



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 OAME*

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

Pat Daniels  
*Constructing HOPE*

Mark Matthews  
*Pacificmark Construction*

Willy Myers  
*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*

H.Q. LA  
*Pacific Asian Chamber of Commerce*

Wade Freitag  
*Oregon Remodelers Association*

CITY OF PORTLAND  
Fair Contracting Forum  
Thursday, January 22, 2015  
10 a.m. to 11:30 a.m.  
City Hall, 3rd Floor, Rose Room  
1221 SW 4th Ave., Portland, Oregon

### Meeting Summary

Meeting handouts: City of Portland Contract Compliance presentation Pdf and Business Equity Performance Recognition.

### **Welcome and introductions**

Christine Moody introduced Ken Rust the City of Portland's CFO and Bureau Director for the newly formed Bureau of Revenue and Financial Services. She noted that Procurement Services has been added to that bureau. Ken introduced himself and gave a history of his working for the City from 1993 to 2011 and the positions that he served including CFO. He indicated that he hopes that on this new assignments his prior experience working with purchasing will be helpful. He explained that his position as CFO this time is different than before because he now reports to Fred Miller the CAO and directly to City Council. After Ken concluded there were introductions around the room.

Christine introduced Procurement's new Prime Contractor Development Program (PCDP) Coordinator Stacey Edwards. Christine made known that Stacey was selected after a competitive recruitment process. She indicated that Stacey comes to the City with a wealth of experience working with programs pertaining to Minority, Women, and Emerging Small Businesses.

### **Compliance Programs**

**Paula Wendorf**, Compliance Specialist with Procurement for Outside Services asked people to hold questions until the end of the presentation because there was a significant amount of information to present.

Next, James Posey volunteered comments about the *absenteeism of the public FCF members*. He compared the number of outside members in the room to the number of City staff. A discussion commenced about the possible reasons why members aren't attending and possible ways to get members to attend. James was asked if he had suggestions for increasing attendance. James suggested that we do an assessment of why people are not attending, maybe add more contractors to the membership or by holding the meetings after-hours. Alando Simpson suggested letting people know prior to the meeting that there will be food available. Another suggestion of allotting

15 minutes of the 90 minutes at the beginning of the meeting for networking and refreshments.

James added comments that there were no meeting minutes. Christine explained the minutes went out with the meeting reminder and that they are online, she offered him a hard copy of the minutes and he thanked her. She reminded James that we have a long presentation and turned the meeting back to the Paula Wendorf and the Compliance Program presentation.

**Paula** gave an introduction and the presentation overview. She emphasized that the presentation will focus on the purpose of some of the City's social equity programs and the responsibilities of the compliance staff to those programs. She gave an overview that included the following program details and compliance staff activities:

Attending Pre-Bid meetings: She explained that this is where staff can meet with primes and subcontractors and go over program requirements and clarify any of the requirement details.

The Good Faith Effort (GFE) and Workforce Training and Hiring program (WTHP): These programs apply to contracts estimated at \$200K and up. The WTHP also applies to Subs with contracts over \$100K.

Minority, Women, Emerging Small Businesses (MWESB) Contracting Goals: The GFE requires contractors to contract with MWESB subs for all Divisions of Work (DOW) identified that are not being self-performed. The contractors must attempt to achieve a goal of 35% Minority and Women participation

Workforce Contracting Goals: The WTHP requires contractors to be state registered training agents and 20% of each trade hours must be worked by state registered apprentices. Also, more than 300 hours of work on the project must be on the job site. The WTHP includes aspirational goals of 18% minority and 9% female participation on the overall project.

Contractors Program Documentation: Contractors must submit documentation of their GFE and WTHP efforts to achieve program goals.

**Brenda Scott**, Compliance Specialist for Construction spoke about the Good Faith Effort (GFE) program. She detailed the bid process and how through this process they make determinations on compliance issues. After bids are due Construction Services receives the Bureau's letter of recommendation and then the Compliance Specialist starts the GFE review that includes: Review of forms 1 and 2, checking for MWESBs for each DOW, verifications of MWESB certification status, and checking to see if the prime contractor has a history of compliance issues during the last 3-years.

**Brenda** described what happens after they have done their review and move to the Post Award phase. The Compliance Specialist emails the project intro letter to the prime contractor. This letter outlines the City's project requirements for the prime, like GFE, WTHP, Prompt Payment, Equal Employment Opportunity (EEO), and required reporting, like the Monthly Employment Reports (MERS) that must be submitted by the 5<sup>th</sup> of every month. She indicated that subcontractors are also

notified by email/faxes about contract awards, the amount, and City contact information in case they need help during the project.

She indicated that sometimes primes may want or need to change out one of their subcontractors and she explained the process. The prime must complete and submit Subcontractor Change Request Form. This form should include an outline for the reasoning behind the request for a different sub. In additions data on MWESB participation must be provided at that time. The final step is to have the request signed off by the City Chief Procurement Officer.

**Brenda** advised that “It’s all about the Pre-Construction meetings.” It is in those meetings she explained, that compliance staff get to know the primes and subs. The meetings present staff with the opportunity to answer questions about the City’s program requirements, such as prompt payments. Brenda provided an overview of the information and steps compliance staff must take to insure subs are getting paid, this includes the receipt of payment verification letters. She said that it is important that Bureaus process payments and if a sub is not being paid they need to “Call Us.” She expressed that it is tough to get payments after the project has closed because there is no retainage.

**Cathleen** Massier spoke about the workforce plan and how it lays out the ways in which the contractors intends to meet the project workforce needs and requirements. Sometimes there are no minorities or women available to do the work. At that point the compliance staff must coordinate with the contractor to see how the goals can be reached. Contractor must report ongoing efforts for increasing diversity goals such as increasing recruiting for new employment positions and by keeping written documentation, also, using request for apprentice forms helps. She said that workers must be state registered apprentices and journeyman level.

**Angela Pack** gave an overview of the compliance functions of the *Prime Contractor Development Program (PCDP)*. She said the goal of the program is to “increase the participation and capacity of disadvantaged prime contractors (including minority and women owned firms) on City construction projects.” The program helps to increase the level work experience for the participating primes working up through the tiers of the program. Angela indicated that the GFE requirements apply on PDCP projects of \$150K and up. The WTHP has a threshold of \$200K and applies to primes as well as the subs contracted for \$100K and up. The PCDP compliance process is very similar to the GFE and WTHP processes that *Brenda* and *Cathleen* previously covered.

**Christine Moody** indicated that Professional Technical Expert Services (PTE) covers those services with certifications or degrees of some type. She said PTE compliance promotes economic growth and as businesses grows, they hire more people who then return dollars back to community. Christine said that the PTE services at the City are decentralized and what this means is that Procurement Services has oversight for policy development and compliance. She noted that most of the solicitation process and contract management is done in the bureaus. This is somewhat different from the how construction handles compliance as we heard from previous speaker.

**Christine** present the PTE Compliance follow-up and support work is conducted for the following:

- 20% of PTE contracts are to be awarded to state-certified MWESB firms.
- Contractors must demonstrate workforce diversity by certifying as an Equal Employment Opportunity (EEO) employer
- PTE Compliance applies to formal contracts over \$100K and intermediate contracts \$5K to \$100K
- Verify that contractors are submitting monthly and quarterly reporting as required to keep track of MWESB utilization.
- The City allows internal bureaus to conduct direct contracting with MWESB on contracts up to \$50K. The Bureaus may not know who to contact and how to find MWESB firms so compliance staff can assist in finding state certified firms.
- Compliance specialist conducts annual bureau audits to make certain all the documentation required is there and up to date.
- A resource for contractors and subs to help with any payment issues, substitution request, increase of scope and generally facilitates the processes.
- Process audit and final payments and any payment issues with Prime, along with any Sub request for retainage.

**Cathleen Massier** gave an overview of the contract compliance services that Procurement provides for local agencies and partners such as Portland Development Commission (PDC), Portland Public Schools, Portland Housing Bureau and Home Forward. Some of these agencies have different requirements from the City depending on their agency requirements.

She spoke about Home Forward and the Portland Housing Bureau projects receiving Housing and Urban Development (HUD) funding on projects. Those are then subject Section 3 requirements. Recipients receiving \$200K in HUD funding are responsible for Section 3 requirements. What that means is that they must provide employment opportunities for low income residence and on applicable projects there is a 30% hiring goal for Section 3 residence and a 10% goal for Section 3 business participation. Bureaus are required to report to HUD on the percentages they achieved for these goals; last year reported 29.5% Section 3 hiring and about 20% business utilization on project funded in part by HUD.

**Cathleen** explained how the City administers PDC's business workforce equity goals for women and minorities. Currently PDC's goals for DMWESBs – construction workforce are 28% Minority and 12% Women. The percentage may change in July (next fiscal year.) She indicated the Portland Public Schools implemented the City's Workforce Training and Hiring Program on its Bond projects last year and the City provides support to aid their efforts.

**Cathleen** outlined how CUF reviews are conducted by the Compliance Specialist. For instance: conducting regular site visits, seeing that people are being paid, interviewing apprentices, and checking in with journey workers, women and minorities.

**Angela** gave an outline of the Contractor Report Card (CRC). The CRC provides a snapshot of MWESB and workforce participation and how the contractor did in meeting program requirements for the project. Angela also explained the consequences for not meeting the requirements such as assessed damages.

**Paula Wendorf** presented the programs highlights for fiscal year 13-14 and then opened the meeting up for questions.

**James Posey** inquired where he might find the CUF reports. He asked “Where can you find the entire reports? Where can you combine information more detailed information? He also asked about the successes that occur and bench marks. Christine suggested that the data can be pulled and emailed out to the group. James continued, he asked about the trends and conclusions, and requested “your” narrative. He would also like to know next steps? And he asked about deficits and gaps.

There was a discussion about damages and retainage and if contractors ever disregard the retainage.

**James and Alando Simpson** discussed the data that James inquired about. Alando asked what James is going to do with the data and suggested that since James wants the data he should put together a report with his narrative and present it to the group.

**Cathleen** detailed the overall goal of social equity programs

- Set goals for minorities and women
- Board Prequalification
- PTE (direct contracting.)
- Points allocated to MWESB that are state certified.
- GFE subcontracting program
- Wealth creation

**James** indicated that in his “minds’ eye” he sees that there are hoops to go through. That we need to look at the general capacity of contractors to do all the paperwork that they are doing. He said the City needs to streamline the system because paperwork is a burden to small businesses City needs to make an effort to reduce the paperwork requirements.

Alando reiterated James earlier comments about the low turnout of public forum members.

**Christine** responded first that the City is making efforts to find ways to reduce paperwork or to make paperwork easier, that we heard this loud and clear. Next she expressed her disappointed in the turnout at this meeting that in the meetings prior we

were at capacity. There has been a steady decline over past meetings. She welcomes any new ideas to improve the meeting. She said we are willing to make adjustments.

James suggested an after-hours meeting because the people that you're trying to focus on are contractors. Christine said in the past it hasn't been an issue.

### **Business Equity Program Review Christine Moody**

Christine followed up on the data that was sent out for the BEPR and she didn't receive any comments, so she is ready to take the next steps of the recognition award.

James suggested he would like a follow up on the Community Benefits Program. He said he would like to look at the numbers in an emphatic way on a personal level and the numbers on the Water project to see if it is a way to move forward the agenda. Christine Moody informed James he could put in a request for that information and we can get him the information on the projects.

There were no additional items. The meeting adjourned

*Next Meeting*

*April 23, 2015*

*10:00 to 11:30 a.m., Portland City Hall*

*3<sup>rd</sup> Floor - Rose Room*