

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADOPTING)	RESOLUTION NO. 85-596
DISADVANTAGED BUSINESS PROGRAM)	
GOALS FOR 1985-86)	Introduced by the
)	Executive Officer

WHEREAS, The Metropolitan Service District (Metro) has implemented a Disadvantaged Business Program pursuant to U. S. Department of Transportation guidelines; and


WHEREAS, The Disadvantaged Business Program requires that disadvantaged and women-owned business goals for contract award participation shall be set annually; and

WHEREAS, An analysis of disadvantaged and women-owned business participation in contract awards for the past year has been completed; now, therefore,

BE IT RESOLVED,

That the Disadvantaged Business Program Goals attached as Exhibit A are adopted for the period from October 1, 1985, through September 30, 1986.

ADOPTED by the Council of the Metropolitan Service District
this 26th day of September, 1985.


Richard Waker,
Deputy Presiding Officer

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4298C/435-2
09/17/85

EXHIBIT A

DISADVANTAGED BUSINESS PROGRAM GOALS

October 1, 1985 - September 30, 1986

	<u>DBE</u>	<u>WBE</u>
Construction	10.0%	3.0%
Labor & Materials	5.0	2.75
Personal Services	3.0	3.0
Procurement	1.0	2.75
DOT-assisted	<u>10.0</u>	<u>4.0</u>
Overall	5.6%	2.8%

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09/12/85

ANALYSIS OF FY 1985 DBE/WBE GOAL COMPLIANCE AND DEVELOPMENT OF FY 1986 GOALS

Development of goals for the coming year requires three primary steps:

1. Comparison of last year's goals with actual awards. Where possible, reasons for the results are postulated based on the data and any other available information.
2. Contract award plans for the coming year are developed from the Metro budget and from interviews with operating department managers. DBE/WBE opportunities are also identified, taking into consideration such factors as the geographical area from which contractors are solicited, percentage of minority population in Metro's service area and the number of DBE/WBE firms available in the specialities for which contracts are anticipated.
3. Goals for the coming year may be adjusted, depending on the results of the preceeding steps.

1. Comparison of Goals and Actual Awards

The most recent 12 months' data is as follows:

Type	Number	Amount	DBE Goal	DBE Actual	WBE Goal	WBE Actual
Construction	1	\$2,212,625	10.0%	10.1%	3.0%	0.0%
Labor & Materials	55	322,191	5.0	3.1	2.75	0.3
Personal Services	65	1,427,693	5.0	0.0	4.0	0.1
Procurement	304	499,880	1.0	0.2	2.75	0.5
DOT-Assisted	0	0	10.0	-	4.0	-
Totals	425	\$4,462,389	6.2%	5.2%	3.3%	0.1%

The single construction contract which was awarded was of sufficient magnitude and complexity to provide multiple subcontracting opportunities.

The majority of the Labor & Materials contracts were for amounts less than \$10,000, and many were \$1,000 to \$5,000 in magnitude. Relatively few contracts in this size range provide subcontracting opportunities at all, and project managers are constrained to award contracts to the lowest responsible bidder. Of the 55 total Labor & Materials contracts awarded, 35 were to provide goods and services for the Zoo, which has highly specialized requirements in many cases, for which there are few minority or women-owned vendors.

Personal Services contract awards showed the least progress toward meeting goals of any type. The vast majority of Personal Service awards were for amounts less than \$10,000 and went to

individuals for such services as teaching classes at the Zoo and hearings officers for Urban Growth Boundary cases. The few large awards were for architectural services and engineering design services. Individuals and firms of this type are rarely certified as either DBEs or WBEs.

Procurement contract awards also fell short of their goals. Over two-thirds of the awards were made by the Zoo. Once again, the specialized nature of many Zoo purchases provided few opportunities for DBE/WBE firms. The requirement that the low bid be selected also eliminated many smaller firms from effective competition.

There were literally no DOT-assisted contract awards, so no analysis of their goals is possible.

2. Contract Award Plans

The following table showing potential 1985-86 contracts has been developed from various sources:

<u>Type</u>	<u>Anticipated Amount</u>
Construction	\$ 3,400,000
Labor & Materials	14,000,000
Personal Services	1,400,000
Procurement	500,000
DOT-Assisted	40,500
	<u>\$19,340,500</u>

The construction amount includes major awards for the Africa Bush exhibit and Education/Graphics building at the Zoo, improvements to Metro's new offices downtown, and maintenance and improvements to the Clackamas Transfer & Recycling Center.

The 1980 census determined that the population in the three counties served by Metro consisted of about 7.3 percent minorities. Of some 26,000 business establishments in the same area (1982 data), about 200 are certified as DBE/WBEs by Tri-Met. For all but the largest awards, contractors are generally solicited from Oregon and southern Washington. Although certified firms are relatively few in number, a large proportion of them are engaged in the building trades.

The Labor & Materials amount is substantially above last year's due to the expected award of a new St. Johns Landfill operating contract. Although landfill operation has become a specialized field, some opportunities exist for subcontracting of imported cover material and landscaping.

The Personal Services and procurement amounts anticipate that the levels of activity will continue much the same as last year. Since the type of personal services that is expected will

probably be the same as last year, it will be difficult to identify opportunities for DBE/WBE firms. More DBE/WBE product vendors are becoming available, however, so there is a better chance that they may be low bidder than in the past.

The DOT-assisted amount is from an estimate by Transportation Department personnel.

3 Goal Adjustment

Based on the information presented above, the following recommendations are made regarding goals for the coming year. Since the program has had some time to mature, little change is indicated:

	DBE		WBE	
	Current	Recommended	Current	Recommended
Construction	10.0%	10.0%	3.0%	3.0%
Labor & Materials	5.0	5.0	2.75	2.75
Personal Services	5.0	3.0	4.0	3.0
Procurement	1.0	1.0	2.75	2.75
DOT-Assisted	<u>10.0</u>	<u>10.0</u>	<u>4.0</u>	<u>4.0</u>
Overall	6.2%	5.6%	3.3%	2.8%

With the single exception of Personal Services, there is not compelling evidence that any of the goals should be altered. In the case of Personal Services, it appears that there are not enough DBE/WBE firms in the disciplines required by Metro to allow the 5 percent/4 percent goals to be systematically met. At the same time, there is sufficient evidence that some DBE/WBE firms do exist in the appropriate fields, so maintenance of goals somewhat above a minimal level is justified. The recommended change is a return to the goals which were in place the previous year.

The overall goals (5.6 percent DBE/2.8 percent WBE) are calculated as a weighted average of the goals for individual types. This is also a return to the previous year's method, and presents more mathematically defensible goals than a simple average would.

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STAFF REPORT

Agenda Item No. 7.2

Meeting Date Sept. 26, 1985

CONSIDERATION OF RESOLUTION NO. 85-596 FOR THE
PURPOSE OF ADOPTING DISADVANTAGED BUSINESS
PROGRAM GOALS FOR 1985-86

Date: September 12, 1985

Presented by: Edward K. Stuhr

FACTUAL BACKGROUND AND ANALYSIS

As a recipient of federal funds from the U. S. Department of Transportation, Metro is required to adopt a Disadvantaged Business Plan, and to structure its contracting procedures in accordance with that plan. The plan has been incorporated in the Metro Code as Sections 2.04.100 through 2.04.270. One requirement of the plan is that Metro shall adopt annual goals for percentage of contract awards to disadvantaged and women-owned businesses. Recommended goals for 1985-86 are attached as Exhibit A. This year the duration of the goals is made congruent with the federal fiscal year at the request of the Department of Transportation. An analysis of last year's awards and development of the coming year's recommended goals is attached as Exhibit B.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 85-596.

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7. RESOLUTIONS

Deputy Presiding Officer Waker announced the title for Item No. 7.4 was incorrectly printed on the meeting agenda and should be titled: "Consideration for Release of the Draft McLoughlin Boulevard Improvement Program for Consideration by the Affected Jurisdictions."

7.1 Consideration of Resolution No. 85-595, for the Purpose of Adopting Affirmative Action Goals and Objectives for Fiscal Year 1985-86

Sonnie Russill explained the Council had adopted an ordinance which established Affirmative Action policy, including the annual adoption of fiscal year goals and objectives. She then reviewed FY 1985-86 goals which had not changed from those of FY 1984-85. These goals included attaining parity, or maintaining parity where it had been achieved, with the female and minority work force for the region. More detailed information regarding program goals was contained in the agenda materials.

Councilor Gardner pointed out errors at the bottom of Tables 8 and 9 of the staff report: the word "males" should be changed to read "minorities."

Motion: Councilor Kirkpatrick moved Resolution No. 85-595 be adopted and Councilor Oleson seconded the motion.

Councilor Oleson asked staff to respond to the written comments of Robert Phillips distributed to Councilors. Executive Officer Gustafson said Mr. Phillips made some very good points which he intended to incorporate into a revised Executive Order on Affirmative Action. He said the new Personnel Officer would be working on that project. The Executive Officer then commended Ms. Russill for doing a fine job as Acting Affirmative Action Officer since May 1985.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kirkpatrick, Kelley, Myers, Oleson, Van Bergen and Waker

Absent: Councilor Hansen, Kafoury and Bonner

The motion carried and Resolution No. 85-595 was adopted.

7.2 Consideration of Resolution No. 85-596, for the Purpose of Adopting Disadvantaged Business Program Goals for Fiscal Year 1985-86

Motion: Councilor Kirkpatrick moved to adopt Resolution No. 85-596. Councilor Myers seconded the motion.

Ed Stuhr reviewed materials contained in the agenda packet and explained the Disadvantaged Business Enterprise (DBE) Program was required by the Department of Transportation (DOT). Some changes in Metro's program were required by DOT, he said, and when those changes were approved by DOT, staff would return to the Council requesting adoption of a revised DBE program ordinance. Mr. Stuhr then explained how staff advertised contracting and procurement opportunities in order to attract female and minority business participation.

In response to Councilor Gardner's question, Mr. Stuhr said during FY 1984-85 Metro had come closer to achieving DBE participation goals than Women-owned Business Enterprise (WBE) participation goals because more effort was expended to attract DBE participation. This fiscal year, additional emphasis would be placed on meeting goals for WBE participation, he said.

Maxine Pierce, owner of a highway construction WBE, and President of the Association of Women Contractors, testified the Association had never received notice of Metro's projects. She requested Metro work with the Association to improve WBE participation.

In response to Councilor Waker's question, Mr. Stuhr reviewed the standard procedure for notifying WBE's and DBE's of Metro projects. Procedures included publishing calls for bids in trade-related and minority publications for projects over \$10,000. In addition, notices were mailed to all applicable WBE and DBE businesses listed in regional directories of certified businesses, he explained. Councilor Waker requested staff work with the Association of Women Contractors regarding notification of Metro projects.

Albert R. "Skip" Collier of Professional Training Systems explained his firm worked with women and minority-owned business. He requested Metro increase its current 3 percent WBE participation goal by 1 percent each year until WBE's participated in 50 percent of Metro construction projects. He also requested Metro not lower its goals for DBE participation for Personal Services contracts. Mr. Collier disagreed with staff's recommendation that not enough DBEs existed to support higher participation. He suggested Metro advertise contracts under \$10,000 in newspapers with minority readerships in order to improve participation for these contracts.

Executive Officer Gustafson recommended the Council adopt the DBE program goals as recommended by staff, explaining the Council should adopt achievable goals. He reported Metro had met its DBE goals for construction projects and was working to improve its WBE participation.

Vote: A vote on the motion resulted in:

Ayes: Councilors Cooper, DeJardin, Gardner, Kirkpatrick,
Kelley, Myers, Oleson, Van Bergen and Waker

Absent: Councilors Hansen, Kafoury and Bonner

The motion carried and Resolution No. 85-596 was adopted.

7.3 Consideration of Resolution No. 85-597, for the Purpose of
Appointing Citizen Members to the Solid Waste Policy Advisory
Committee (SWPAC)

Motion: Councilor DeJardin moved to adopt Resolution
No. 85-597 and Councilor Kirkpatrick seconded the
motion.

Ray Barker reported the Council previously adopted a Resolution
which amended the SWPAC Bylaws and created more citizen participa-
tion on the Committee. Adoption of Resolution No. 85-597 would
appoint some of the new members to the Committee.

Councilor Kirkpatrick was concerned that all terms of the members
appointed by adoption of Resolution No. 85-597 would expire at the
same time.

Motion: Councilor Kirkpatrick moved to amend the Resolution
to allow three-year terms for every other name listed
in the staff report. Councilor Cooper seconded the
motion.

It was pointed out that those serving three-year terms should be
notified in advance of that action. Ms. Baxendale proposed Counsel
review the Bylaws and, if necessary, prepare an amendment to the
Bylaws for later Council adoption to provide for staggered terms of
newly appointed members. Councilor Kirkpatrick withdrew her motion.

Vote: A vote on the motion to adopt the Resolution resulted
in:

Ayes: Councilors Cooper, DeJardin, Gardner, Hansen,
Kirkpatrick, Kelley, Myers, Oleson, Van Bergen and
Waker

Absent: Councilors Kafoury and Bonner

The motion carried and Resolution No. 85-597 was adopted.