

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADOPTING
DISADVANTAGED BUSINESS PROGRAM
GOALS FOR 1988-89

) RESOLUTION NO. 88-981
)
) Introduced by Rena Cusma,
) Executive Officer

WHEREAS, The Metropolitan Service District has implemented a Disadvantaged Business Program, the purpose of which is to encourage participation of Disadvantaged and Women Business Enterprises (DBEs and WBEs) in the Metropolitan Service District contracting activities; and

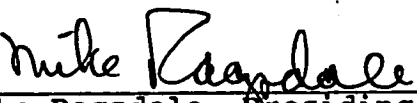
WHEREAS, Section 2.04.145(a) of the Disadvantaged Business Program requires that goals for DBE and WBE participation in contracts be set annually; and

WHEREAS, An analysis of DBE and WBE participation in contract awards for the past year has been completed and the factors contained in Metro Code Section 2.04.145(b) have been duly considered; now, therefore,

BE IT RESOLVED,

That the Disadvantaged Business Program goals attached as Exhibit A are adopted for the period commencing October 1, 1988, through and including June 30, 1989.

ADOPTED by the Council of the Metropolitan Service District
this 27th day of October, 1988.


Mike Ragsdale, Presiding Officer

RP/sm
8274C/517
08/26/88

EXHIBIT A

DISADVANTAGED BUSINESS PROGRAM GOALS
JULY 1, 1988 - JUNE 30, 1989

	<u>DBE</u>	<u>WBE</u>
Construction	10%	3%
Labor & Materials	7%	3%
Personal Services	7%	5%
Procurement	1%	2.75%
USDOT Assisted	12%*	-

* Includes 10% DBE and 2% WBE; WBE firms considered to be disadvantaged by definition.

EXHIBIT B

ANALYSIS OF 1987-88 DBE/WBE GOAL COMPLIANCE AND
DEVELOPMENT OF FY 1988-89 GOALS

COMPARISON OF GOALS AND ACTUAL AWARDS

The data for the twelve months ending June 30, 1988 are listed on Table I.

Table I

METROPOLITAN SERVICE DISTRICT

Cumulative DBE Compliance Report
June 1988

Contract Type	Number of Contracts	Total Dollar Amount	Actual DBE		DBE Goal %	Actual WBE		WBE Goal %
			Amount	Percent		Amount	Percent	
Construction	18	11,477,908	1,205,956	10.51	10.00	380,933	3.32	3.00
Labor & Materials	58	441,435	33,665	7.7	7.00	0	0.00	3.00
Personal Services	116	3,181,718	94,868	2.98	7.00	12,500	0.39	5.00
Procurement	308	826,937	33,436	4.04	1.00	18,952	2.29	2.75
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SUBTOTAL	500	15,927,998	1,367,925	8.59	6.25	412,385	2.51	3.44
IGA	16	212,720						
Pass-Through	0	0						
Revenue	9	1,236,262						

LABOR & MATERIALS

The value of contracts in this category for FY87-88 has doubled over the value of similar contracts in FY86-87. A characteristic of the majority of these contracts is that they are relatively small (less than \$10,000) and, therefore, do not generally present subcontracting opportunities. Thus, the DBE/WBE participation levels primarily represent contracts with such firms acting as prime contractors. Metro exceeded the DBE goal of 7% in FY87-88, but had no WBE participation in this category of contracting.

PERSONAL SERVICES

Participation by DBE/WBE firms in personal services contracts fell short of Metro goals set for FY87-88. However, contracts initiated during the reporting period, but awarded in July 1988, would have raised the DBE participation to 13% and WBE participation to 1%. This performance suggests that the current DBE goal, while not technically met in FY87-88, is sound. Alternatively, the WBE goal, even though it was lowered from 10% to 5% for FY87-88, was far from being met.

Metro has made a particular effort to utilize the small but growing cadre of firms offering professional services within the minority community. This effort was recently recognized by the Association of Professional Businesses, a group of minority professionals, when they recognized Metro for its outstanding efforts in contracting with professional minority businesses.

PROCUREMENT

The procurement category consists primarily of purchase orders over \$500. Awards for this year show 4% DBE and 2% WBE participation significantly exceeding the DBE goal, but falling just short of the WBE goal. This is a significant improvement over FY86-87 which had no DBE/WBE participation in procurement.

USDOT ASSISTED

A DBE goal of 12% participation has been previously established. By USDOT definition, WBE firms are disadvantaged.

GOAL ADJUSTMENT

This analysis examines whether the goals for each category are unrealistically high or low. Determining factors in this analysis include a persistent inability to reach a particular category's goal and/or a consistency with the goals of other governmental agencies in the region.

In the categories of construction and procurement, Metro has now met or exceeded the goals for three consecutive fiscal years. It is recommended that the goals in these categories remain unchanged since the goals represent an attainable threshold and are comparable to goals set by other agencies in the Portland area.

Metro has achieved 3% DBE and less than 1% WBE participation in the Personal Services category. The DBE/WBE data do not truly reflect Metro's aggressive efforts in making opportunities available to DBEs and WBEs. Given the inclusion of contracts executed over the change in fiscal years discussed above, Metro would have met its DBE goals and improved its WBE participation. The 1987-88 DBE goals are believed to be attainable and therefore no goal changes are recommended for FY 1988-89. The WBE participation continues to fall short and a more appropriate goal of 2% is recommended.

For FY87-88, goals for labor and materials contracts were raised from 5% to 7% DBE and from 2.75% to 3% WBE participation. Analysis of Metro's WBE participation for the past three fiscal years indicates the WBE goals were not met, except in FY85-86. For FY88/89, 58 labor and material contracts for \$281,831 will be awarded. Most of these contracts are under \$10,000 and no women owned firms have been identified for participation. It is, therefore, recommended that the goal for DBE participation remain unchanged and the goal be reduced to .5% for WBE participation.

PUBLIC INPUT

A meeting of Metro's DBE/WBE taskforce was held to review Metro's DBE/WBE achievements for FY87/88 and the proposed goals for FY88/89. The taskforce's recommendation was to emphasize outreach to the disadvantaged and women business community to encourage greater DBE/WBE participation for personal services and increased WBE participation in labor and materials contracts. Metro's outreach effort for FY88/89 will be designed to achieve those goals.

OTHER ACTIVITIES

During the past fiscal year, Metro staff members were involved in drafting the Portland Community College (PCC) DBE/WBE program. PCCs adopted ordinance mirrors Metro's and subsequent to adoption of the ordinance, PCC awarded a large construction contract with full DBE/WBE compliance.



METRO

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Memorandum

Agenda Item No. 5.4

Meeting Date October 27, 1988

Date: ~~October 18, 1988~~

To: Metro Council

From: Councilor Mike ^{MR}Ragsdale, Chair
Council Internal Affairs Committee

Regarding: INTERNAL AFFAIRS COMMITTEE REPORT ON OCTOBER 27, 1988
COUNCIL MEETING AGENDA ITEM NO.5.4 , RESOLUTION NO. 88-981,
FOR THE PURPOSE OF ADOPTING DISADVANTAGED BUSINESS PROGRAM
GOALS FOR FY 1988-89

COMMITTEE RECOMMENDATION: Committee members present -- Councilors Coleman, Collier, Kirkpatrick, and myself -- voted unanimously to recommend Council adoption of Resolution No. 88-981 as amended to maintain the FY 1987-88 goals. Councilor Knowles was absent.

COMMITTEE DISCUSSION & ISSUES: Metro Finance & Administration Director, Ray Phelps, presented Resolution No. 88-981 which included revised Women Business Enterprises (WBE) goals for Labor & Materials and Personal Services contracts. The WBE percentages in these areas were lowered to reflect more attainable goals. Staff analysis of the 1987-88 DBE/WBE Goal Compliance and Development of FY 1988-89 Goals is attached.

The Committee noted that the purpose of goals generally was to provide an optimum target to achieve and, therefore, it was felt that none of the DBE/WBE goals should be lowered. The Committee agreed that the FY87-88 DBE/WBE goals should be maintained and suggested that the Department pursue the following actions to enhance Metro's DBE/WBE program monitoring and policy development:

- 1) Develop a program for DBE/WBE outreach, particularly regarding areas where Metro has not attained its WBE contracting goals;
- 2) Track non-certified DBE/WBE businesses with whom Metro contracts and identify the number of businesses that Metro helps to become DBE/WBE certified;
- 3) Measure out larger contract DBE/WBE participation over the term of the contract (staff noted that this was already in process); and
- 4) More generally, work towards developing long-term DBE/WBE goals for the year 1995 or 2000 which reflect Metro's "optimum" goals.

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STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 88-981 FOR THE
PURPOSE OF ADOPTING DISADVANTAGED BUSINESS
PROGRAM GOALS FOR 1988-1989

Date: August 26, 1988

Presented by: Ray Phelps
A.M. Hazen

FACTUAL BACKGROUND AND ANALYSIS

The Metropolitan Service District (Metro) has adopted a Disadvantaged Business Program and has structured its contracting procedures in accordance with that program. Recommended goals for FY 1988-89 are attached as Exhibit A. The adopted goals will be in effect from July 1, 1988, through June 30, 1989.

An analysis of Metro's previous success in meeting its DBE/WBE goals and the approach taken in arriving at the new recommended goals is attached as Exhibit B. Metro met the FY87-88 goals in two categories: Construction and Procurement. The goals in these categories have been met for the past three years.

Staff is recommending that revised goals be adopted for FY 1988-89. The Resolution adopting the new goals is attached and marked as Exhibit C.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 88-981.