



CITY OF PORTLAND
Fair Contracting Forum
Tuesday, October 15, 2013
10 a.m. to 11:00 a.m.
Rose Room, 3rd Floor City Hall
1221 SW 4th Ave.

Meeting Summary

Welcome and Introductions:

Mayor Charlie Hales opened the meeting at 11:10 a.m. Introductions and welcome made by the mayor saying the city of Portland tries to translate our values into tangible programs, policies and opportunities that benefit people in our city. We are working on tuning our performance to our goals.

Social Equity Contracting Updates:

Christine Moody explained that it has been approximately one year since the Fair Contracting Forum met last and spoke about the Social Equity Contracting initiatives that came out of the strategy. She then gave a presentation updating the group on the various social equity programs that came out of the strategy, the initiatives that have been put forth and the progress on each of them, beginning with background and history as follows.

Background & History: In July 2012 Portland City Council adopted the Social Equity and Contracting Strategy which follows the adoption of the Portland Plan that includes the framework for equity and city operations in business plans. The Social Equity and Contracting Strategy includes a series of actions alongside our procurement programs, namely Professional Services Contracting, Workforce Training & Hiring Program, Prime contracting, Prequalification and subcontracting.

Professional Services Contracting: In Professional Services Contracting, the Professional Technical Expert (PTE) manual in February 2013 increasing the formal solicitation threshold from \$23,662 to \$100,000 which allows for targeting certified firms for informal RFP's. These informal RFP's are not required to be posted to the Online Procurement Center and can be sent directly to certified firms. Part of the new requirements include that at least 50% of those RFPs must be made available to certified firms if the firms themselves are available. The updates also allow for direct contracting with MWESBs up to \$50,000, which means MWESB firms can now contract directly with the city without a solicitation process. Additionally, the Corporate Responsibility Evaluation Criteria has been revised, formerly referred to as "diversity criteria" in the RFP, to include point allocation for MWESB certification as a prime and also point allocation for use of MWESB sub consultants. There has been an increase in the number of points earned from 15 out of 100 to 20 out of 100 points as a part of the RFP evaluating criteria. Firms must also report their workforce diversity and describe what their community involvement is and what their sustainable business practices are. An overall aspirational goal of 20% has been established in awarding PTE prime consultant and sub consultant contracts to state certified firms. Prior to this, the City had an overall ESB goal and now there is an MWESB goal.

Workforce Training & Hiring Program: The Workforce Training & Hiring Program applies to prime construction contracts over \$200,000 and subcontracts over \$100,000. Within the program, contractors must make reasonable efforts to employ a diverse workforce, register as a training agent and allocate 20% of the labor hours per trade to state registered apprentices. As of September 2012, administrative rules have been developed putting forward a 27% goal for minority and women workers broken out as 18% minorities and 9% females. Contractors are given a post project report card that includes their workforce percentages on individual contracts and their MWESB subcontracting utilization. These are issued after projects are

Connie Ashbrook
Oregon Tradeswomen, Inc.

James Posey
NAMCO

Jonath Colon
*Hispanic Metropolitan
Chamber of Commerce*

Melinda Dailey
NUCA

Herb Fricke
*Oregon Native American
Chamber of Commerce*

Jorge Guerra
*Oregon Association of
Minority Entrepreneurs*

Lauren Holmes
*Nat'l Association of Women
in Construction*

Pat Daniels
Constructing HOPE

Mark Matthews
Pacificmark Construction

Jodi Guetzloe Parker
*Columbia Pacific Building
Trades Council*

Betsy Pratt
League of Women Voters

Sarah Coghill
AGC Columbia Chapter

Alando Simpson
*Small Business Advisory
Council*

Valerie J. Solorzano
Chick of All Trades, LLC.

Shirleen Warnock
Innovative Growth Solutions

Laura Becker
Venture Portland

completed to the contractor.

Prime Contractor Development Program (PCDP): In September 2012, the City began accepting applications from contractors for the PCDP. The program resulted out of the 2009 Disparity Study. The application process included a review panel examination, a Commercially Useful Function (CUF) site visit of each contractor and a third party financial review. After completing this application process at the beginning of 2013, 35 contractors were admitted to the program into four categories of work: Sewer Infrastructure, Water Infrastructure, Street Improvements and Building and Alterations.

The PCDP focuses on increasing opportunities and business development for MBEs and WBE contractors who want to compete as Prime Contractors in the above identified areas of work. Overall, this new program has a tiered approach with projects ranging up to \$350,000. In Tier 1, we have projects from \$5000 to \$150,000 while Tier 2 has a range of \$150,000 to \$350,000 that are bid out to contractors within the program. The program is designed so that as businesses develop and increase their ability to work on projects of a higher dollar value they will move from one tier to the next tier. There is a potential for 4 tiers, which could have contracts valued up to 1 million dollars.

All PCDP contractors are required to attend mandatory trainings and submit to technical assistance to enhance their business and contracting skills. The city has contracted with 3rd party technical assistance providers to provide project management, bookkeeping, assistance with completion of (city required) submittals etc. to assist contractors in these areas.

The Tier 2 contractors must participate in the Interise StreetWise 'MBA'TM curriculum that teaches students about business, leadership and financial management. It is a 9 month long course with a 100 hour commitment. Thirteen contractors graduated from the first Interise class and Jack Graham presented students' with graduation certificates. As a final assignment program participants presented their individual 3-year strategic growth plans to a panel of experts, laying out how they are going to accomplish this growth to move their businesses forward.

Thank you to the Mayor and Jack Graham for approving on-going funding for the program was given by Christine.

Having partnered with PDC and Patricia Weekley, beginning in November, Procurement Services will start a new Interise class with PDC sponsoring five professional firms that will attend. Altogether there will be approximately 15 firms in the Interise program, with a good mix of PCDP construction contractors and PDC sponsored professional firms.

Prequalification: The City requires contractors to be prequalified in certain areas of work on its construction projects. Prequalification program changes have taken place: The Administrative Rules updates are almost complete. Prequalification program changes center around consistent evaluation and streamlining the prequalification process. When the strategy was adopted last year, the City eliminated the need for prequalification on projects under \$250,000. Currently, the direction is to simplify the application and review process, change from an annual application to once every 2 years, standardize the evaluation criteria for all bureaus and centrally administer the program in Procurement Services. A prequalification board has been established with representatives from all the construction bureaus of the city and including the Office of Equity and Human Rights. All applicants will be reviewed by this board. These changes in the process will allow for contractors to get prequalified in those various divisions of work that require prequalification.

Wrap Up:

In 2014, we are refreshing the (internal) Project Manager (PM) Training Program, adding some new classes centering on small business and equity. Some of the new classes are: Mentoring and Relationship Development with Certified Firms, Unbundling Projects, How to Conduct Outreach to Certified Firms, Title VI in Equity and Contracting, Permitting Issues and Challenges for Certified Firms. External contractor trainings will continue, bringing

back *How to Respond to an RFP*.

An ongoing effort to update our Good Faith Effort Program, which pertains to subcontracting, will continue this coming year as well.

In November an Ordinance will be put forward to City Council for a partnership with a KIVA micro-lending platform. This is being started as a small pilot project, working with KIVA to support Portland area small businesses and contractors within the Prime Contractor Development Program.

Christine welcomed questions and comments about her presentation and the updates.

1. OAME president, Jorge Guerra, recommend that other micro lenders in the City become part of a small business lending program with a more open portfolio of micro-lending service providers. Lenders to consider would be Mercy Corp, MISO, the Hispanic Chamber of Commerce and OAME, who recently acquired from the SBA another \$875k.

Response: Christine agreed with this comment and thanked Jorge for all of his on-going support of the city's programs at OAME.

2. Concerns about clear tracking and up to date information on all of the changes presented were voiced by James Posey. A suggestion to be out ahead of any issues that may arise so those issues can be addressed, saying that reports need to be given to contractors before the projects are over. Questions regarding outreach for the PCDP were raised with the comment that some folks did not receive notification of the Prime Contractor Development Program and in that same context, are we linking the prime contractors in their performance to see if they are harming people of color and really representing what goes on in the community. Another question posed, was why you need to be trained if you've been in business for 20 years. The general issue of transparency should be addressed.

Response: The City tracks the process of projects throughout the life of those projects, so although the contractors are receiving a report card at the end of a project, there is ongoing conversations where contractors can identify any issues they may have in meeting the City's requirements. The City performed active recruitments for the PCDP through presentations to NAMCO and OAME. Information was also sent out through several other avenues informing contractors of the invitation to apply for the program. The PCDP program does have performance measures which are included in the PCDP manual. The program started in February 2013 and as the one year mark arrives, these measures will be reviewed. In the last construction season the City bid 20 projects for a total of \$2.5 million into the program. Jack Graham invited Mr. Posey to engage more with him regarding outreach and welcomed his ideas about how to make that connection.

3. Pat Weekley commended Christine and the City of Portland for moving forward with business development and capacity building, but is concerned with how to meet the challenge of the combined utilization goals for emerging small businesses, minority businesses and women owned businesses. What she noticed on past projects at PDC, when drilling down into *combined* (MBE, WBE and ESB) utilization goals, is that PDC's business partners have had a tendency to work with those they are most familiar with and the benefit has been going mainly to emerging small businesses, but not necessarily minority and woman owned small business contractors. In the future, she added that she would like to have a conversation about separating out the emerging small business goals from the minority and the woman owned businesses so that minority and woman-owned businesses get the greatest exposure available to the capacity building programs.

4. Would like to look at data and get some feedback on the new programs. Would like to see comparisons of past programs with the new ones to see how effective the new programs are compared to historical programs. Also, whether the workforce plans are really making a difference and how effective are the new programs.

Response: Procurement Services issues an Annual Report with all of the City's workforce,

prime contracting and subcontracting information. The Annual Reports from the past several years are available online on the Procurement Services website. Christine agreed that tracking performance is very important and that performance goals are included with the new programs.

5. Can you talk anecdotally how people have perceived the program both by the participants and from the city bureaus' perspectives?

Response: The mayor mentioned that the bureaus are present, to which one of the bureau representatives mentioned how much he liked the direct contracting (for PTE) and that he is using it a lot. It is very helpful for us not to have to go thru the lengthy solicitation process and would like to see the dollar threshold for those contracts raised even more. Christine reminded the group that these changes have only been in effect since February and we have seen that the bureaus are taking advantages of the direct contracting with MWESB adding that the contracting is not always with ESB firms, but with the minority firms as well.

6. Jodi Guetzloe-Parker made mention of the 27% goal for minority and women in print and applauded the city for getting this in writing reminding the group that it takes all of us working together to make the goals a reality. She remembered past conversations around this table regarding growing small contractors up through the tier program and just wanted to thank and applaud a job well done.

7. Connie Ashbrook asked if there a template for a report card and can we get that, maybe posted on the website.

Response & Action: Christine responded, yes we can get this out.

Connie continued, Also, I appreciate that you have a goal for minority and women journey level workers as many times we have seen goals for apprentices but not journey level workers. Having these goals helps for continuity of employment for the journey level workers. Connie expressed interest in the internal PM training program and would like to see a workforce component included. She volunteered herself, Deborah Lindsay, of the Urban League and Pat Daniels from Constructing Hope to make some presentations to the PMs for this training.

Response & Action: Christine agreed to accept this help and will have someone contact her for that training.

How does a company get on the list to be able to access formal solicitations that are not required to have a bidding process?

Response: Christine clarified that the solicitations that do not have to be bid out are only PTE solicitations under \$50,000. We use the state list of certified companies and outreach events in addition to having Tiffani Pension the Supplier Diversity Officer, work with minority and woman owned companies to introduce them to bureau representatives so that when there are solicitations beyond the direct contracting threshold, the bureaus are familiar with the types of work these companies perform and will contact them for bidding on these contracts.

The PCDP is a similar program on the construction side. Once a contractor is in the PCDP, contractors then bid against other contractors within their Tier of the program. At this point, the City anticipates having an open application process next summer and will once again conduct outreach to several organizations letting them know of the opportunity.

Several in-depth issues were brought up regarding the trucking apprenticeship program in the state included having a tailor suited apprenticeship rather than a one-size fits all apprenticeship; safety issues were sited; the truckers have CDL's; 300 hours before the apprenticeship kicks in; and BOLI and the contractors side of the issue.

Response & Action: Procurement Services will facilitate an offline discussion regarding what the requirements are between NUCA and the Trucking Apprenticeship Program to see

what can be done.

Christine received commendations for her hard work this last year from Mark Matthews of PacificMark. We still have a lot to learn. On the Good Faith Effort (GFE), will there be a different way of looking at the Good Faith Effort?

Response & Action: Yes, there will be a different way of looking at this, but the exact outcome is yet to be determined. One question that we are trying to address is how the city continues to meet its utilization goals without adding burden to contractors with more paperwork to complete. This program will require a lot of concentrated effort and our goal is to look at this more in depth in the coming year. We will update you as more information is available in these forum sessions.

Announcements:

Connie Ashbrook from Oregon Tradeswoman presented to the City of Portland, Procurement Services a certificate of appreciation for helping put on the Women in Trades Career Fair where over 2000 women and girls attended. Connie mentioned she would welcome volunteers for next year's career fair and also shared reports with the group.

Christine called for any further announcements. There were none. The next meeting will be in January 2014.

*Next Meeting
January 23, 2014
10:00 to 11:00 a.m., Portland City Hall
3rd Floor - Rose Room*