

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADOPTING) RESOLUTION NO. 89-1152
DISADVANTAGED BUSINESS)
PROGRAM GOALS FOR 1989-90) 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

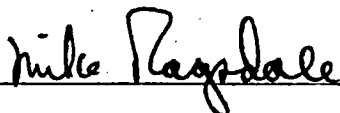
WHEREAS, An analysis of DBE and WBE participation in contract awards for the past year has been completed and the factors contained in Metro Code Section 2.04.145(b) have been duly considered; now, therefore,

BE IT RESOLVED,

That the Disadvantaged Business Program goals attached as Exhibit A are adopted for the period commencing October 1, 1989, through and including June 30, 1990.

ADOPTED by the Council of the Metropolitan Service District

this 21st day of November, 1989.



Mike Ragsdale, Presiding Officer

EXHIBIT A

DISADVANTAGED BUSINESS PROGRAM GOALS

July 1, 1989 - June 30, 1990

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

* Includes both DBEs and WBEs. WBE firms are considered to be disadvantaged by definition.

EXHIBIT B

CONSTRUCTION

Metro has achieved in Fiscal Year 1988-89 10.7% DBE and 3.1% WBE participation, exceeding its goals for DBE and WBE participation for construction contracts. This is the fourth consecutive year Metro has met or exceeded its goals for this category of contract.

The two major construction contracts let during the 1988-89 Fiscal Year were the Convention Center General Construction and the Africafe Banquet Facilities at the Zoo.

Metro achieved a 10% DBE and 3% WBE participation for the Convention Center general contract. The DBE participant in the Convention Center general contract, Marmolejo contractors, is a 10% joint venture partnership with Hoffman (Oregon). DBE and WBE participation for the Africafe improvement were 29.3% DBE and 18.6% WBE.

LABOR & MATERIALS

Participation by DBEs and WBEs in Metro's labor & materials contracts during the 1988-89 Fiscal Year averaged 7.2% DBE and 3.6% WBE. The major contract let this Fiscal Year was the waste transportation bid awarded to Jack Gray Transport, Inc. DBE and WBE participation for the contract averaged 7.2% DBE and 3.6% WBE.

The remaining labor & material contracts awarded during the Fiscal Year were primarily contracts under \$10,000. Thus, the DBE and WBE participation represents contracts with DBE/WBEs as prime contracts.

This is the first year Metro has exceeded the goals for DBE and WBE participation in this category. In Fiscal Year 1987-88, the DBE goals were exceeded but the WBE goals were not met. Neither of the DBE/WBE goals were met in Fiscal Year 1986-87.

PROCUREMENT

The procurement category consists primarily of purchase orders over \$500. Contracts awarded to DBEs and WBEs in this category show 2.5% DBE and 3.1% WBE participation. This is the first time the DBE/WBE goals have been fully met and shows a significant increase over last Fiscal Year's participation as well as Fiscal Year 1986-87 when the level of participation for this category was zero.

PERSONAL SERVICES

In Fiscal Year 1988-89 Metro achieved 21% DBE and 15% WBE participation exceeding the goals set for the period. Fiscal Year 1988-89 represents the first year both DBE and WBE goals were exceeded.

In Fiscal Year 1987-88, DBE participation was 7% and WBE participation 4%. In Fiscal Year 1988-89, particular emphasis was made to increase participation by DBE and WBE contractors. Metro launched a parallel outreach effort in The American Contractor, a minority owned trade publication and UNISON Magazine, a publication for women entrepreneurs.

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 goal, availability of DBE/WBE contracts for the types of contracts to be let during the Fiscal Year and other relevant factors.

Metro has exceeded the goals for DBE and WBE participation in all categories. This level of achievement is the result of Metro's aggressive outreach efforts and Metro's DBE/WBE policy of contacting for a quote, at least one DBE or WBE for all small contracts and Metro's flexible goal program for larger contracts.

An analysis of the contracts for Fiscal Year 1989-90 shows that the 1988-89 goals are attainable. Therefore, no goal changes are recommended for Fiscal Year 1989-90.

INTERNAL AFFAIRS COMMITTEE REPORT

CONSIDERATION OF RESOLUTION NO. 89-1152 ADOPTING DIS-
ADVANTAGED BUSINESS (DBE) AND WOMEN-OWNED BUSINESS (WBE)
PROGRAM GOALS FOR 1989-90

Date: November 15, 1989

Presented by: Councilor Collier

COMMITTEE RECOMMENDATIONS: The Committee at its November 9, 1989 meeting voted unanimously to recommend Council adoption of Resolution No. 89-1152, Councilors voting yes were Collier, Hansen, Knowles and Ragsdale. Councilor Bauer was excused.

COMMITTEE DISCUSSION/ISSUES: Messrs Failing and Hazen from the Contract Office presented the staff report. They indicated that the proposed DBE and WBE goals for FY 1989-90 were the same as the prior year goals. The continuation of the goals at the same levels are based on the prior year experience of meeting or exceeding the FY 1988-89 program goals in all categories.

Council staff presented a report dealing with 1) an historical analysis of the DBE and WBE goal experience and 2) the 1988 Committee request for more outreach on the DBE and WBE programs. The historical analysis shows the record of meeting the goals for each contract category. It shows how prior year experience plays a role in setting goals for the following year. In response to outreach efforts, Messrs Saling and Hazen pointed out that the District publishes ads in minority and women's trade publications and has assisted approximately 30 DBE/WBE's to become certified. The Committee was complimentary of the Administration's conduct of the DBE/WBE program.

DEC:aeb

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METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Agenda Item No. 2

Meeting Date: November 9, 1989

Date: November 9, 1989

To: Internal Affairs Committee

From: Donald E. Carlson, ^{DE} Council Administrator

Regarding: CONSIDERATION OF RESOLUTION NO. 89-1152, FOR THE PURPOSE OF ADOPTING DISADVANTAGED BUSINESS PROGRAM GOALS FOR 1989-90

SUMMARY AND ANALYSIS

The contract participation goals for Disadvantaged Business Enterprise (DBE) and Women-Owned Business Enterprise (WBE) proposed for FY 1989-90 are as follows:

<u>Category</u>	<u>DBE%</u>	<u>WBE%</u>
Construction	10.00	3.00
Labor & Materials	7.00	3.00
Procurement	1.00	2.75
Personal Services	7.00	5.00
DOT Assisted	12.00	(WBEs are considered DBEs by DOT definition)

The proposed goals for FY 1989-90 are the same as the goals adopted in FY 1987-88 and FY 1988-89; and based on comparison of the goals set to actual contract award, the goals appear attainable. Metro first adopted goals for utilization of disadvantaged and women-owned businesses in 1983 (Resolution No. 83-435). Attachment #1 shows historical data on DBE goals and actual utilization. The following summarizes historical activity by category.

Construction

DBE participation goals have remained unchanged since the program's inception. Since FY 1984-85, Metro has met or exceeded the goal. The

WBE participation goal in this category was zero in FY 1983-84. In FY 1984-85 it was set at 3 percent and has remained at that level. Metro's experience in meeting the WBE construction participation goal has fluctuated from zero percent in FY 1984-85 to a high of 3.32 percent in FY 1987-88. For the three previous fiscal years, Metro has met or exceeded the WBE goal.

Labor & Materials

Until FY 1987-88, the DBE goal was 5 percent, and in each fiscal year except FY 1984-85, the goal was met or exceeded. In FY 1987-88, the goal was increased to 7 percent, where it has remained, and has been consistently met or exceeded. The WBE participation goal in FY 1983-84 was 5 percent, and actual participation was 1.4 percent. The WBE goal was lowered to 2.75 percent in FY 1984-85 and remained at that level until FY 1987-88, when it was raised to 3 percent. Actual WBE participation in this category has exceeded the goal since FY 1986-87.

Personal Services

The DBE goal set in this category has changed from 3 percent (FY83-84 and 85-86) to 5 percent (FY84-85 and 86-87) to 7 percent, where it has remained for the previous two fiscal years. The historical comparison of utilization to goals in this category has not been very favorable, however in FY 1988-89, the 7 percent goal was greatly exceeded with over 20 percent of contract awards to DBE vendors. WBE goals in this category have ranged from 3 to 10 percent, and participation in this area has historically been weak. In only two fiscal years since adoption of the program (FY 1985-86 and FY 1988-89) have utilization goals been met or exceeded. In this last fiscal year, the WBE goal was exceeded by slightly more than 10 percent.

Procurement

Since FY 1984-85 the DBE and WBE goals in this category have remained unchanged. FY 1987-88 was the first year DBE utilization in this category met or exceeded the goal, and FY 1988-89 was the first year WBE utilization in this category met or exceeded the goal.

DOT-Assisted Contracts

These contracts are planning grants from the U.S. Department of Transportation. For several years, (FY 1984-85 to FY 1987-88) there were no subcontracting opportunities available for DOT-assisted contracts, however, federal regulations require the grantee to establish DBE/WBE utilization goals. According to Transportation Department staff, in FY 1988-89, Metro achieved 19.92 DBE utilization in this category with individual contract participation ranging from 12 to 38 percent. In FY 1989-90, it is anticipated that there will be

contracting opportunities available associated with the I-205 Alternatives Analysis/DEIS.

ISSUES

On October 13, 1989, when the Council Internal Affairs Committee considered Resolution No. 88-981, for the Purpose of Adopting Disadvantaged Business Program Goals for FY 1988-89; a motion carried to direct Finance and Administration staff to prepare an outreach program to increase DBE participation, especially in the area of women-owned businesses (see Attachment #2). As Table 1 of Exhibit A to Finance & Administration's staff report shows, utilization in every category exceeded the goal set. In the Personal Services category, DBE and WBE utilization substantially exceeded the goal (by more than 13 percent, DBE; and by slightly more than 10 percent WBE). The department's staff report states that they have increased their outreach efforts by advertising in a minority-owned trade publication and a publication targeted at women entrepreneurs. The department has also instituted a policy of contacting at least one DBE or WBE for all small contracts.

At that same Internal Affairs Committee meeting, Finance and Administration staff was also directed to include in future reports information on uncertified DBEs/WBES utilized and DBEs/WBES the department has assisted in becoming certified. The Contracts Officer reported that department had assisted approximately 30 DBEs/WBES to become certified. Those efforts included providing uncertified DBEs/WBES with certification applications, assisting applicants in filling out the applications and requesting that the State Office of Minority, Women and Emerging Small Businesses expedite processing of the applications.

RECOMMENDATIONS

It appears that Metro has made a consistent effort to implement the DBE Program policy and achieve the program's goals. The goals for FY 1989-90 appear to be obtainable, and Council staff recommends adoption of Resolution No. 89-1152.

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DBE/WBE HISTORICAL DATA

	82-83		83-84				84-85				85-86				86-87				87-88				88-89				89-90	
	Actual		DBE		WBE		DBE		WBE		DBE		WBE		DBE		WBE		DBE		WBE		DBE		WBE		Goals	
	DBE	WBE	Goals	Actual	Goals	Actual	Goals	Actual	Goals	Actual	Goals	Actual	Goals	Actual	Goals	Actual	Goals	Actual	Goals	Actual	Goals	Actual	Goals	Actual	Goals	DBE	WBE	
Construction	3.0	0.0	10.0	6.8	0.0	0.0	10.0	10.1	3.0	0.0	10.0	12.2	3.0	2.0	10.0	10.1	3.0	3.0	10.0	10.5	3.0	3.3	10.0	10.7	3.0	3.1	10.0	3.0
Labor & Material	*	*	5.0	6.0	5.0	1.4	5.0	3.1	2.8	0.3	5.0	9.9	2.8	4.6	5.0	14.9	2.8	0.0	7.0	7.7	3.0	0.0	7.0	7.2	3.0	3.6	7.0	3.0
Personal Services	1.4	2.5	3.0	31.9	3.0	0.4	5.0	0.0	4.0	0.1	3.0	3.1	3.0	43.5	5.0	2.8	10.0	2.6	7.0	3.0	5.0	0.4	7.0	20.6	5.0	15.0	7.0	5.0
Procurement	6.9	15.1	5.0	0.5	5.0	0.1	1.0	0.2	2.8	0.5	1.0	0.0	2.8	0.2	1.0	0.0	2.8	0.0	1.0	4.0	2.8	2.3	1.0	2.5	2.8	3.1	1.0	2.8
DOT Assisted	**	**	10.0	7.2	3.0	0.0	10.0	***	4.0	***	10.0	0.0	4.0	0.0	10.0	0.0	4.0	0.0	10.0	0.0	2.0	0.0	12.0	19.9	0.0	****	12.0	****
Overall	2.3	3.5	6.6	10.5	3.2	0.4	6.2	2.7	3.3	0.2	5.8	5.0	3.1	10.1	6.2	5.6	4.5	1.1	7.0	5.0	3.2	1.2	7.4	12.2	2.8	4.9	7.4	2.8

* Not tracked separately.

** Not tracked.

*** No subcontracting opportunities available

**** WBE considered DBE by definition.

Data from:

Res. No. 83-435

Ord. No. 84-181

Res. No. 84-511

Res. No. 85-596

Res. No. 86-697

Res. No. 87-815

Res. No. 88-981

Res. No. 89-1152

and accompanying staff reports.

MINUTES OF THE COUNCIL INTERNAL AFFAIRS COMMITTEE
OF THE METROPOLITAN SERVICE DISTRICT

October 13, 1988

Committee members present: Councilors Mike Ragsdale (Chair),
Elsa Coleman (V. Chair), Tanya
Collier and Corky Kirkpatrick

Committee members absent: Councilor David Knowles

Chair Ragsdale called the meeting to order at 4:10 p.m.

1. Consideration of Minutes of September 22, 1988

Motion: Councilor Coleman moved approval of the minutes of
September 22, 1988.

Vote: The four Committee members present voted aye.
Councilor Knowles was absent.

The motion carried unanimously.

2. Consideration of Resolution No. 88-981, for the Purpose of
Adopting Disadvantaged Business Program Goals for FY 1988-89

Ray Phelps, Director of Finance and Administration, presented the staff report. Mr. Phelps noted Metro had met or exceeded program goals in the categories of construction and procurement for the previous three fiscal years. He recommended goal reductions with respect to women business enterprise (WBE) in the categories of labor and materials and procurement. Mr. Phelps said the reason for the recommendation was that it had been difficult to locate women business enterprises that were certified by the State of Oregon. He said for the purposes of Metro's program only participation of certified women business enterprises could be counted.

The Committee inquired about outreach efforts. Mr. Phelps said meetings had been held, mailings sent and advertisements run in a minority periodical. He also said Metro had, during the previous fiscal year, assisted disadvantaged businesses (DBE) in becoming certified and had done business with women business enterprises who were not certified.

Motion to amend: Councilor Kirkpatrick moved to
amend Exhibit A to Resolution No.
88-981 to declare the FY 1988-89
Disadvantaged Business Program
Goals to be the same as FY 1987-88
(Construction: DBE--10 percent,
WBE--3 percent; Labor and
Materials: DBE--7 percent, WBE--3

percent; Personal Services: DBE--7 percent, WBE--5 percent; Procurement: DBE--1 percent, WBE--2.75 percent) and to direct staff to prepare an outreach program to increase disadvantaged business participation, especially in the area of women-owned businesses.

Finance and Administration staff was also directed to include in future reports information on DBE/WBEs Metro assisted to become certified and DBE/WBEs Metro utilized who were not certified. Councilor Ragsdale suggested setting philosophical long-term goals. Mr. Phelps also noted that future reports would show a "rolling average" for the previous 12-month period which would reflect activity over the life of a contract, rather than in just the fiscal year of assignment.

Vote on amendment: A vote on the motion resulted in the four Committee members present voting aye. Councilor Knowles was absent.

The motion carried unanimously.

Main motion: Councilor Kirkpatrick moved to recommend Council adopt Resolution No. 88-981 as amended.

Vote on main motion: The four Committee members present voted aye. Councilor Knowles was absent.

The motion carried unanimously.

3. Consideration of Resolution No. 88-994, for the Purpose of Adopting Affirmative Action Goals and Objectives for FY 1988-89

Finance and Administration Director Ray Phelps referred the Committee to his staff report included in the meeting packet. He said all FY 1987-88 goals for minority representation had been met or exceeded. He said recommended goals for FY 1988-89 maintained or exceeded parity with the community. The Committee commended efforts in this program area and made the following recommendations: set long-range program goals, explore additional sources for statistical data to refine the community profile, develop qualitative measuring systems and report on

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minority and female employee retention and promotion within the organization.

Motion:

Councilor Kirkpatrick moved to recommend the Council adopt Resolution No. 88-994.

Vote:

All Committee members present voted aye. Councilor Knowles was absent.

The motion carried unanimously.

There was no further business, and the meeting was adjourned at 4:40 p.m.

Respectfully submitted,

Gwen Ware-Barrett

Gwen Ware-Barrett
Council Committee Clerk

gpwb
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TABLE 1

METROPOLITAN SERVICE DISTRICT
 CUMULATIVE DBE/WBE COMPLIANCE REPORT
 FY 1988-89

Contract Type	Number Of Contracts	Total Dollar Amount	* ACTUAL DBE		DBE GOAL	* ACTUAL WBE		WBE GOAL
			AMOUNT	%		Amount	%	
Construction	2	\$44,458,700	\$4,751,300	10.69%	10.00%	\$1,374,390	3.09%	3.00%
Labor & Materials	52	\$208,825,695	\$15,062,241	7.21%	7.00%	\$7,506,164	3.59%	3.00%
Personal Services	99	\$1,732,051	\$355,910	20.55%	7.00%	\$260,055	15.01%	5.00%
Procurement	3	\$1,255,809	\$31,336	2.50%	1.00%	\$38,254	3.05%	2.75%
SUBTOTAL	156	\$256,272,455	\$20,200,787	7.88%	6.25% **	\$9,178,863	3.58%	3.44% **
IGA	29	\$8,256,905						
Pass Through Revenue	3	\$300						
SUBTOTAL	32	\$8,257,205						

* Figures include both prime and sub-contractors.

** Goals not weighted.

STAFF REPORT

CONSIDERATION OF RESOLUTION NO. 89-1152 FOR THE PURPOSE OF
ADOPTING DISADVANTAGED BUSINESS PROGRAM GOALS FOR 1989-90.

Date:

Presented by: Neil E. Saling

FACTUAL BACKGROUND AND ANALYSIS

The Metropolitan Service District has adopted a Disadvantaged Business Program and has structured its contracting procedures in accordance with that program. Recommended goals for Fiscal Year 1989-90 are attached as Exhibit A. The adopted goals will be in effect from July 1, 1989 through June 30, 1990.

An analysis of Metro's previous success in meeting its goals for Disadvantaged and Women Business Enterprises (DBE/WBE) and the approach taken in arriving at the new recommended goals is attached as Exhibit B. Metro has met or exceeded the DBE/WBE goals in all categories.

Staff is recommending the continuation of the current goals for Fiscal Year 1989-90. The appropriate Resolution is attached and marked Exhibit C.

EXECUTIVE OFFICER'S RECOMMENDATION

The Executive Officer recommends adoption of Resolution No. 89-1152.