

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING) RESOLUTION NO. 96-2409
MINORITY AND WOMEN-OWNED)
BUSINESS ENTERPRISE (M/WBE)) Introduced by Mike Burton
GOALS FOR FISCAL YEAR 1996-97) Executive Officer

WHEREAS, the MBE and WBE programs were implemented in 1993 as an approach to remedy historical patterns of exclusion of and discrimination against racial and ethnic groups; and

WHEREAS, Metro finds greater economic opportunity for minorities and women essential, and is committed to providing maximum contracting opportunities to minority and women-owned businesses; and

WHEREAS, Metro Code sections 2.04.100 (Minority Business Enterprise Program) and 2.04.200 (Women Business Enterprise Program) were adopted to encourage the utilization by Metro of minority and women-owned businesses, to the greatest extent permitted by law, by creating for such businesses the maximum possible opportunity to compete for and participate in locally-funded Metro contracting activities.

WHEREAS, Metro informs all employees, governmental agencies and the general public of its commitment to the MBE and WBE programs; and

WHEREAS, Metro Code sections 2.04.145 and 2.04.245 require the Metro Council to establish annual MBE and WBE goals for the ensuing fiscal year; now therefore,

BE IT RESOLVED, That the Metro Council hereby adopts a 10% overall M/WBE goal for FY 1996-97.

ADOPTED by the Metro Council this ____ day of _____, 1996.

~~NOT ADOPTED~~

Jon Kvistad, Presiding Officer

Approved as to Form:

Daniel B. Cooper, General Counsel

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 96-2409 FOR THE PURPOSE OF ADOPTING MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE (M/WBE) GOALS FOR FISCAL YEAR 1996-1997

Date: November 6, 1996

Presented by: Scott Moss

PROPOSED ACTION

Adoption of Resolution No. 96-2409, establishing Minority and Women-Owned Business Enterprise (M/WBE) goals for FY 96-97.

FACTUAL BACKGROUND AND ANALYSIS

Metro Code sections 2.04.100 & 2.04.200 establish programs to encourage the utilization by Metro of minority and women-owned businesses by creating for such businesses the maximum possible opportunity to compete for and participate in Metro contracting activities. Through the MBE and WBE programs, Metro expresses a strong commitment to provide maximum opportunity to minority and women-owned businesses in contracting; informs all employees, governmental agencies and the general public of its interest to promote the MBE and WBE programs; and assures conformity with applicable federal regulations as they exist or may be amended.

The objectives of the MBE and WBE programs are to assure that provisions of the MBE and WBE programs are adhered to by all Metro departments, contractors and employees; and to initiate and maintain efforts to increase, to the greatest extent permitted by law, program participation by minority and women-owned businesses.

Metro Code sections 2.04.145 & 2.04.245 require the Metro Council to establish annual MBE and WBE goals for the ensuing fiscal year. Annual goals established take into consideration the following factors:

- 1) Projection of the number and types of contracts to be awarded by Metro for the ensuing year;
- 2) Projection of the number, expertise and types of MBE/WBEs likely to be available to compete for the contracts;
- 3) Past results of Metro's efforts under the MBE and WBE programs; and
- 4) Existing goals of other Portland metropolitan area contracting agencies, and their experience in meeting these goals.

Metro Code section 2.04.022 states that, notwithstanding any provision of the Metro Code, the applicable federal laws, rules and regulations shall govern in any case where federal

funds are involved and the federal laws, rules and regulations conflict with any of the provisions of the Metro Code or require additional conditions in public or personal services contracts not authorized by the Metro Code. The MBE and WBE programs do not apply to federally-funded contracts, which are governed by Metro Code section 2.04.300.

Past results of Metro's efforts for FY 1995-96 and projections for locally-funded contracts for FY 1996-1997 are outlined in Attachment A.

BUDGET IMPACT

No budget impact is anticipated.

EXECUTIVE OFFICER RECOMMENDATION

The Executive Officer recommends approval of Resolution No. 96-2409.

ATTACHMENT A

FACTUAL BACKGROUND & ANALYSIS MBE/WBE PROGRAMS

PAST RESULTS OF METRO'S EFFORTS - FY 1995-1996

For FY 1995-1996, a total of 319 contracts were awarded by the competitive bidding process. Of that total, 57 were awarded to minority and/or women-owned businesses (17% of the number of contracts). Although, measured in dollars, the overall M/WBE utilization for FY 1995-96 fell short of the annual goal of 10%. The minority and women-owned business participation on federally-funded contracts was not included in the final analysis. With the inclusion of the subcontracting activity on federally-funded projects, the FY 1995-96 M/WBE goal of 10% was met (see Resolution 96-2408 for DBE (M/WBE) utilization).

M/WBE Utilization by Department FY 1995-96

Department	MBE (\$)	WBE (\$)	M/WBE (\$)	Other Non- M/WBE (\$)	*Total Contracts (\$)	M/WBE Participation (%)
Administrative Services	\$23,268	\$16,820	\$32,757	\$714,365	\$787,210	9%
Growth Management	-0-	-0-	-0-	\$274,570	\$274,570	0%
Parks & Greenspaces	\$36,990	\$224,315	\$15,000	\$1,606,496	\$1,882,801	14%
Regional Environmental Management	\$24,475	\$42,152	\$83,564	\$2,141,965	\$2,292,156	6%
Transportation	\$34,530	\$128,672	-0-	\$2,565,307	\$2,728,509	5%
Zoo	\$975	\$18,685	-0-	\$814,982	\$854,302	2%
General Counsel	-0-	-0-	-0-	\$100,000	\$100,000	0%
Executive Management	-0-	-0-	-0-	\$152,699	\$152,699	0%
Auditor's Office	-0-	-0-	-0-	\$6,000	\$6,000	0%
TOTALS	\$120,238	\$430,644	\$131,321	\$8,376,384	\$9,078,247	7%

* Total contracts does not include Intergovernmental Agreements (IGAs), Revenue, Qualified Rehabilitation Facilities (QRFs), Sole Source contracts, nor M/WBE participation on federally-funded projects. See Resolution No. 96-2408 for DBE participation.

REPORT ON CONSTRUCTION PROJECTS FOR FY 1995-96

In 1994, the Metro Council' allocated funds to participate in a Regional Disparity Study. The Study addressed the letting of public construction and architecture and engineering (A&E) contracts and the participation of minorities and women in the construction trade. For the purpose of informing the Council on past efforts in relation to construction projects, below is a table which outlines procurement activities for FY 1995-96 as it relates to construction projects.

CONSTRUCTION PROJECTS FOR FY 1995-96

Contract Number	Prime Contractor	M/WBE	ESB	Non-M/W/ESB
904506	JVC Contractors, Inc.	\$9,500		
904576	JVC Contractors, Inc.	\$12,491		
904680	Environmental Dredging Inc.			\$30,250
904796	Buckaroo-Thermoseal			\$44,814
904805	Anderson Construction Co.			\$90,000
905063	Andersen Pacific Contractors			\$23,995
905003	DeWitt Construction			\$98,700
905050	Todd Hess		\$60,784	
TOTALS		\$21,991	\$60,784	\$287,759
PERCENTAGES		5%	16%	

CONSTRUCTION MANAGEMENT/GENERAL CONTRACTOR (CM/GC) - FY 1995-96

In May, 1996, the Metropolitan Exposition-Recreation Commission (MERC) entered into a CM/GC contract with *Hoffman Construction Co.* for construction of the **EXPO Center Expansion Project**. Good Faith Effort requirements, which are normally written into bid documents for construction projects over \$50,000, were not used for this CM/GC project. The Request for Proposal (RFP) process is used to solicit responses for CM/GC projects, rather than the Request for Bid (RFB) process. Being so, the experience and approach for utilization of minority and women-owned business enterprises was part of the evaluation criteria for the RFP. In addition, staff, and a member of the Metro Council, met with *Hoffman Construction Co.* in April, 1996, to discuss the outreach efforts to be made in meeting a 10% M/WBE target goal.

As of June 30, 1996, Hoffman Construction subcontracted **18%** to Minority Owned Business Enterprises (MBE) and **6%** to Women-Owned Business Enterprises (WBE). In addition, Hoffman reported a **13% EEO** utilization of minority and women employees for the period ending June 30, 1996.

PROJECTIONS FOR FY 1996-1997

The following chart illustrates the dollar amount of new projects anticipated for FY 1996-97, as prepared for the budget process. Only locally-funded project amounts are identified. Federally-funded projects anticipated for FY 1996-97 are included in Resolution No. 96-2408, Attachment A.

LOCALLY-FUNDED PROJECTIONS FOR FY 1996-97

Department	Total Projects FY 1995-96 (\$)	M/WBE Participation FY 1995-96 (%)	Anticipated Projects FY 1996-97 (\$)	Proposed M/WBE Goal FY 1996-97 (%)
Administrative Services	\$714,365	9%	\$436,855	10%
Growth Management	\$274,570	0%	\$437,000	10%
Parks & Greenspaces	\$1,606,496	14%	\$375,147	10%
Regional Environmental Management	\$2,141,965	6%	\$11,137,152	10%
Transportation	\$2,565,307	5%	\$0 (see Resolution 96-2408 for list of anticipated projects)	0% (12% DBE Goal for federally-funded projects)
Zoo	\$814,982	2%	\$1,651,321	10%
General Counsel	\$100,000	0%	\$0	0%
Executive Management	\$152,699	0%	\$0	0%
Auditor's Office	\$6,000	0%	\$0	0%
TOTALS	\$8,276,484	7%	\$1,651,321	10%

* Totals do not include Intergovernmental Agreements (IGAs), Revenue, Qualified Rehabilitation Facilities (QRFs), Sole Source, federally-funded or existing contracts.

OUTREACH ACTIVITIES

Outreach activities will continue through FY 1996-97. Enhancements made to outreach efforts since FY 1994-95 include:

- **24-Hour Contract Opportunity Hotline.** Vendors/Consultants are able to access information on Metro's current contract opportunities 24-hours a day. This gives M/WBEs increased access to information that, in the past, was advertised once a week in

the Daily Journal of Commerce and one minority publication. All projects over \$10,000 are advertised and included on the Contract Opportunity Hotline.

- **Quarterly Newsletter.** Metro, along with the City of Portland and Multnomah County, have developed a quarterly newsletter that goes out to certified minority and women-owned businesses, including non-certified vendors/consultants that have expressed an interest in doing business with either entity. The newsletter includes a list of projects anticipated to be let for the upcoming quarter, information on how to do business with Metro, the City and County and upcoming meetings/events. Projects included are normally those that are under \$10,000 and of more interest to the smaller emerging businesses. The newsletter has been a successful way to get information out on current opportunities, and it is hoped that the participants will expand over the next couple of years, as a result of the recent Regional Disparity Study.

Outreach and involvement will continue with area organizations, associations and community activities. Metro will also continue to co-sponsor two outreach activities per year in cooperation with the City of Portland and Multnomah County.

The focus for FY 1996-97 will continue to be proactive outreach, with some emphasis shifting to the dissemination of information on available M/WBE vendors/consultants. Over the last year, many new minority and women-owned firms have become certified. The ability to disseminate this information to Metro's operating departments effectively and efficiently has become a challenge. This will be a focus for FY 1996-97.

Overall, the enhancements made to the programs since FY 1994-95 have been very successful. As Metro becomes more involved with minority/women-owned business activities, it is hoped that the community will also become more involved in the procurement opportunities at Metro.

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