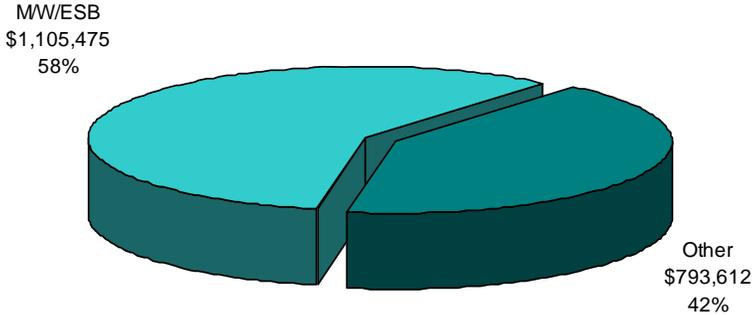
Certification	Number of Contracts	% of Total	Award Amount	% of Total
Emerging Small Business	15	30.00%	\$ 514,976	27.12%
Minority Business Enterprise	8	16.00%	\$ 291,148	15.33%
Women-Owned Business Enterprise	7	14.00%	\$ 299,351	15.76%
Other	20	40.00%	\$ 793,612	41.79%
TOTAL	50	100.00%	\$ 1,899,087	100.00%

Utilization by Certification on City Construction Contracts Valued at \$100,000 or Less

FY 2006-07 Construction Contracts Awarded
Valued at \$100,000 or less



FY 2006-07 Dollar Value of Construction Contracts Awarded
Valued at \$100,000 or less



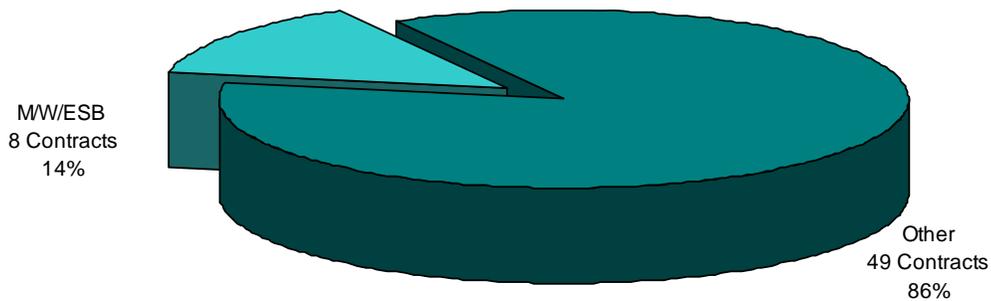
Construction Contracts Greater Than \$100,000

Minority-Owned, Women-Owned and Emerging Small Business involvement at this level is substantially less than involvement at the \$100,000 and lower level. Anecdotally, bonding requirements, equipment investment, technical and special skill levels, workforce expenditures and insurance costs are some of the barriers that influence the ability of M/W/ESB contractors to bid as primes on higher-value projects.

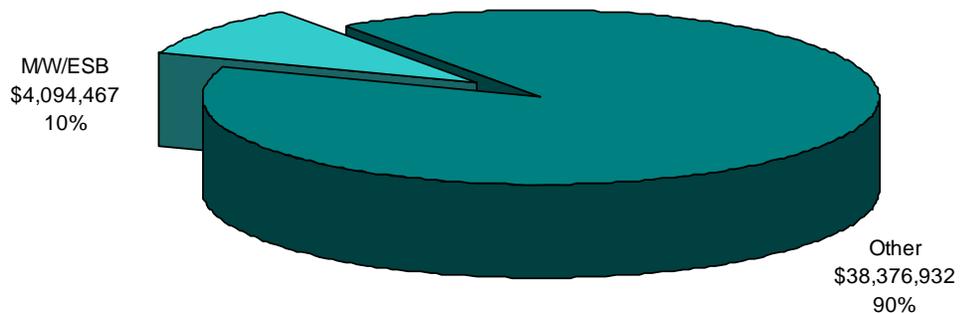
Certification	Number of Contracts	% of Total	Award Amount	% of Total
Emerging Small Business	4	7.02%	\$ 863,743	2.03%
Minority Business Enterprise	2	3.51%	\$ 1,225,883	2.89%
Women Business Enterprise	2	3.51%	\$ 2,004,841	4.72%
Other	49	85.96%	\$ 38,376,932	90.36%
TOTAL	57	100.00%	\$ 42,471,399	100.00%

Utilization by Certification on City Construction Contracts Valued Over \$100,000

FY 2006-2007 Number of Construction Contracts Awarded
Valued Over \$100,000



FY 2006-07 Dollar Amount of Construction Contracts Awarded
Valued Over \$100,000

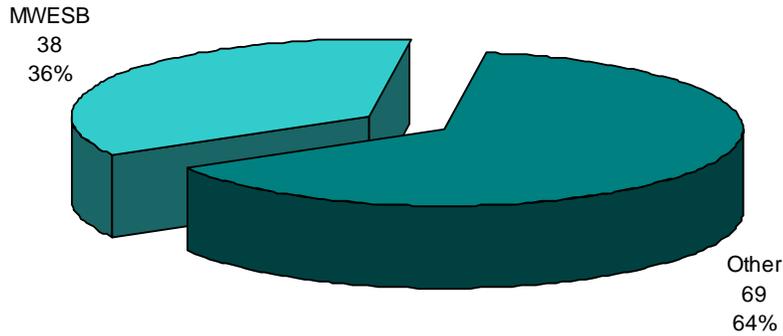


All Construction Contracts

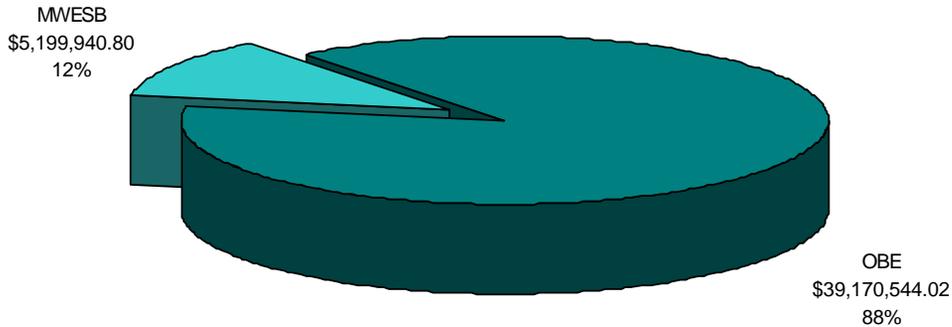
The charts below show a total of 107 construction contracts let during FY 2006/07 with a total value exceeding \$44,000,000. Of all City construction contracts, MWESB firms received 38, or 36% of all contracts. Due to involvement mainly in contracts valued under \$100,000, however, MWESB firms received only 12% of all prime contracting dollars.

Certification	Number of Contracts	% of Total	Award Amount	% of Total
ESB	19	17.76%	\$1,378,719.10	3.11%
MBE	10	9.35%	\$1,517,030.20	3.42%
OBE	69	64.49%	\$39,170,544.02	88.28%
WBE	9	8.41%	\$2,304,191.50	5.19%
TOTAL	107	100.00%	\$44,370,484.82	100.00%

FY 2006-07 Number of Construction Contracts Awarded
All contracts valued over \$5,000



FY 2006-07 Dollar Value of Contract Awards
All contracts valued over \$5,000

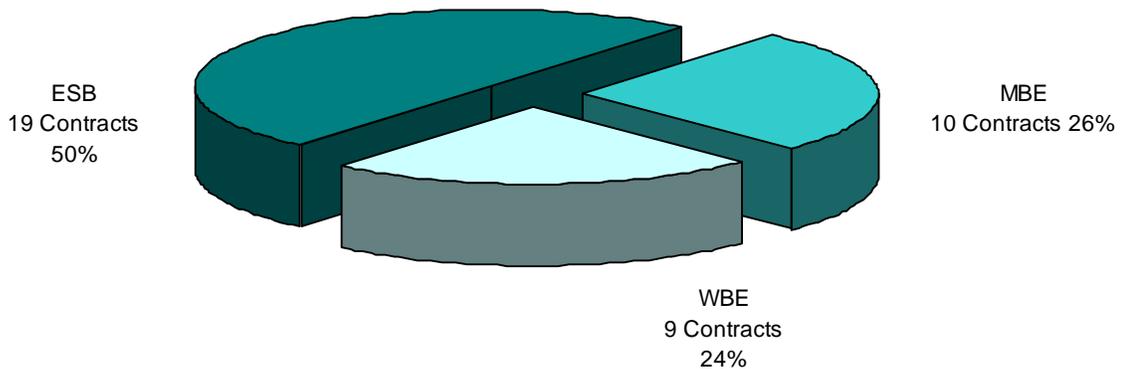


Construction Contracts Awarded to MBE, WBE and ESB Firms

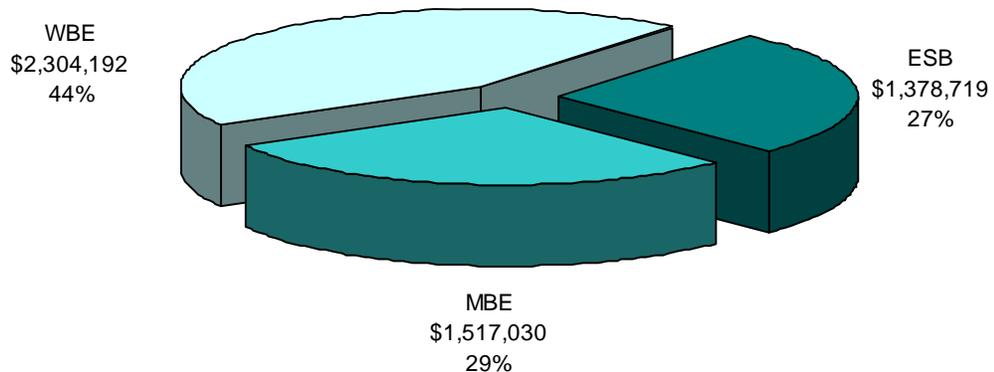
A total of \$5,199,940.80 in construction contracts were awarded to M/W/ESB firms. The breakdown of contract dollars to MBE, WBE and ESB firms are identified in the charts below.

Certification	Number of Contracts	% of Contracts	Award Amount	% of Total
ESB	19	50.00%	\$1,378,719.10	26.51%
MBE	10	26.32%	\$1,517,030.20	29.17%
WBE	9	23.68%	\$2,304,191.50	44.31%
TOTAL	38	100.00%	\$5,199,940.80	100.00%

FY 2006/07 Number of Contracts Awarded
M/W/ESB firms only

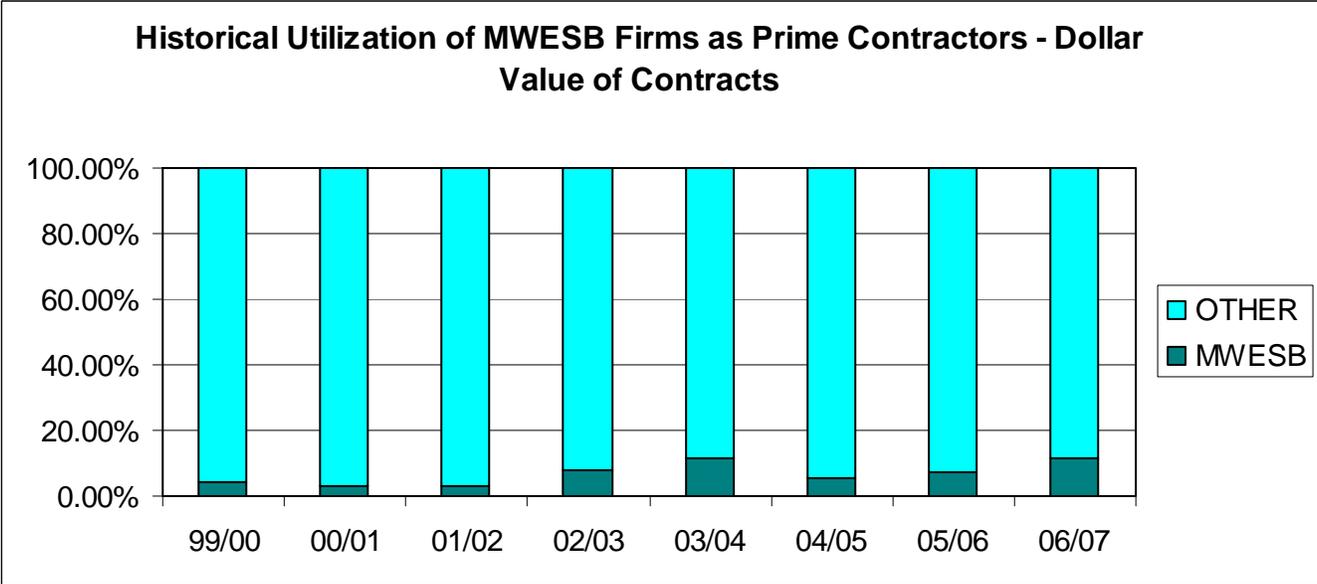
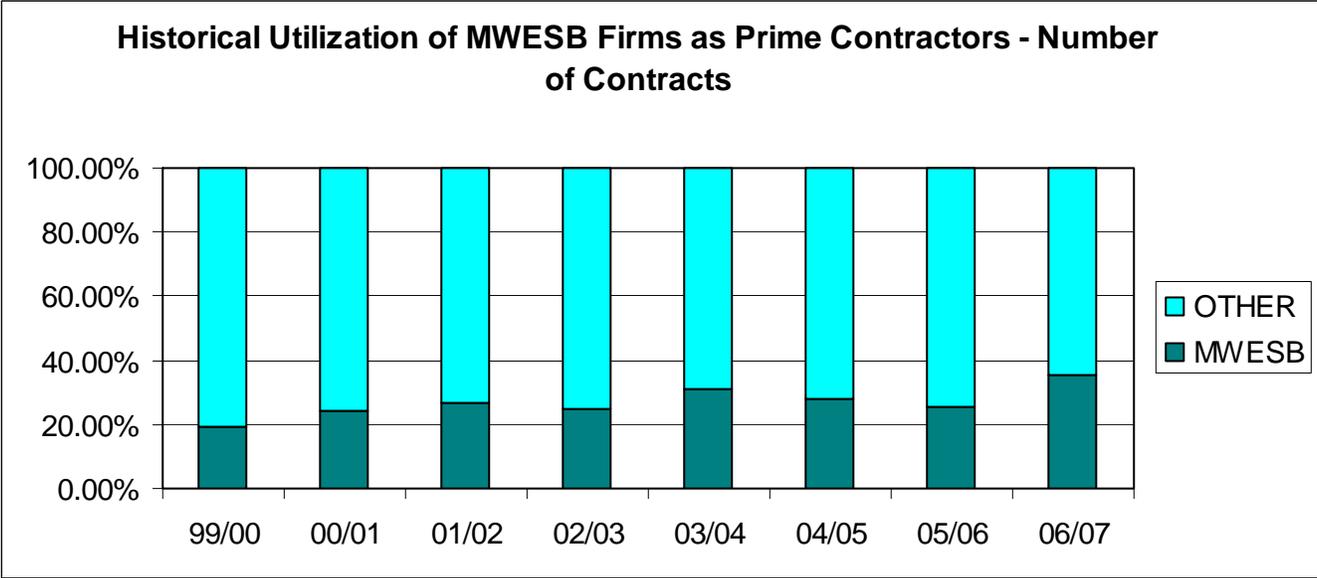


FY 2006/07 Dollar Value of Contracts Awarded
M/W/ESB firms only



Historical Utilization of MWESB Firms

While the number of contracts awarded to MWESB firms consistently tops 20% of the total contracts available, dollars awarded annually seldom exceed the 10% mark.



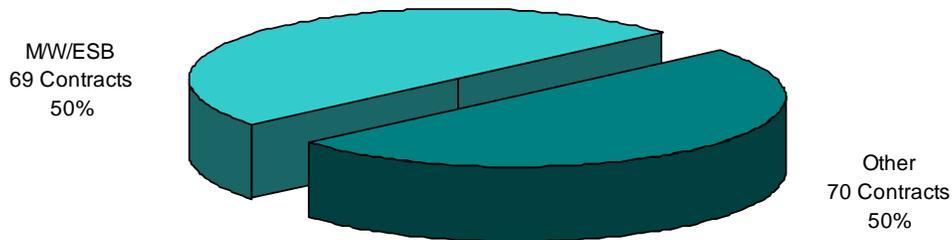
Subcontractor Utilization

M/W/ESB contractors were awarded nearly half of all available subcontracts for a total of 33% of all subcontracting dollars.

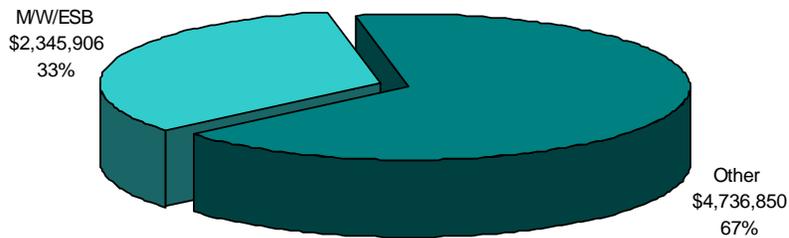
Certification	Number of Subcontracts	% of Total	Award Amount	% of Total
Emerging Small Business	19	13.67%	\$ 657,944	9.29%
Minority Business Enterprise	30	21.58%	\$ 530,895	7.50%
Women-Owned Business Enterprise	20	14.39%	\$ 1,157,067	16.34%
Other	70	50.36%	\$ 4,736,850	66.88%
TOTAL	139	100.00%	\$ 7,082,756	100.00%

Utilization of Subcontractors by Certification on City Construction Contracts

FY 2006-07 Utilization of Subcontractors on All City Construction Projects
Number of contracts



FY 2006-07 Utilization of Subcontractors on All City Construction Projects
Dollar value of contracts



AWARDS, INVOLVEMENT AND LEADERSHIP

Achievement of Excellence in Procurement

In 2007, the City of Portland received its fourth Achievement of Excellence in Procurement award. The City is one of only 36 cities around the country to win the award at least four times.

The Achievement of Excellence in Procurement award program was established in 1995 by the National Purchasing Institute. Awarded annually, this honor is earned by those organizations that demonstrate excellence by obtaining a high score based on standardized measurement criteria, including categories such as innovation, professionalism, productivity, e-procurement, and leadership attributes of the procurement organization.

Award sponsors include the National Purchasing Institute (NPI), the California Association of Public Purchasing Officers (CAPPO), Florida Association of Public Purchasing Officers (FAPP), the Institute of Supply Management (ISM), the National Institute of Governmental Purchasing (NIGP), the National Association of State Procurement Officials (NASPO), and the National Association of Education Procurement (NAEP).

Recycle at Work (Formerly Blueworks)

For the fourth year in a row, the Bureau of Purchases has received a RecycleWorks award from the Recycle at Work (formerly Blueworks) program. This is achieved only by those organizations that demonstrate excellence in sustainable practices including recycling, waste reduction and sustainable procurement.

Organizations

Bureau of Purchases staff provide support or serve as members, leaders and advisors of the following organizations and committees:

- African American Chamber of Commerce
- Asian American Chamber of Commerce
- Associated General Contractors
- City/County Sustainable Purchasing Steering Committee
- City of Portland Accounting Advisory Committee
- City of Portland Enterprise Business Solution Project Steering Committee
- Diverse and Empowered Employees of Portland
- Government Finance Officers Association
- Hispanic Metropolitan Chamber of Commerce
- Minority Business Opportunity Council
- National Association of Minority Contractors
- National Association of Procurement Card Professionals
- National Forum for Black Public Administrators
- National Institute of Governmental Purchasing
- Native American Chamber of Commerce
- Northwest Association of Environmental Professionals
- Oregon Building Congress Board
- Oregon Association of Minority Entrepreneurs
- Oregon Project Director's Association



- Oregon Public Purchasing Association
- Oregon Tradeswomen Network
- Philippine Chamber of Commerce
- Port of Portland Mentor Protégé Advisory Committee
- Responsible Purchasing Network
- Russian Chamber of Commerce
- Small Business Administration
- Small Business Advisory Council
- Sweatfree Procurement Steering Committee



LOOKING FORWARD

Focused Review

During Fiscal Year 2006-2007, the Bureau of Purchases underwent a focused review of its operations, staffing and methods. Calyptus Consulting Group, the contractor responsible for conducting the review, presented a final report in Fiscal Year 2007-2008 for consideration and implementation. The aim of the effort is to make the Bureau of Purchases as fair, efficient effective and accountable as possible to its customers while meeting the goals and directives of City Council.

Bureau Innovation Project Recommendation Implementation

City Council approved two recommendations of the Bureau Innovation Project #13 committee: create a program that provides more opportunities for minority-owned, women-owned and emerging small businesses in contracting for professional, technical and expert services contracts; and creating a supplier diversity program.

During Fiscal Year 2007-2008, a consultant will be contracted to research the development of a supplier diversity program and staffing and funding resources required. Recommendations will be presented to Council for approval and funding for Fiscal Year 2008-2009.

Preliminary efforts to create increased opportunities for MWESB firms to bid on professional, technical and expert services contracts will begin in FY 2007-2008, with increased activity taking place in FY 2008-2009 with Council approval of funding for program staff.

Sustainable Procurement

In 2007 the Sustainable Procurement Strategy reached the end of its five year timeframe. Purchases has launched a collaborative effort with internal customers to develop a new sustainable procurement policy and framework. It is anticipated that this new policy and framework will go before Council in mid-2008.

Technology Enhancements

The Enterprise Business System Project is scheduled to go live in 2008. The Finance and Logistics (FILO) module will provide a more efficient and accountable tool to aid in the procurement of goods and services and contract administration. The staff of the Bureau of Purchases has been instrumental in helping the EBS team develop and test the new procurement module. We would all like to express our appreciation to the team for their hard work and thoroughness in designing and implementing the system.

The Bureau of Purchases is working to upgrade its on-line bidding and tracking tool while updating the functionality of its database. Accurate data is essential to the bureau's fair contracting programs as well as reporting to City Council, the City's contracting bureaus, the public and stakeholders.



Sweatfree Procurement

In response to concerns raised by a local labor advocacy group associated with the national group Sweatfree Communities, in August 2007 City Council passed a resolution to “create the City of Portland Sweatshop Free Procurement policy for uniforms and clothing purchases.” Over the coming year Purchases staff will participate in a committee of stakeholders to develop this Sweatshop Free Procurement policy.

The Sweatfree Policy Committee has been instructed to develop a policy document for Council review by September 2008 and has committed \$20,000 to Sweatfree Communities to help develop a State and Local Government Sweatfree Procurement Consortium. With sweatfree policy development taking place across the nation, it is anticipated that the Consortium will have a large network with many resources to provide assistance with their efforts.

