

The Daily Journal of Commerce

'Iconic' entrance sought for Portland's Forest Park

By Beverly Corbell

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Portland's Forest Park has many entry points, but no main entrance. Portland Parks & Recreation wants to change that and create a distinctive entrance with amenities – if it can ultimately cover the \$15 million price tag.

Parks & Recreation officials recently issued a request for proposals for the entryway, according to planning and design manager Lauren McGuire.

"This will be an architecturally-led project with a really strong landscape firm partner, and there's also a cost consultant element to it," she said.

The parks department is working on three campaigns in the park, including habitat restoration and invasive species removal in addition to repair of signage, trails, bridges and culverts.

But the \$15 million would go only toward a new entrance, which would include parking for 20 motor vehicles and bikes, restrooms, a walkway that complies with the Americans with Disabilities Act, maintenance facilities and eventually an overlook and possibly even an amphitheater.

The build-out would be a long-term effort, under the direction of project manager Britta Herwig. Public outreach will begin after a design is picked, McGuire said. The deadline to respond to the RFP is April 1. Interested parties can contact Herwig at 503-823-5476 or britta.herwig@portlandoregon.gov.

The new entry will be located south of U.S. Route 30 where it converges with St. Helens Road and Kittredge Street, McGuire said.

"We are ultimately looking for a designer to design an iconic architectural gateway to improve access and circulation, and provide a major entry into the park which, right now, we don't have," she said.

Fighting for a bigger piece of the pie

By Garrett Andrews

March 23, 2016

In 1996, stakeholders in Portland were fed up with the dearth of public contracts going to woman- and minority-owned companies, and the relative lack of women and minorities in the workforce. City leaders pledged to do better, establishing programs to increase "participation," which hovered between 3 and 5 percent total for those groups.

Twenty years later, those facts are all roughly the same. O'Neill Electric President Maurice Rahming, a regular voice on this issue, said now he and others are working to keep things from getting worse.

"Ideally, we'd like to see those numbers go up," he said, "but realistically, we're fighting to keep those extremely low numbers. We've been doing this for 20 years. We've been setting goals, but we haven't been meeting them."

What's new today is that the construction industry in Portland is beset by the disruptive effects of a building boom and a labor shortage. To adjust, there's talk in City Hall of using less of the low-bid procurement method, and "disaggregating" DMWESB data. There are also calls on private industry to step up.

"Looking at the latest data the city has, it still shows very low utilization of minority and women contractors," said Tony Jones, executive director of the Metropolitan Contractor Improvement Partnership. "While there's been lots of effort over the last 20 years, when we look at the results, they're the same."

Eager for change, at long last

Earlier this month, a shaky half-year after the Portland City Council established the Equitable Contracting and Purchasing Commission, members – including Rahming and Jones – approved a no confidence motion against the city council. The vote will have little practical impact, city officials say. But it did lay bare tensions that had simmered on the commission for six months.

The city later delayed release of video of the meeting and left key details out of meeting minutes, as first reported in *The Oregonian*.

Commission members received an email asking them to not speak on behalf of the ECPC.

Josh Alpert, the mayor's chief of staff, said he takes "full blame" for the flare-up. When Mayor Charlie Hales shifted his focus to addressing the problems of homelessness and housing affordability, the business of the ECPC and other matters were pushed aside. Alpert said the city could have done a better job preparing and communicating with the commission.

"There's a lot that's been tried over the past few decades, and the numbers really haven't moved a whole lot," Alpert said. "The whole point of establishing this commission was to address that."

In 2007-08, the city awarded minority-owned businesses just \$80,000 of \$91 million in construction contracts, according to a 2015 paper by the Center to Advance Racial Equity at Portland State University. In 2013, the state of Oregon awarded minorities less than \$2 million out of \$2 billion, or less than 1 percent.

Last week the commission held a retreat, to "hit the reset button," according to Alpert. The city hasn't been effective in finding incentives for established construction firms, he said, "other than all the good reasons that are already out there."

There are several notable examples of partnerships between a large general contractor and a large DMWESB firm, including R&H Construction and Colas Construction, and Walsh Construction and O'Neill Electric.

The city of Chicago has policies that support large firms that already work with diverse subs on their private projects, Jones said.

“They’re looking at: How do you act when no one’s looking?” he said.

Last week Rahming attended an input-gathering session related to the impending \$195 million overhaul of the Portland Building. The council has committed to spending 1 percent of the construction cost on efforts supporting diversity. The meeting was one of two held to determine how that money should be spent.

Interested parties filled out comment cards, calling for pre-apprentice training for women, and for data breaking down minority goals by ethnicity. Nkenge Harmon Johnson, president of the Urban League of Portland, wondered why they weren’t discussing the “99 percent.”

“We’ve heard all this before,” she said after the meeting.

The city is still hopeful that women and minorities play a major role in the interior remodel and seismic upgrade of the 33-year-old Portland Building. The project team opted to pursue the “progressive” design-build method, which brings builders into the fold earlier and allows for closer collaboration between private parties and city staff, according to Christine Moody, the city’s chief procurement officer. This could go a long way toward ensuring diversity targets are reached, she said.

The customary low-bid method required by state law tends to favor larger companies, Moody said. And those larger companies tend to favor larger subcontractors they’ve worked with before.

“In my experience, doing an alternative method allows us more flexibility,” Moody said.

Under Oregon law, getting a project exempted from the low-bid requirement is a lengthy process, one involving completion of a 14-finding test and posting notice for two weeks. One of the findings is for cost savings, meaning alternative procurements are chosen typically for larger projects, where the city can make up costs in the design phase.

Advocates like Nate McCoy of the National Association of Minority Contractors’ Oregon chapter and Jones of MCIP favor breaking open the initials DMWESB to “disaggregate” the data used by governments. Too often companies will circumvent hiring goals by playing with these numbers, McCoy said.

“Pretty much, most of the certifications are white-dominated certifications,” he said.

At last week’s input-gathering meeting, several attendees said there’s no need for the city to spend money on further studies when their groups have already studied the issue.

Moody said that for the city to use such outside data, it must have been gathered using methodologies that would hold up in court. She suggested at the meeting that a portion of the 1 percent set-aside could be used on a study disaggregating the city’s data – an idea met with frustration by some in attendance.

Acting in ‘good faith’

The city isn't the only institution in the Portland area performing projects. TriMet, Metro and the Port of Portland fall under the guidelines of the federal Disadvantaged Business program. Multnomah County has a big upcoming courthouse project as well and also maintains six bridges in the Portland area. Portland's public school districts, subject to state law, also offer opportunities to contractors.

Since 1996, the Portland City Council has adopted a number of policies in this arena, for construction as well as professional services. For each city project, there's a workforce goal of 18 percent minorities for apprentices and journey-level workers, and 9 percent women.

There are also subcontracting goals, which the city is in the process of changing. The city's existing "good faith effort" program requires that 35 percent of subcontracts go to women and minorities, and that general contractors act in good faith to reach that total. (State law currently prevents disincentives from being attached to diversity goals.) The city hopes to roll out in the next few months a new program requiring that 20 percent of the overall construction cost go to DMWESBs.

"If you're not subcontracting anything, it's kind of easy to meet that existing goal of 35 percent," Moody said. "When we move to the 20 percent, the contractor can decide what they want to self-perform, and what they want to sub out; they just have to worry about meeting that 20 percent."

The city also has its Prime Contractor Development program, which emerged from a 2009 disparity study finding that far fewer prime contracts went to women and minorities. The program allows state-certified DMWESB firms to bid against each other – rather than against major firms – for smaller city projects.

Swimming with sharks

Gale Schmidt, who owns A2 Fabrication, said there are lots of "sharks" out there.

"If you're small, you really get tossed around and chewed on quite a bit," she said.

Schmidt has been in business since 1996. She has nine employees and recently completed her largest project to date, a \$3 million job supplying about a mile of railings for TriMet's Portland-Milwaukie light-rail line.

Sizable change orders that a major contractor wouldn't bat an eyelash at can mean success or death for a firm like A2. Schmidt says there's subtle pressure by general contractors to be agreeable to such changes, or risk not being included in future projects.

Another factor, Schmidt said, is that often bid packages for public projects are too large for a small startup. Last week she saw a posting seeking a steel supplier, including \$100,000 in structural beams, along with ornamental steel, railings and other materials. Schmidt could've provided the ornamental steel, she said, but not nearly all the steel for the entire job. So she didn't submit a bid.

It's this way for other trade divisions. Schmidt said this issue comes up often in conversations with other minority subcontractors. The city's Christine Moody said alternative procurement methods like construction manager-general contractor or design-build have a better track

record because they give general contractors the time and flexibility to break down those large bid packages.

Val Solorzano has operated COAT Traffic Control for more than 10 years. The acronym stands for Chick of All Trades, though these days she focuses mainly on flagging-related work. Many minority owners operate on the fringes, as subcontractors in fields like flagging and custodial work. This helps explain why total wages for minorities are lower than white for large projects like the recent Sellwood Bridge replacement.

Swimming with the sharks on large projects – where payments can take up to 90 days – can quickly sink small, emerging firms. Solorzano suggested establishing a fund for small businesses to draw off.

“You have to be tough, or they won’t respect you,” she said.

The Portland Business Journal

City hopes to open homeless shelter in a Southeast Portland school district building

By Jon Bell

March 29, 2016

First it was declaring a housing state of emergency last fall, then it was converting unused buildings into temporary homeless shelters.

Now, the city of Portland has taken its creative approach to chipping away at Portland's homeless problem to a new place, this time to Portland Public Schools.

According to Willamette Week, Portland Mayor Charlie Hales is negotiating a deal with PPS Superintendent Carole Smith to turn a school district owned building in Southeast Portland into a homeless shelter. In exchange, the city would continue to provide funding for "school security and student bus passes."

The building under consideration is a storage building on the campus of the former Washington High School at 1300 Southeast Stark Street. The latter facility underwent an extensive renovation and is now home to the music venue Revolution Hall, as well as business tenants such as New Seasons and Copious Creative.

A sidewalk along the south side of the campus has already become a fairly popular place for people to pitch tents and otherwise set up temporary camps.

Willamette Week noted that the agreement is still in the works, and that any deal would have to make its way through the city budget process first.