

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: January 27, 2010
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 10-10
2008/09 Annual Diversity in Contracting and Workforce Training Report

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

None – information only

SUMMARY

In order to keep the Board apprised of the results of PDC's Business and Workforce Equity Policy a report has been prepared providing information and analysis about results for Fiscal Year 2008/2009 (Attachment A). Highlights of the report include:

- This year's M/W/ESB utilization total was \$35,504,251, equaling 35.2 percent of the \$100,981,127 in PDC funds expended for applicable projects, significantly above the 20 percent goal. These results include projects under the old Good Faith Effort program and the new Business and Workforce Equity Policy.
- The Workforce Training and Hiring Program (WTHP) goal of 20 percent apprentice hours' participation on PDC funded projects was surpassed again this year as 249,615 hours were worked by state registered apprentices, equaling 23 percent of the total project hours of 1,104,455. Of the total apprentice hours, 54,953 (22 percent) were worked by minorities and females. These hours were made up of 35,733 worked by minority males, 2,333 by minority females and 15,988 by non-minority females.

The figures above do not include the South Waterfront Project. The M/W/ESB utilization on the South Waterfront project was \$36,708,650, equating to 12 percent of the project construction costs of \$305,843,165 and 165,837 apprentice hours equating to just over 24 percent of the total project hours of 690,541. Also, minorities and females worked 40 percent of the apprentice hours on the covered projects compared to 42 percent last year.

BACKGROUND

For Fiscal Year 2008-2009, PDC established the following goals:

- Minority, Women and Emerging Small Business – Construction 20.0%
- Minority, Women and Emerging Small Business – Personal Services 25.0%
- Minority, Women and Emerging Small Business – Flexible Services 30.0%
- Workforce Training and Hiring Program – (apprentice hours) 20.0%
- Workforce Hours – Minority 25.5%
- Workforce Hours – Women 06.0%

The overall Minority, women and emerging small business (M/W/ESB) utilization for Fiscal Year 2008/2009 exceeded the 20 percent goal. This year's M/W/ESB utilization total was \$35,504,251 equaling 35.2 percent.

The Workforce Training and Hiring Program (WTHP) goal of 20 percent apprentice hours on PDC funded projects was surpassed again this year. A total of 1,104,455 hours were worked on PDC supported projects by contractors subject to the Workforce Training and Hiring Program requirements this Fiscal Year with 249,615 of those hours worked by state registered apprentices, equaling 23 percent of the total project hours.

This Fiscal Years' report also covers the M/W/ESB, WTHP and Workforce Diversity efforts underway in the South Waterfront Central District within the North Macadam Urban Renewal Area. The M/W/ESB subcontractor utilization target of 20 percent of the construction costs was not reached. However there was a total of \$36,708,650 (12 percent) committed to M/W/ESB firms for South Waterfront projects.

A total of 690,541 hours were worked on South Waterfront projects, a slight increase from last year's 665,598. A total of 165,837 hours were worked by state registered apprentices, equaling more than 24 percent of the total project hours. The South Waterfront project workforce program goal for 2008/2009 was 17 percent minority hours and 11 percent female hours of all hours worked. Minority hours were 23 percent of the hours worked, exceeding the 17 percent goal. However, female hours were below the goal with just over 6 percent, an increase from last year's 5.3 percent.

The Business and Workforce Equity Policy continues to take root in PDC projects. The policy supports PDC's commitment to provide opportunities for state certified Minority, Women and Emerging Small Businesses to participate on both direct contracting and PDC sponsored projects; increases the capacity of these firms to perform; and reaffirms PDC's commitment to diversify the construction workforce with women and people of color. This policy works with and references the City of Portland's Workforce Training and Hiring Program and the City of Portland's EEO Certification Program

ATTACHMENTS:

- A. 2008/09 Annual Diversity in Contracting and Workforce Training Report

PORTLAND DEVELOPMENT COMMISSION
MINORITY, WOMEN, AND EMERGING SMALL BUSINESSES
2008-2009 ANNUAL REPORT

DIVERSITY IN CONTRACTING AND
WORKFORCE TRAINING REPORT

AND SOUTH WATERFRONT CENTRAL DISTRICT
DIVERSITY IN CONTRACTING AND WORKFORCE REPORT



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Dear Mayor Adams, City Council, PDC Board Members, and Citizens:

I am pleased to present you with our annual Diversity in Contracting Report for fiscal year 2008-09 (covering July 1, 2008 through June 30, 2009). PDC continues our strategic commitment to pursuing a more diverse workforce and equitable contracting environment in the city of Portland.

To highlight some of the findings, I am pleased to report that:

- Utilization of minority-owned, women-owned and emerging small business (MWESB) contractors in construction and personal services contracts again exceeded our 20 percent goal. The percentage for construction was 35.16 percent and personal services was 33.02 percent.
- The total dollars committed to MWESB firms totaled \$35.5 million (construction and professional services).
- There were 1.1 million hours worked on PDC projects during the fiscal year and another 690,541 hours on projects in the South Waterfront. These hours equate to approximately 860 full-time, family-wage construction jobs.

Apprenticeship hours are extremely important as we work to build tomorrow's workforce. In fiscal year 2008/2009 apprentice hours equaled 23 percent of the total hours worked on PDC projects – exceeding the 20 percent participation goal. There were 171 minority and female apprentices working on South Waterfront projects. (Read more about Nelda Wilson's apprentice experience on page 32.)

PDC also tracks MWESB utilization on professional services. These are contracts for specialized skills such as architects, engineers, surveyors, attorneys, designers, and other licensed professionals. PDC utilized 229 professional service and flexible services contracts during fiscal year 2008/2009. Under these contracts, expenditures were \$6,647,560 with \$2,194,765 (33.0 percent) going to MWESB firms. This is an increase from last year in both dollars and percentage and also surpassed the 25 percent utilization goal.

In addition to these significant accomplishments, additional MWESB, workforce training and diversity results were achieved on projects covered by the South Waterfront Development Agreement. During fiscal year 2008/2009, a total of \$36.7 million was committed to MWESB firms. The workforce diversity on these projects has been very impressive. Of the 690,541 hours worked during the reporting period, 29 percent were worked by 171 minorities and women.

The pages of this report tell many stories beyond the numbers. They describe contractors dedicated to green building techniques and waste reduction, individuals making personal commitments to gain training and education, firms that thrive by being involved in their local community, and government entities that work together to promote MWESB hiring.

In this very tough economic environment, we applaud our MWESB contractors for their tenacity and determination in helping build the housing and other construction projects that help define our city. As in years past, the accomplishments to date are notable, but we realize there is still a lot of work ahead. PDC is committed to working with our government partners, the construction community and the finance community to get projects underway that create jobs and offer opportunities for apprenticeship training. PDC oversees some of the largest and most visible projects in the city and that we spend significant dollars hiring professional services as well. Creating opportunities for all to grow and prosper with these projects and programs is a great responsibility – and one we take very seriously. I hope you will feel free to contact me to let me know how you think we're doing.



Bruce Warner, *Executive Director*



Table of Contents

Section One: Efforts Currently Under Way	2
I JOB CREATION OF PDC CONSTRUCTION PROJECTS	2
II DISPARITY STUDY COMMISSIONED	2
III METROPOLITAN CONTRACTORS IMPROVEMENT PARTNERSHIP	3
IV FINANCIAL PRODUCTS FOR SMALL BUSINESS DEVELOPMENT	3
Section Two: Fiscal Year 2008/2009 in Review	4
I SUMMARY AND KEY FINDINGS	4
II BACKGROUND AND HISTORY OF PDC DIVERSITY PROGRAMS	14
Section Three: Business and Workforce Equity Program	17
I PDC OUTREACH EFFORTS	17
II 2008/2009 PROGRAM RESULTS	18
III ACCOMPLISHMENTS	19
IV UTILIZATION REPORTS	20
Section Four: South Waterfront Central District	28
I INTRODUCTION	28
II SUMMARY OF MWESB CONTRACTING UTILIZATION	28
III WORKFORCE ACTIVITY	30
Section Five: Acknowledgments	35

Section One: Efforts Currently Under Way



I. JOB CREATION ON PDC CONSTRUCTION PROJECTS

There were 1,104,455 hours worked on PDC projects during Fiscal Year (FY) 2008/2009 and another 690,541 hours on the South Waterfront projects. These hours equate to approximately eight hundred and sixty (860) full-time, family-wage construction jobs.

PDC formed a Contracting Advisory Committee in November 2007 to Serve as an advisory group to the PDC Executive Director by providing feedback on proposed changes to PDC contracting and development processes to maximize access and utilization of minority and women-owned businesses. The committee members included stakeholders from banking, minority-owned businesses, women-owned businesses, business organizations supporting contracting, general contractors and developers.

The Workforce Diversity Strategy Agreement was signed on June 16, 2008. This agreement represented many hours of work by a very diverse committee. The agreement with committee recommendations was forwarded to the PDC Executive Director on June 18, 2008. The recommendations included adoption of workforce diversity goals for PDC owned and sponsored construction projects. The diversity workforce goals were adopted by the PDC Board on January 29, 2009 through resolution 6667. These goals are now a part of the Business and Workforce Equity Policy as shown in the Workforce Goals table on page 16.

II. DISPARITY STUDY COMMISSIONED

PDC was an active participant in the previous Disparity Study completed in May 1996 using data from July 1, 1991 through June 30, 1994. The study concluded that none of the ten agency members of the Disparity Study consortium kept detailed data in many areas. However, based on the data and the anecdotal information concluded that there were grounds for implementing programs to assist minority-owned, women-owned and emerging small businesses (MWESB) to receive public construction opportunities. The study also revealed evidence that barriers existed in the apprenticeship programs for minorities and women construction workers.

In response to the study, the city of Portland established the MWESB Good Faith Effort program, the Workforce Training and Hiring program, the Sheltered Market Program and other procedural changes. These changes were made to better include MWESBs and to work toward a more diverse workforce on city construction projects. PDC adopted the city programs with a few changes necessary to address the contracts let by the developers PDC works with.

The Federal Supreme Court decision in *City of Richmond v. J.A. Croson Co.* outlines the requirements for a disparity study as support for any race and gender specific programs. This decision indicated that programs developed from a disparity study must be subject to periodic review and have a sunset date. With this requirement, PDC needs to review the effect of the programs that were put in place more than ten years ago. Also, updated data may give PDC the ability to develop more effective programs and better use its resources in this area.

In June 2009, through a competitive process conducted by PDC and the city of Portland, BBC Research and Consulting was selected for the new disparity study project. BBC is a Denver-based economic research firm that has completed more than 60 disparity studies for cities, states and other government agencies throughout the country. BBC's subcontracting plan includes Portland MWESB firms of Group AGB, Montesi & Associates and F.M. Burch.

III. METROPOLITAN CONTRACTORS IMPROVEMENT PARTNERSHIP

PDC has been instrumental in supporting the newly created Metropolitan Contractor Improvement Partnership (MCIP). The MCIP is a business support and training program for historically underutilized viable construction businesses with a heavy emphasis on minority businesses. The MCIP goal is to help viable minority businesses improve their business and management systems and thus improve their profitability and net worth. MCIP provides an incubator-like environment that allows for a continuum of detailed technical support services that assist these viable target businesses to develop their key project, financial and risk management systems. John Jackley, PDC's Communications and Business Equity Director, represents PDC on the MCIP Board of Directors and currently serves as the chair. Other members include Tri-Met, the National Association of Minority Contractors-Oregon, the Portland Bureau of Development Services, Hoffman Construction, Stacy and Witbeck and others. MCIP connects minority contractors with PDC projects and programs. The Board also identifies and addresses the business capacity needs of the target contractors.

IV. FINANCIAL PRODUCTS FOR SMALL BUSINESS DEVELOPMENT

PDC monitors and updates the financial products used to assist emerging small businesses to grow and prosper, to keep them "user-friendly." Some of these tools include:

Development Tools:

- Storefront/Signage and Lighting Grant
- Development Opportunity Services
- Commercial Retention and Improvement Loan
- Retail Retention and Improvement Loan
- Community Livability Grant
- Working capital and equipment loans up to \$150k
- Physical improvement loans up to \$1 million

Loan Conditions:

- Interest rates are between 3% and 4%
- Up to two years of interest-only payments
- For acquisition, most programs require applicant to occupy 75% or more of property being financed
- Rehab project of \$1 million or less for non-owner occupied. PDC will consider up to \$500k of cost

For more information regarding these financial products, contact Terri Morgan at 503-823-3442.



PDC hosts the Native American Business Fair.

Section Two: Fiscal Year 2008/2009 in Review

I. SUMMARY AND KEY FINDINGS

Overall MWESB Contract Utilization

This report details utilization results – contracting statistics – for MWESB on PDC-owned and PDC-supported construction projects. Additionally, this report includes the MWESB utilization results for PDC’s personal services expenditures and the results of PDC’s workforce diversity and apprenticeship training efforts. The South Waterfront contracting and workforce diversity/apprenticeship training results are discussed in Section Three of this report.

The combined construction and personal service MWESB utilization results for FY 2008/2009 totaled \$35,504,251, or 35.16 percent of contracting dollars, surpassing the 20 percent goal by more than 15 percent. While this is a decrease from FY 2007/08 totals of \$41,991,881, it is still an impressive result. Much of the decrease can be attributed to the significant drop in the number of projects included in this year’s annual report (22) compared to the previous fiscal year (37). Utilization results are reported as a running total each fiscal year and statistics are included for ongoing projects as well as projects that were completed in the fiscal year. For construction only, this fiscal year’s utilization results are a combination of two policies in effect for the year, the Good Faith Effort Program and the Business and Workforce Equity Program that became effective April 1, 2008.

The project-specific goals and results are included in Section IV of this report.

	Goal	FY 2007/2008	FY 2008/2009
Total PDC Contract Commitments		\$114,030,006	\$100,981,127
% MWESB Utilization	20%	36.8%	35.2%
Dollars Committed to MWESB		\$41,991,881	\$35,504,251

A total of 190 different MWESB construction and personal service firms are included in the fiscal year table above. Sixty-four (64) of the 190 firms are Minority Business Enterprise (MBE) certified, 61 are Women Business Enterprise (WBE) certified, and the remaining 65 are Emerging Small Business (ESB) certified. Approximately 74 percent of the MWESB firms in this report are construction contractors. Fifty-two (52) different MWESB personal service providers worked for PDC in FY 2008/2009 for a total of \$2,194,765.

	Goal	FY 2007/2008	% of Total Utilization	FY 2008/2009	% of Total Utilization
Total MWESB Commitments	20%	\$41,991,881	36.8%	\$35,504,251	35.2%
MBE		\$15,786,230	37.6%	\$11,408,886	32.1%
WBE		\$13,924,355	31.1%	\$11,745,727	33.1%
ESB		\$12,281,297	29.2%	\$12,349,638	34.8%
			100%		100%

PDC established an overall goal for MWESB utilization of 20 percent and has consistently surpassed the goal (No goal has been established for each category). As indicated by the above table, utilization of MBE, WBE and ESB firms is fairly even. The project dollars decreased for FY 2008/2009 due to the sharp downturn in the economy and fewer PDC projects. This trend is expected to continue for FY 2009/2010.



Construction Utilization

A total of 22 construction projects with MWESB utilization goals are included in this fiscal year's report. The vast majority (14) of the projects in this year's report are construction loan projects, which generally fall into two categories: housing and commercial tenant improvements. Nine of the construction loan projects were for the creation or rehabilitation of low-income, affordable, permanent supportive and market-rate rental housing, resulting in 607 individual housing units when these nine projects are completed, significantly contributing to the area's housing stock and helping to provide a range of housing options, particularly for low-income families and special-needs individuals.

Five of the construction loan projects in this year's report were unrelated to housing. In addition to the MWESB contracting and apprentice training leveraged on these five projects through PDC's business finance and commercial redevelopment loan programs, numerous additional public benefits have been achieved. A 60-year-old electrical company (Oregon Electric) rehabilitated an existing building in the Central Eastside Urban Renewal Area, relocating its headquarters to the newly renovated facility. PDC's assistance will help insure the retention and creation of quality jobs in the Central Eastside URA. Three projects (Caplan Building, Courtyard by Marriott and General Auto Building) on the west side of the Willamette were made possible through seismic and commercial redevelopment loans, helping to revitalize the River District and Downtown Waterfront urban renewal areas (URA). The fifth project, Smith Block, is one of four projects included in this year's report that tie into the revitalization efforts under way in the Downtown Waterfront URA surrounding Ankeny Plaza and Old Town/Chinatown neighborhood (Mercy Corp, MAX Retail Improvements and Waterfront Park Improvements being the other three projects). PDC's business finance programs helped make this project possible, preserving and renovating Portland's historic buildings, and retaining or creating quality jobs.

Walsh Construction continues to lead the way in MWESB utilization, accounting for \$10,296,126 on five projects. An additional \$413,699 went to second tier (subcontractor to another subcontractor) MWESB subcontractors on three of Walsh's projects. Walsh Construction ranked first as well on MBE and WBE combined utilization dollars with \$8,341,929. The next highest utilization total among prime contractors was Skanska Construction with \$8,172,769 worth of first tier MWESB utilization on just one project, the PSU Academic and Student Recreation Center. Skanska Construction was able to leverage an additional \$2,098,478 in second tier utilization on this project.

	FY 2007/2008	FY 2008/2009
Total PDC Construction Expenditures	\$108,859,581	\$94,333,567
Total MWESB Construction Expenditures	40,578,652 (37.3%)	33,309,486 (35.31%)
MBE	15,209,298 (14.0%)	10,806,240 (11.46%)
WBE	13,272,103 (12.2%)	10,314,975 (10.93%)
ESB	12,097,252 (11.1%)	12,188,271 (12.92%)





MBE Construction Participation by Ethnicity

Of this year's \$33,309,486 MWESB construction expenditures, minority firms were utilized for a total of \$10,806,240 or 11.46 percent. African American-owned construction firms accounted for 20.94 percent of total MWESB utilization, and just over 64.5 percent of MBE utilization at \$6.9 million. The next highest utilization total went to Hispanic-owned businesses at \$2.4 million or 7.27 percent of the total MWESB utilization. Asian-owned, Native American-owned and other minority-owned businesses accounted for \$1,407,859, a little over four percent of all MWESB utilization. Forty-nine different MBE-certified firms worked on or have contracts to work on PDC-supported construction projects for this fiscal year. Of those 49, 21 are African American-owned, 19 are Hispanic-owned, five are Asian American-owned and four are Native American-owned.

Construction Contracting by Ethnicity

Total MWESB Commitments	FY 2007/2008 \$40,578,652	% of MWESB	FY 2008/2009 \$33,309,846	% of MWESB
African American	8,936,715	22.0%	6,975,708	20.94%
Asian American	2,285,914	5.6%	1,126,740	3.38%
Hispanic	3,519,779	8.7%	2,422,674	7.27%
Native American	60,460	0.2%	79,054	.24%
Other Minority	\$ 406,410	1.0%	202,065	.61%
Total MBE Expenditures	\$15,209,298	37.5%	\$10,806,241	32.44%

Construction through Intergovernmental Agreements

PDC funds many construction projects through Intergovernmental Agreements (IGAs) with the city of Portland and other local government agencies. These IGAs include the MWESB and workforce requirements consistent with other PDC-supported projects. The figures below indicate payments made for FY 2008/2009, not necessarily completed work. The expenditures are less this year; however, several significant payments were processed at the beginning of FY 2009/2010 and will be reflected in the next report.

Total Intergovernmental Agreement Expenditures

	FY 2005/2006 \$13,019,897	FY 2006/2007 \$21,097,011	FY 2007/2008 \$33,005,469	FY 2008/2009 \$7,677,593
City of Portland	10,006,200	16,845,740	8,977,936	7,607,393
OHSU	3,000,000	275,000	939,000	None
Clackamas County	13,697	3,519,779	None	None
ODOT	None	100,192	None	None
Port of Portland	None	352,500	94,000	None
Tri-Met	None	None	22,865,686	60,000
Other IGAs	None	3,800	128,847	10,200

An amendment will be issued at a later date to allow more data collection for Intergovernmental Agreements.



Jaime Ramos Ramos Landscape, Inc.

Jaime Ramos, owner of Ramos Landscape Inc., has seen the future, and it's the same color as his past: green.

Ramos was born in the Yakima Valley farming community of Toppenish, Washington. He was surrounded by the green of agriculture, but he was also surrounded by the green values of his Native American neighbors. Though the majority population of Toppenish is Latino, the town lies within the reservation of the Native American Yakama nation. Ramos had several Native American friends who taught him to respect the environment.

"That way of thinking is not new to me," says the 29-year-old contractor. "Through our (Latino) tradition as well, we support the green movement not only because of the dollars but because it's the right thing to do. We are used to not wasting anything."

Ramos is excited to see the merging of environmental and business values. As he grows his business, he's developing its capabilities to provide environmentally beneficial services on certified green building projects. His firm provided landscaping services, including micro-irrigation and construction of bioswales and infiltration basins, on recent LEED (Leadership in Energy and Environmental Design) Platinum PDC projects.

When he first started his business, he wasn't focused on green technologies. He had been working at a home improvement store and doing odd jobs for customers who asked him for help. Using that work as a springboard, he launched his own business in 2000, focusing mainly on the residential market.

Ramos got involved with the city of Portland's Sheltered Market Program (SMP) after being referred by a couple of trusted connections. A cousin who mentored him, the owner of a successful landscaping and general contracting business, had participated in the program. Then, Jonath Colon, business development coordinator at the Hispanic Chamber of Commerce, whom he'd met at a meeting of the Oregon Association of Minority Entrepreneurs, encouraged him to join the SMP.

A great believer in continuing education and training, Ramos has taken advantage of every type of technical assistance offered through the SMP, including project-specific and business development training. Ramos has also attended construction and computer courses at Portland Community College. He said that the training and prior experience enabled him to work on LEED-certified projects throughout Portland and convinced him to align his business with the green building movement. Ramos considers such training an investment in the future of his company. While the economic slowdown has cut into his current revenues, he is optimistic that he is laying the groundwork for success when the economy recovers. He wants to expand his capabilities, too, not only into sustainable landscaping technologies, but also into general contracting – another legacy of being raised on a farm, where one learns to repair and operate most machinery.

As he looks to the future, two principles will guide him: "I've got two things I believe in about how to succeed," Ramos says. "Never stop trying. And never stop learning."

It's not the opportunities that come your way that make the difference, he says. It's what you do with them.



"I've got two things I believe in about how to succeed: never stop trying, and never stop learning."

Personal Services Contracting

Personal Services Prime Consultant Utilization

A Personal services contract is used for specialized skills, knowledge or unique resources or expertise, or the exercise of professional, artistic or management judgment. Such contracts include the services of architects, engineers, surveyors, attorneys, auditors and other licensed professionals, artists, designers, computer programmers, performers, consultants and property managers. Personal services contracting with MWESB firms increased by approximately \$780,000 over the previous year. The percentage utilization also increased from the previous year. Fifty-two (52) different MWESB personal service providers worked for PDC in FY 2008/2009 for a total of \$2,194,765.

MWESB Utilization for Personal Services

Total Personal Services	FY 2007/2008	FY 2008/2009
Expenditures	\$5,170,425	\$6,647,560
MWESB Expenditures	1,413,229 (27.3%)	2,194,765 (33.0%)
MBE	576,932 (11.2%)	602,646 (9.1%)
WBE	652,252 (12.6%)	1,430,752 (21.5%)
ESB	184,045 (3.6%)	161,367 (2.4%)

Flexible services contracts are a subset of the Personal Services Contracts, and used for services that have a repetitive requirement, typically for a three-year period. Flexible services contracts allow PDC to use a service provider on an as-needed basis. In FY 2008/2009, PDC administered 162 flexible services contracts, of which 44 were awarded to MWESB firms – 27.16 percent MWESB utilization for flexible services.





“Most small businesses, whether or not they’re minority-owned, face the same issues.”

Margaret Brooks Brooks Staffing

Margaret Brooks has personally witnessed the growth in opportunities for minority- and women-owned businesses.

Brooks is the executive vice president of Brooks Staffing, a firm that she runs with her business partner and husband, Samuel Brooks. Margaret and Samuel Brooks started their staffing business in 1981. At the time, it was the first minority-owned staffing company in Oregon. Today, Brooks Staffing manages more than 150 employees in light industrial and clerical placements in Oregon and Washington. The company employs seven people in its offices on Northeast Alberta Street in Portland.

Brooks Staffing differentiates itself by being locally owned and highly involved in the local community. (Samuel Brooks founded the Oregon Association of Minority Entrepreneurs and now serves as OAME’s president and board chairman. Margaret Brooks serves on the board of the American Red Cross, Oregon Trail chapter.) While other staffing firms today are minority-owned, Brooks takes pride in how the company supports minority employees. “We probably represent the most diverse workforce in the city,” Margaret Brooks says.

Brooks Staffing is one of about a dozen firms that supply PDC with temporary employees and has worked with PDC for more than 10 years. Several former Brooks-placed temporary workers are now full-time employees of PDC.

Brooks is happy to see changes in the community, not only in contracting regulations and policies, but in attitudes toward MWESB firms. “There’s still some of that feeling of, ‘Oh, they’re a minority business. They can’t do it.’” she says. “But we’re moving away from that. (Employers) are not assuming you’re not going to be able to do the work. It’s getting better all the time.”

While attitudes and opportunities may have changed, business fundamentals remain the same. “You still have to deliver. You still have to perform the work,” Brooks says. “You can’t just say, ‘I want this business,’ and expect someone to give it to you. This applies to any business. I don’t think that has changed much.”

To learn business fundamentals, Brooks recommends small businesses take classes on such things as bookkeeping at a local Small Business Development Center. (For a list of local centers, visit <http://www.bizcenter.org/>)

“Being in business is about being in business,” she says. “Most small businesses, whether or not they’re minority-owned, face the same issues. It’s not just doing the work; it’s managing the business. You may be the greatest talent at what you do, but if you can’t manage your money, you will be in trouble.”

That’s a lesson Brooks would like other minority-owned businesses to have the opportunity to learn.

Margaret Brooks

Construction Activity

Projects that reported hours during Fiscal Year 2008/2009 are listed below.

Project Name	Prime Contractor
82nd Place Housing	Walsh Construction Co.
The Nines	Hoffman Construction Co.
White Stag	Bremik Construction
Musolf Manor	Walsh Construction Co.
The Caplan Building	R&H Construction Co.
Fremont Residential	Granite Construction
Esperanza Court	Seabold Construction
PSU PCAT Project	Skanska
Patton Park	Walsh Construction Co.
Ziba World Headquarters	R&H Construction Co.
The Jeffrey	Howard S. Wright
Shaver Green	RJD, Inc.
Smith Block	Bremik Construction
Widmer Brewery Expansion	LCG Pence
UPS Hub Expansion	Robinson Construction
Mercy Corps	Walsh Construction Co.
General Auto Building	Fortis Construction
Waterfront Park Improvements	Brown Contracting
Rose Quarter Housing	Howard S. Wright
MAX Retail Improvements	Cedar Mill Construction
UPS Conveyor Installation	Material Handling Sys.
Miraflores	Keyway Corp.
333 SW Oak	Walsh Construction Co.
Pardee Commons	CityHouse Builders
Courtyard by Marriott	Hoffman Construction Co.
MLK & Beech	B&G Builders
Oregon Electric TI	Lease Crutcher Lewis
Esquire Calumet Building	Norway Development

Workforce Training and Hiring Program

The Workforce Training and Hiring Program (WTHP) is administered for the PDC by the City of Portland Bureau of Purchases.

The goal of WTHP is to ensure that PDC does business with contractors whose workforce reflects the diversity of the workforce found in the city of Portland. One method for increasing the diversity of the city's construction trades workforce is by requiring apprenticeship training on PDC projects. The training requirements offer a vehicle for women, minorities, and disadvantaged individuals, who have been historically underused, to gain access to training and employment in the construction trades.

Key Highlights

- More than 1,000,000 hours worked, for the second year in a row;
- The percent of Caucasian female participation held at 3%, for the second straight year;
- Apprentice participation remained steady at 23% of total hours worked on PDC projects

During FY 2008/2009, the Portland Bureau of Purchases monitored workforce participation on 28 PDC projects, with more than 150 subcontractors subject to the Workforce Training & Hiring Program requirements. More than 1,000,000 hours were worked during this fiscal year. A total of 690,541 hours were worked on projects within the South Waterfront Central District, which will be discussed separately. A breakdown of hours worked is shown in the table, below.

Apprentice Hours Worked on PDC Projects

Total PDC Project Workforce Hours	FY 2007/08		FY 2008/2009	
Minority Hours Worked	237,474	(21%)	196,550	(18%)
Caucasian Females	29,509	(3%)	28,000	(3%)
Total Apprenticeship Hours (all apprentices)	255,676	(23%)	249,615	(23%)
Minority and Female Apprentice Hours	71,464	(28%)	54,053	(22%)
Minority Male Apprentice Hours as a % of Apprentice Hours	50,609	(20%**)	35,733	(14%**)
Minority Female Apprentice Hours	5,110	(2%**)	2,333	(>1%**)
Caucasian Female Apprentice Hours	15,745	(6%**)	15,988	(6%**)



Oregon Tradeswomen, Inc. sponsors an annual fair to introduce high school girls to opportunities available in the construction field.

DeBorah Williams Evening Trades Apprenticeship Preparation Program

When DeBorah Williams participated in PDC's Workforce Diversity Strategy Committee, she was doing it for people like Eddie Strickland.

Strickland is a graduate of the Evening Trades Apprenticeship Preparation Program (ETAP) at Portland Community College's Cascade Campus in North Portland. Williams directs the pre-apprenticeship program, which provides introductory construction training and employment placement and support services to low-income women and men and residents living in publicly subsidized housing in Multnomah County. ETAP participants receive up to 240 hours of classroom and hands-on training in an 11-week session. ETAP's staff are available as coaches and case managers for participants throughout the training and for up to three years after graduation.

Since its inception 11 years ago, ETAP has graduated many African-American men and women, as well as other low-income residents seeking an opportunity to turn their lives around. After returning from incarceration following years of being in and out of the Oregon justice system, Strickland returned to North Portland and enrolled in ETAP, graduating in June 2009. He since has earned a job through the International Northwest Roofers and has returned to ETAP to tutor pre-apprentices in math skills and bring young referrals to the office. "He now lives and works up to 12 hours a day in the same neighborhood where he once was arrested," Williams says. "Our biggest success story is allowing men an opportunity to become productive citizens again, reclaiming their role as the heads of households, as well as community role models."

Pre-apprenticeship programs such as ETAP, Oregon Tradeswomen Inc., WorkSystems Inc., Irvington Covenant, Portland Youthbuilders and Construction Apprenticeship and Workforce Solutions, prepare men and women for trade apprenticeship programs. Together, these programs serve as a vital conduit to supply a new generation of trained trade workers who will help meet the workforce goals established in the Workforce Diversity Strategy Agreement, finalized in June 2008.

PDC provided a \$50,000 grant to ETAP in 2009. From 2000 through fall 2009, ETAP had enrolled 460 participants and graduated 308 pre-apprentices. Of the graduates, more than half have been African-American, 30 percent white and 12 percent Latino.

More than one-fourth of the graduates are women. In the past three years, Williams has noticed a rise in the enrollment of women, who have taken advantage of Portland Community College resources to continue their education. More than 65 percent of ETAP graduates have gotten jobs, with an average increase in their monthly income of \$1,302, or 135 percent.

If they're willing to work hard and apply the program's four "A's" – (attitude, accountability, attendance and aptitude), graduates can work in well-paying jobs in an industry willing to give them a second chance, Williams says. "The construction industry is one of the most forgiving industries in the country," she says. "It has been literally life-saving for so many people. Not only have they been able to regain their position in the community, but economically, they have been able to provide for their families and regain their self-worth. For some, that is better than money."



"Our biggest success story is allowing [disadvantaged] men an opportunity to become productive citizens again..."

Despite the recession, the number of overall hours worked and percent of participation by women and minorities hasn't experienced a significant drop. The percent of minority participation dropped only three percent, when compared to FY 2008/2009. The percent of participation for African Americans and other minority populations increased, when compared to last fiscal year, although Asian, Hispanic, and Native American workers saw their percent of participation decrease on PDC projects.

The number of hours worked by Caucasian females also dipped, while their percent of participation remained relatively unchanged, when compared to last fiscal year (see chart above).

Apprenticeship Participation

During FY 2008/2009, apprentices worked more than 249,000 hours, or just over 23 percent of total hours. Apprentices managed to maintain their current level of participation, despite the recession, which is encouraging considering they are usually the first to be laid off. It's unknown whether or not the same will hold true next year, as the construction industry continues to shed jobs; however training opportunities continued in nearly every construction trade this fiscal year, with the largest apprentice utilization occurring in the following trades: plumbers, electricians, roofers, carpenters, and glaziers.

This fiscal year, women and minority apprentices worked approximately 54,000 hours, or 18 percent of total apprentice hours. While all trades experienced varying levels of minority participation, female participation continues to be low or non-existent in several trades. The percent of minority and female apprentice participation, for trades with more than 1,000 apprentice hours, is listed, below:

Trades	Minority	Women	Trades	Minority	Women
Brick Mason	5%	0%	Carpenters	20%	4%
Cement Masons	6%	4%	Drywall	17%	5%
Electricians	10%	15%	Floor Coverers	30%	0%
Glaziers	9%	0%	Laborers	18%	5%
Ironworkers	15%	0%	Roofers	48%	0%
Painters	37%	16%	Tile Setters	22%	23%
Plumbers	9%	7%	Operators	0%	0%
Sheet Metal	5%	10%			



We continue to see sporadic apprentice shortages in several trades; given the downturn in the economy, many contractors are limiting hiring of new employees, and instead are choosing to retain as much of their current workforce as possible. As a result, there haven't been as many new hiring opportunities for apprentices. Below are results for the past five years.

	FY 04/05	FY 05/06	FY 06/07	FY 07/08	FY 08/09
Total Apprentices	21.25%	23.43%	22.02%	23.05%	23.14%
Minority and Female Apprentices	5.51%	5.64%	6.98%	6.44%	5.01%



Pardee Commons, a PDC housing project, under construction.

II. BACKGROUND AND HISTORY OF PDC DIVERSITY PROGRAMS

In late 1995, a consortium of 10 Oregon local and regional governmental entities commissioned a study to investigate participation in public construction projects by minorities and women in the various construction trades. The study also researched the awarding of public contracts for architectural and engineering services associated with construction projects. Based on the recommendations of this work, known as the Disparity Study, PDC implemented several programs. These programs required developers and general contractors to perform outreach to minority-owned, women-owned and emerging small businesses, mandated apprenticeship training to help ensure a more diverse workforce, required Equal Employment Opportunity certification of companies doing business with PDC, and provided technical assistance to MWESB firms throughout the construction bid process. The following summarizes recent policy changes and provides an overview of each program in effect today.

Summary of PDC Programs:

Business and Workforce Equity Policy and Programs

On February 27, 2008, Resolution 651 was adopted by the PDC Board creating the Business and Workforce Equity Policy. The Resolution rescinded Resolution 5066 which was adopted by the Board on December 18, 1997 implementing the Good Faith Effort and Workforce Training and Hiring programs outlined above. The newly established Business and Workforce Equity Policy incorporated some of the basic structure of the prior programs while incorporating changes based on in-depth interaction with stakeholders regarding more aggressive requirements.

The Business and Workforce Equity Policy changes the basis for utilization goals for MWESB from PDC's investment in the project to the hard construction costs of the entire project based on MWESB availability in the particular subcontracted trades. In addition the new policy expands the procedural steps for outreach, capacity-building and small-business friendly practices and encourages the employment of veterans and people with disabilities on PDC-sponsored projects.

Business Equity/Good Faith Effort Program

The purpose of the Business Equity Program is to ensure that PDC provides professional, supplier and construction contracting opportunities to certified firms and to encourage the participation of businesses owned by veterans on direct contracting, land transactions and on work using PDC resources. The Business Equity Program is applicable upon meeting any one of the following criteria:

- a) A PDC personal services contract for any amount
- b) A PDC-owned construction contract greater than \$200,000;
- c) A PDC-sponsored project receiving more than \$300,000 of PDC resources to finance a project with Hard Construction costs greater than \$300,000; or

- d) An interagency or intergovernmental agreement with hard construction costs greater than \$200,000 and more than \$100,000 in PDC resources, whether performed by PDC or another agency.

The following Utilization Goals were established through the Business Equity Program:

- a) Personal Services Contracts: 25 percent of the payments made under such contracts;
- b) PDC-owned construction contracts: 20 percent of hard construction costs;
- c) PDC-sponsored projects: 20 percent of hard construction costs for residential low-rise construction and 20 percent of the hard construction costs for commercial high-rise construction as calculated by an analysis of availability and capacity of certified firms for the specific project;
- d) Interagency and intergovernmental agreements: the greater of the appropriate utilization goal for PDC or the other agency's goal; and
- c) Flexible Service Contracts: 30 percent of the total number of contracts in any fiscal year and 25 percent of the payments made under such contracts.

Workforce Equity/Workforce Training and Hiring Program

The Workforce Equity Program, which included the Workforce Training and Hiring Program (WTHP), was established to maximize apprenticeship opportunities in the construction trades and ensure employment opportunities for people of color and women on direct contracting, land transactions and on work utilizing PDC resources as well as encourage the employment of people with disabilities and veterans on direct contracting, land transactions and on work utilizing PDC resources.

The Workforce Equity Program applies upon meeting any one of the following criteria:

- a) On a PDC-owned construction contract greater than \$200,000, the Workforce Equity Program shall apply to:
 - The prime contract; and
 - Any subcontract greater than \$100,000.
- b) On a PDC-sponsored project the Workforce Equity Program shall apply if the project receives \$300,000 or more of PDC resources to finance a project with a hard construction cost greater than \$1,000,000 and shall apply to:
 - The prime contract; and
 - Any subcontract greater than \$100,000.



Pardee Commons offers first time homebuyers affordable housing – top photo, a new homeowner; lower, grand opening ceremony August 2009; right, daughter plays on the steps of her family's new home.



The following utilization goals were established through the Business Equity Program:

- a) Comply with the Workforce Training and Hiring Program to, among other things, ensure that a minimum of twenty percent (20%) of labor hours in each apprenticeable trade performed by the contractor and subcontractors are worked by state-registered apprentices, as such requirements are further described therein; and
- b) Work toward achieving the workforce goals phased over a ten-year period as outlined in the table below. The percentage of hours set forth below includes both apprenticeship hours and journey level hours.
- c) Make all reasonable and necessary efforts to employ a workforce that reflects the diversity of the city of Portland, including recruitment of a diverse workforce through the unions, the apprenticeship programs and other community resources.
- d) Projects subject to the Workforce Equity Program are encouraged to employ people with disabilities and veterans.

Workforce Goals

Fiscal Year	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018
Women	6%	7%	8%	9%	10%	11%	12%	13%	14%	15%
Minority	25.5%	26%	26.5%	27%	27.5%	28%	28.5%	29%	29.5%	30%

Equal Employment Opportunity Compliance

Every firm completing more than \$2,500 of business with PDC annually must have Equal Employment Opportunity (EEO) certification. The EEO program is designed to assure that women and minorities have equal employment opportunities. An EEO certification program is a requirement for receiving federal funding. PDC participates in the regional EEO certification program managed by the City of Portland’s Bureau of Purchases. If workforce composition does not reflect race and gender census data, a contractor may be required to take affirmative action to increase workforce diversity as a condition of re-certification.

Technical Assistance Program

PDC participates in the city’s Technical Assistance Program. Technical assistance is available to all MWESB firms bidding on or receiving PDC construction contracts. The program assists firms by providing free access to technical assistance relating to bid preparation, estimating, prevailing wage requirements and other public contracting requirements. Additional computer courses in basic accounting, word processing and spreadsheet applications are also available to MWESBs.

Section Three: Business and Workforce Equity Program

I. PDC OUTREACH EFFORTS

PDC has worked hard to meet its goals for community outreach and promotion of diversity in the construction workforce. However, management and staff realize more is needed. A broader, agency-wide effort was initiated this past year through two PDC-sponsored committees, the Contracting Advisory Committee and the Workforce Diversity Strategy Committee, made up of a cross-section of community stakeholders. These committees will be discussed in more detail in the Future Strategies Section of this report. Organizational changes, some already implemented and some yet to come, aim to address areas of improvement.

PDC actively supports the following organizations:

- African American Chamber of Commerce of Oregon
- Construction Apprenticeship and Workforce Solutions, Inc.
- Evening Trades Apprenticeship Program
- Hispanic Metropolitan Chamber of Commerce of Oregon
- Irvington Covenant Community Development Corporation Constructing Hope
- Metropolitan Contractor Improvement Partnership
- Minority Business Opportunity Committee
- National Association of Minority Contractors
- Oregon Association of Minority Entrepreneurs
- Oregon Native American Chamber of Commerce
- Oregon Tradeswomen, Inc.
- Philippine American Chamber of Commerce of Oregon
- Portland Business Alliance
- Portland YouthBuilders
- South Waterfront Project Apprenticeship Agreement Oversight Committee
- Turner School of Construction Management



John Classen, PDC contracts and compliance coordinator, provides information at a small business outreach event.



Students in Portland YouthBuilders pose in front of their recently completed house. The Youthbuilder Construction Program offers men and women aged 17-24 a 12 month workforce training in construction trades.

PDC advertises contracting opportunities through a variety of media outlets, websites and public venues:



PDC participates in Oregon Association of Minority Entrepreneurs Annual Trade Fair.

Local Newspapers

- Asian Reporter
- Daily Journal of Commerce
- El Latino de Hoy
- El Hispanic News
- NAMCO Newsletter
- OAME Newsletter
- Portland Observer
- The Oregonian
- The Skanner

Internet Access

- PDC MWESB Assistance: www.pdc.us/mwesb/mwesb.asp
- Construction Trades Information for Minorities and Women: www.pdc.us/mwesb/mwesb_construction.asp
- Internet posting of all contracting opportunities over \$25,000: www.pdc.us/mwesb
- PDC Contracting Page: www.pdc.us/login/welcome.asp
- The Skanner: www.theskanner.com
- State of Oregon ORPIN System: www.oregon.gov/DAS/SSD/SPO/ORPIN-Contact-info.shtml

Advertising contracting opportunities in local minority newspapers and periodicals not only fulfills the goal of minority contractor solicitation, but also supports minority-audience media publications. Work with organizations such as the Oregon Association of Minority Entrepreneurs (OAME) provides a networking forum for MWESB input that often also serves as a progress report for outreach activities. PDC's website has increased visibility in the MWESB community. The website has enabled PDC to better circulate information to the community as well as provide public access to State of Oregon certification and information for targeted outreach efforts. All of these tools further PDC's MWESB program goals.

II. 2008/2009 PROGRAM RESULTS

Construction:

As previously predicted due to economic issues, this year's first tier MWESB utilization decreased from last fiscal year's all time high of \$40,578,652 to \$33,309,486. The number of projects included in this year's report decreased even more significantly, going from 39 last year to 22 this year.

The Business and Workforce Equity Policy does not apply to some earlier projects, so projects under the previous program and newer ones covered by the Business and Workforce Equity Policy both appear in this report. Prior to the adoption of the Business and Workforce Equity Policy, PDC's MWESB utilization goals were established as 20 percent of PDC's investment in each project. The new program established the 25 percent utilization goal on PDC supported projects as a percentage of each project's hard construction costs based on certified MWESB subcontractor availability in the various trades.

Last year, only six of the 39 projects included in our report had utilization goals based on each project's hard construction costs. This fiscal year, seven of the 22 projects included in our report have utilization goals based on each project's hard construction costs. While the downturn in the economy is anticipated to negatively impact the number of projects we see in the coming years, the percentage of projects covered under the more aggressive new policy will continue to climb.

As stated above, we anticipate the number of projects initiated over the next couple of years to be fewer than in the recent past, due to the challenging economic conditions which have significantly impacted the ability of our private sector partners to obtain traditional financing. We will continue to work with private, not-for-profit and other government agencies to help finance a variety of projects in the coming years, all of which will strive for the inclusion of MWESB businesses and a diverse workforce with maximum apprentice participation. Numerous projects are likely to finalize preconstruction activities, solicit for subcontractors and break ground before the end of the current fiscal year. The following projects have broken ground and will be included in next fiscal year's report but were started after the end of this reporting cycle: Clifford Apartments, Pearl Family Housing, Eastgate Station, Marysville School Park, Roselyn Apartments.

Personal Services:

PDC utilized 229 professional service and flexible services contracts during fiscal year 2008/2009. Under these contracts, expenditures were \$6,647,560 with \$2,194,765 (33 percent) going to MWESB firms. This is an increase from last year in both dollars and percentage and also surpassed the 25 percent utilization goal.

A total of 375 firms are MWESB certified with the State of Oregon in architecture, engineering, legal, professional and management development training, temporary staffing, remediation services and all other professional services categories. Of these 375 firms, 80 (21.3 percent) are MBE certified. Another 149 are WBE certified (39.7) percent, and an additional 29 (7.7 percent) hold MBE and WBE certifications.

III. ACCOMPLISHMENTS

- Resolution number 6667 "Adopting an Amended Business and Workforce Equity Policy and Reauthorizing the Workforce Training and Hiring Program" was adopted by PDC's Board of Commissioners on January 29, 2009. This resolution amended the existing Business and Workforce Equity Policy to facilitate administration, improve clarity and to incorporate the Workforce Diversity Strategy component of the existing Construction Wage Policy (Resolution No. 6424) into the Business and Workforce Equity policy where it more appropriately belonged.
- The 20 percent utilization goal for MWESB firms was surpassed with 35.31 percent utilization in construction and 33.02 percent utilization in personal services contracting.
- Apprentice hours equaled 23 percent of the total hours worked on PDC projects, exceeding the 20 percent participation goal.
- PDC staff participated as an instructor in a purchasing training provided at the American Contracts Compliance Association.

Construction Projects List

Project Name	Prime Contractor
82nd Place Housing	Walsh Construction Co.
Cambrian Park	Oregon Custom Builders
Caplan Building	R&H Construction
Courtyard by Marriott*	Hoffman Construction Co.
General Auto Building	Fortis Construction
MAX Retail Improvements	Cedar Mill
Mercy Corps*	Walsh Construction
Miraflores Apartments	KeyWay Corp.
MLK & Beech Street Project*	B&G Builders
Musolf Manor	Walsh Construction Co.
Oak Apartments	Walsh Construction Co.
Oregon Electric T1	Lease Crutcher Lewis
Pardee Commons	City House Builders
Patton Park	Walsh Construction Co.
PSU Academic & Student Rec Center*	Skanska
Rose Quarter Housing*	Howard S. Wright
Shaver Green	RJD Inc.
Smith Block	Bremik
Starwood Luxury Hotel*	Hoffman Construction Co.
UPS Hub Expansion*	Robinson Construction
Waterfront Park Improvements	Brown
Ziba World HQ*	R&H Construction

- Hosted the MED Week awards reception, honoring minority contractors for excellence in their fields.
- Hosted or participated in 14 pre-bid/pre-construction meetings.
- Hosted a Native American vendor fair to inform Native American contractors and service providers of opportunities available through PDC.
- Participated on the Irvington Covenant Community Development Corporation's Constructing Hope pre-apprentice training advisory board.
- Participated as an instructor in a purchasing training provided by the Turner School of Construction Management to MWESB contractors.
- Participated as an instructor in a purchasing training for Construction Equity Day, at the State Capitol.

IV. UTILIZATION REPORT

- Direct Bid—Contracting Dollars
- Enterprise Zone—Contracting Dollars
- Development Agreement—Contracting Dollars
- Loan Construction—Contracting Dollars
- Intergovernmental Agreements—Contracting Dollars
- Total Construction—Contracting Dollars
- Construction Contracting by Ethnicity
- Direct Bid Projects Contracting by Ethnicity
- Enterprise Zone Contracting by Ethnicity
- Development Agreement Contracting by Ethnicity
- Loan Contracting by Ethnicity
- Intergovernmental Agreements by Ethnicity
- Overall MWESB Utilization
- Personal Services Contracting Report



Direct Bid Projects - Contracting Dollars

Reporting Period 7/1/08 Through 6/30/09

Project Name	Total PDC Dollars	Majority Firms	ESB	%	WBE	%	MBE	%	Total MWESB	%
MAX Retail Improvements	\$839,870	\$301,904	\$286,824	34.15%	\$0	0.00%	\$0	0.00%	\$286,824	34.15%
Waterfront Park Improvements	\$10,620,901	\$380,496	\$4,480,364	42.18%	\$1,050,063	9.89%	\$106,085	1.00%	\$5,636,512	53.07%
Totals	\$11,460,771	\$682,400	\$4,767,188	41.60%	\$1,050,063	9.16%	\$106,085	0.93%	\$5,923,336	51.68%

Enterprise Zone - Contracting Dollars

Reporting Period 7/1/08-6/30/09

Project Type	Total Construction	Enterprise Zone Tax Abatement Utilization Basis	Majority Firms	ESB	%	WBE	%	MBE	%	Total MWESB	%
UPS Hub Expansion*	\$20,472,979	\$4,360,330	\$11,178,174	\$98,319	2.25%	\$0	0.00%	\$0	0.00%	\$98,319	2.25%
Totals	\$20,472,979	\$4,360,330	\$11,178,174	\$98,319	2.25%	\$0	0.00%	\$0	0.00%	\$98,319	2.25%

*An additional \$901,491 of MWESB utilization has been achieved on the first three phases of the UPS expansion project with one additional phase underway in the current fiscal year.

Development Agreement - Contracting Dollars

Reporting Period 7/1/08-6/30/09

Project Type	Total Construction	PDC Invested Amount	Basis for MWESB Goal	Minority Firms	ESB	%	WBE	%	MBE	%	Total MWESB	%
MLK & Beech Street Project*	\$9,158,564	\$900,000	\$9,158,564	\$4,585,202	\$266,528	2.91%	\$831,207	9.08%	\$546,393	5.97%	\$1,644,128	17.95%
Mercy Corps*	\$21,287,004	\$4,355,000	\$21,287,004	\$11,967,257	\$709,620	3.33%	\$103,310	0.49%	\$4,546,884	21.36%	\$5,359,814	25.18%
Starwood Luxury Hotel*	\$74,109,253	\$16,925,000	\$16,925,000	\$64,653,246	\$0	0.00%	\$55,055	0.33%	\$444,456	2.63%	\$499,511	2.95%
Ziba World HQ*	\$14,964,258	\$750,000	\$750,000	\$10,940,481	\$250,634	33.42%	\$5,111	0.68%	\$34,518	4.60%	\$290,263	38.70%
Totals	\$119,519,079	\$22,930,000	\$48,120,568	\$92,146,186	\$1,226,782	2.55%	\$994,683	2.07%	\$5,572,251	11.58%	\$7,793,716	16.20%

*Additional \$558,031 in second tier subcontractor utilization reported on MLK & Beech

*Additional \$3,876,002 in second tier subcontractor utilization reported on the Starwood

*Additional \$103,801 in second tier subcontractor utilization reported on Mercy Corps

*Additional \$45,000 in second tier subcontractor utilization reported on Ziba World HQ

Loan Construction - Contracting Dollars
Reporting Period 7/1/08 Through 6/30/09

Project Name	Total Construction	PDC Invested Amount	Basis for MWESB Goal	Minority Firms	ESB	%	WBE	%	MBE	%	Total MWESB	% of PDC
82nd Place Housing	\$10,162,121	\$2,150,000	\$2,150,000	\$5,740,320	\$176,802	8.22%	\$0	0.00%	\$459,808	21.39%	\$636,610	29.61%
Cambrian Park	\$346,983	\$1,375,243	\$346,983	\$0	\$37,144	10.70%	\$0	0.00%	\$49,600	14.29%	\$86,744	25.00%
Caplan Building	\$5,200,000	\$717,000	\$717,000	\$2,742,956	\$0	0.00%	\$366,037	51.05%	\$325	0.05%	\$366,362	51.10%
Courtyard by Marriott*	\$43,136,343	\$749,000	\$749,000	\$37,252,189	\$9,357	1.25%	\$428,682	57.23%	\$251,803	33.62%	\$689,842	92.10%
General Auto Building	\$6,511,811	\$1,400,000	\$1,400,000	\$4,610,056	\$359,220	25.66%	\$67,798	4.84%	\$73,444	5.25%	\$500,462	35.75%
Miraflores Apartments	\$4,691,698	\$440,421	\$440,421	\$3,570,400	\$81,200	18.44%	\$0	0.00%	\$116,200	26.38%	\$197,400	44.82%
Musolf Manor	\$9,443,707	\$4,013,352	\$4,013,352	\$4,813,509	\$271,150	6.76%	\$570,961	14.23%	\$828,419	20.64%	\$1,670,530	41.62%
Oak Apartments	\$1,874,071	\$3,278,611	\$1,874,071	\$810,362	\$91,716	4.89%	\$129,113	6.89%	\$267,937	14.30%	\$488,766	26.08%
Oregon Electric TI	\$922,626	\$350,000	\$922,626	\$440,122	\$16,500	1.79%	\$113,512	12.30%	\$79,811	8.65%	\$209,823	22.74%
Pardee Commons	\$1,300,000	\$700,000	\$700,000	\$825,200	\$14,600	2.09%	\$6,100	0.87%	\$190,100	27.16%	\$210,800	30.11%
Patton Park	\$8,527,977	\$4,467,500	\$4,467,500	\$4,556,013	\$704,909	15.78%	\$536,157	12.00%	\$899,340	20.13%	\$2,140,406	47.91%
Rose Quarter Housing*	\$12,432,776	\$10,840,475	\$10,840,475	\$7,888,730	\$478,705	4.42%	\$311,229	2.87%	\$47,063	0.43%	\$836,997	7.72%
Shaver Green	\$12,676,828	\$3,140,800	\$3,140,800	\$6,552,770	\$1,775,430	56.53%	\$14,157	0.45%	\$1,417,216	45.12%	\$3,206,803	102.10%
Smith Block	\$7,433,267	\$990,000	\$990,000	\$4,160,026	\$73,649	7.44%	\$104,471	10.55%	\$0	0.00%	\$178,120	17.99%
Totals	\$124,660,208	\$34,612,402	\$32,752,228	\$83,962,653	\$4,090,382	12.49%	\$2,648,217	8.09%	\$4,681,066	14.29%	\$11,419,665	34.87%

*Additional \$201,193 of second tier utilization reported on Musolf Manor

*Additional \$784,840 of second tier utilization reported on Courtyard by Marriott

*Additional \$51,200 of second tier utilization reported on Patton Park Apartments

*Additional \$212,000 of second tier utilization reported on Rose Quarter Housing

View videos that spotlight PDC's diversity in contracting commitments:

PDC and Portland YouthBuilders

PDC Increases Spending on MWESB by 82%

South Waterfront Workforce Diversity

these and many more are posted on our You Tube channel.



Intergovernmental Agreements - Contracting Dollars

Reporting Period 7/1/08 Through 6/30/09

Project Name	Total Construction	PDC Invested Amount	Basis for MWESB Goal	Minority Firms	ESB	%	WBE	%	MBE	%	Total MWESB	% of PDC
PSU Academic & Student Rec Center*	\$69,477,042	\$2,000,000	\$2,000,000	\$30,955,815	\$2,103,919	105.20%	\$5,622,012	281.10%	\$446,838	22.34%	\$8,172,769	408.64%
Totals	\$69,477,042	\$2,000,000	\$2,000,000	\$30,955,815	\$2,103,919	105.20%	\$5,622,012	281.10%	\$446,838	22.34%	\$8,172,769	408.64%

*Additional \$2,098,478 of second tier utilization reported on the PSU Academic & Student Rec Center

Total Construction Contracting Dollars

Reporting Period 7/1/08 Through 6/30/09

Project Type	Total Project	PDC* Portion	Majority Firms	ESB	%	WBE	%	MBE	%	Total MWESB	%
Development	\$119,519,079	\$48,120,568	\$92,146,186	\$1,226,782	2.55%	\$994,683	2.07%	\$5,572,251	11.58%	\$7,793,716	16.20%
Direct Bid Projects	\$11,460,771	\$11,460,771	\$682,400	\$4,767,188	41.60%	\$1,050,063	9.16%	\$106,085	0.93%	\$5,923,336	51.68%
Enterprise Zone	\$20,472,979	\$4,360,330	\$11,178,174	\$98,319	2.25%	\$0	0.00%	\$0	0.00%	\$98,319	2.25%
Intergovernmental Agreements	\$69,477,042	\$2,000,000	\$30,955,815	\$2,103,919	105.20%	\$5,622,012	281.10%	\$446,838	22.34%	\$8,172,769	408.64%
Loan Construction	\$124,660,208	\$32,752,228	\$83,962,653	\$4,090,382	12.49%	\$2,648,217	8.09%	\$4,681,066	14.29%	\$11,419,665	34.87%
Totals	\$325,117,100	\$94,333,567	\$207,747,054	\$12,188,271	12.92%	\$10,314,975	10.93%	\$10,806,240	11.46%	\$33,309	

*For some PDC loan & Development Agreement funded projects PDC's loan amount exceeds the construction costs. For these projects the figure represented here will be the projects construction cost

Construction Contracting by Ethnicity

Reporting Period 7/1/08 Through 6/30/09

Project Type	Total MWESB	African American	%	Asian American	%	Hispanic American	%	Native American	%	Other Minority	%	Total MBE Utilization	% of Total
Development	\$7,793,716	\$4,929,321	63.25%	\$638,034	8.19%	\$4,896	0.06%	\$0	0.00%	\$0	0.00%	\$5,572,251	71.50%
Direct Bid Projects	\$5,923,336	\$11,100	0.19%	\$0	0.00%	\$94,985	1.60%	\$0	0.00%	\$0	0.00%	\$106,085	1.79%
Enterprise Zone	\$98,319	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Intergovernmental Agreements	\$8,172,769	\$243,359	2.98%	\$66,516	0.81%	\$136,963	1.68%	\$0	0.00%	\$0	0.00%	\$446,838	5.47%
Loan Construction	\$11,419,665	\$1,791,928	15.69%	\$422,190	3.70%	\$2,185,830	19.14%	\$79,054	0.69%	\$202,065	1.77%	\$4,681,067	40.99%
Total PDC Construction Funding	\$33,309,486	\$6,975,708	20.94%	\$1,126,740	3.38%	\$2,422,674	7.27%	\$79,054	0.24%	\$202,065	0.61%	\$10,806,241	32.44%

Direct Bid Projects Contracting by Ethnicity
 Reporting Period 7/1/08 Through 6/30/09

Project Name	African American	Asian American	Hispanic	Native American	Other Minority	Total MBE Utilization
MAX Retail Improvements	\$0	\$0	\$0	\$0	\$0	\$0
Waterfront Park Improvements	\$11,100	\$0	\$94,985	\$0	\$0	\$106,085
Totals	\$11,100	\$0	\$94,985	\$0	\$0	\$106,085

Enterprise Zone Contracting by Ethnicity
 Reporting Period 7/1/08 through 6/30/09

Project Name	African American	Asian American	Hispanic	Native American	Other Minority	Total MBE Utilization
UPS Hub Expansion*	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$0	\$0	\$0	\$0	\$0	\$0

*An additional \$901,491 of MWESB utilization has been achieved on the first three phases of the UPS expansion project with one additional phase under way in the current fiscal year. \$871,174 of the additional utilization went to Hispanic-owned MBE businesses with the remaining \$30,317 going to a WBE certified business.

Development Agreement Contracting by Ethnicity
 Reporting Period 7/1/08 through 6/30/09

Project Name	African American	Asian American	Hispanic	Native American	Other Minority	Total MBE Utilization
MLK & Beech	\$353,905	\$192,488	\$0	\$0	\$0	\$546,393
Mercy Corps	\$4,301,726	\$245,158	\$0	\$0	\$0	\$4,546,884
Starwood Luxury Hotel	\$260,963	\$178,597	\$4,896	\$0	\$0	\$365,559
Ziba World HQ	\$12,727	\$21,791	\$0	\$0	\$0	\$34,518
Totals	\$4,929,321	\$638,034	\$4,896	\$0	\$0	\$5,493,354

Loan Contracting by Ethnicity
Reporting Period 7/1/08 Through 6/30/09

Project Name	African American	Asian American	Hispanic	Native American	Other Minority	Total MBE Utilization
82nd Place Housing	\$27,852	\$135,339	\$296,617	\$0	\$0	\$459,808
Cambrian Park	\$26,400	\$0	\$23,200	\$0	\$0	\$49,600
Caplan Building	\$325	\$0	\$0	\$0	\$0	\$325
Courtyard by Marriott	\$212,492	\$24,639	\$4,512	\$10,160	\$0	\$251,803
General Auto Building	\$0	\$4,550	\$0	\$68,894	\$0	\$73,444
Miraflores Apartments	\$0	\$0	\$116,200	\$0	\$0	\$116,200
Musolf Manor	\$567,498	\$61,354	\$199,568	\$0	\$0	\$828,419
Oak Apartments	\$243,683	\$11,765	\$12,490	\$0	\$0	\$267,937
Oregon Electric TI	\$15,500	\$0	\$64,311	\$0	\$0	\$79,811
Pardee Commons	\$0	\$0	\$190,100	\$0	\$0	\$190,100
Patton Park Apartments	\$655,298	\$184,544	\$59,498	\$0	\$0	\$899,340
Rose Quarter Housing	\$27,986	\$0	\$19,077	\$0	\$0	\$47,063
Shaver Green	\$14,895	\$0	\$1,200,257	\$0	\$202,065	\$1,417,216
Smith Block	\$0	\$0	\$0	\$0	\$0	\$0
Totals	\$1,791,928	\$422,190	\$2,185,830	\$79,054	\$202,065	\$4,681,067

Intergovernmental Agreements by Ethnicity
Reporting Period 7/1/08 Through 6/30/09

Project Name	African American	Asian American	Hispanic	Native American	Other Minority	Total MBE Utilization
PSU Academic & Student Rec Center	\$243,359	\$66,516	\$136,963	\$0	\$0	\$446,838
Totals	\$243,359	\$66,516	\$136,963	\$0	\$0	\$446,838

Overall MWESB Utilization
Reporting Period 7/1/08 Through 6/30/09

Contracting Type	Total PDC Portion*	Majority Firms	ESB	%	WBE	%	MBE	%	MWESB	%
Construction	\$94,333,567	\$207,747,054	\$12,188,271	12.92%	\$10,314,975	10.93%	\$10,806,240	11.46%	\$33,309,486	35.31%
Professional Services	\$6,647,560	\$4,452,795	\$161,367	2.43%	\$1,430,752	21.52%	\$602,646	9.07%	\$2,194,765	33.02%
Totals	\$100,981,127	\$212,199,849	\$12,349,638	12.23%	\$11,745,727	11.63%	\$11,408,886	11.30%	\$35,504,251	35.16%

*For some PDC loan funded projects PDC's loan amount exceeds the construction costs. For these projects the figure represented here will be the project's construction cost.

Professional Services

Reporting Period 07/1/08 Through 06/30/09

Contractor	MBE	% of Total MBE	WBE	% of Total WBE	ESB	% of Total ESB	Total MWESB	% of Total MWESB
2. Ink Studio P.C.		0.00%	\$30,650	2.14%		0.00%	\$30,650	0.46%
Amy Vancamp		0.00%	\$35,000	2.45%		0.00%	\$35,000	0.53%
Bluedot Group, LLC		0.00%		0.00%	\$32,877	20.37%	\$32,877	0.49%
Boly Welch Inc.		0.00%	\$184,845	12.92%		0.00%	\$184,845	2.78%
Brightworks Northwest LLC		0.00%		0.00%	\$10,262	6.36%	\$10,262	0.15%
Brooks Staffing	\$71,107	11.80%		0.00%		0.00%	\$71,107	1.07%
Communitas LLC		0.00%	\$60,102	4.20%		0.00%	\$60,102	0.90%
Cooper Zietz Engineers	\$10,375	1.72%		0.00%		0.00%	\$10,375	0.16%
Counterpoint Consulting		0.00%	\$8,245	0.58%		0.00%	\$8,245	0.12%
Dao Architecture LLC	\$19,739	3.28%		0.00%		0.00%	\$19,739	0.30%
Deca Architecture Inc		0.00%		0.00%	\$30,546	18.93%	\$30,546	0.46%
Elaine Howard Consulting LLC		0.00%	\$25,485	0.00%		0.00%	\$25,485	0.38%
Emerick Architects PC		0.00%	\$19,800	1.38%		0.00%	\$19,800	0.30%
Emmons Architects, Inc.		0.00%		0.00%	\$14,260	8.84%	\$14,260	0.21%
Energy Comfort & Construction	\$3,774	0.63%		0.00%		0.00%	\$3,774	0.06%
Enviroissues		0.00%	\$34,683	2.42%		0.00%	\$34,683	0.52%
Fat Pencil Studio		0.00%		0.00%	\$4,000	2.48%	\$4,000	0.06%
Flowing Solutions LLC		0.00%	\$12,580	0.88%		0.00%	\$12,580	0.19%
Formwest Architecture, Inc		0.00%		0.00%	\$12,125	7.51%	\$12,125	0.18%
Greener Ventures Inc		0.00%		0.00%	\$7,460	4.62%	\$7,460	0.11%
Hanamura Consulting, Inc	\$5,375	0.89%		0.00%		0.00%	\$5,375	0.08%
Hub Collective		0.00%	\$2,017	0.14%		0.00%	\$2,017	0.03%
Innovative Growth Solutions		0.00%	\$57,339	4.01%		0.00%	\$57,339	0.86%
Jeanne Lawson Associates		0.00%	\$3,132	0.22%		0.00%	\$3,132	0.05%
Jones Stohosky Environment Lab		0.00%	\$405	0.03%		0.00%	\$405	0.01%
Kathryn Krygier		0.00%	\$49,999	3.49%		0.00%	\$49,999	0.75%
Kim Royster Dba The Pulse Grp		0.00%	\$27,110	1.89%		0.00%	\$27,110	0.41%
KLK Consulting		0.00%	\$189,062	13.21%		0.00%	\$189,062	2.84%
Koch Landscape Architecture		0.00%		0.00%	\$4,032	2.50%	\$4,032	0.06%
Leeka Architects And Planners	\$23,264	3.86%		0.00%		0.00%	\$23,264	0.35%
Lupin LLP		0.00%	\$53,290	3.72%		0.00%	\$53,290	0.80%

Professional Services (continued)
 Reporting Period 07/1/08 Through 06/30/09

Contractor	MBE	% of Total MBE	WBE	% of Total WBE	ESB	% of Total ESB	Total MWESB	% of Total MWESB
Marketek		0.00%	\$17,873	1.25%		0.00%	\$17,873	0.27%
Merryman Barnes Architects, Inc.		0.00%	\$45,527	3.18%		0.00%	\$45,527	0.68%
Netcompliance Environmental	\$9,150	1.52%		0.00%		0.00%	\$9,150	0.14%
Nevue Ngan & Associates	\$90,216	14.97%		0.00%		0.00%	\$90,216	1.36%
Northwest Ideas LLC	\$17,600	2.92%		0.00%		0.00%	\$17,600	0.26%
Oden-Orr Law	\$962	0.16%		0.00%		0.00%	\$962	0.01%
Probity Builders LLC	\$1,563	0.26%		0.00%		0.00%	\$1,563	0.02%
Professional Minority Group	\$3,400	0.00%		0.00%		0.00%	\$3,400	0.05%
Rosales +Partners	\$129,140	21.43%		0.00%		0.00%	\$129,140	1.94%
Ruffin Construction		0.00%	\$20,256	1.42%		0.00%	\$20,256	0.30%
Second Wind Consulting LLC		0.00%		0.00%	\$36,650	22.71%	\$36,650	0.55%
Sign Wizards Inc		0.00%	\$539	0.04%		0.00%	\$539	0.01%
Staffing Solutions, LLC		0.00%	\$198,520	13.88%		0.00%	\$198,520	2.99%
Statewide Rent A Fence		0.00%		0.00%	\$4,580	2.84%	\$4,580	0.07%
Tevlin Strategic Communication		0.00%		0.00%	\$4,575	0.00%	\$4,575	0.07%
The Bookin Group		0.00%	\$24,057	1.68%		0.00%	\$24,057	0.36%
The Portland Observer		0.00%	\$8,110	0.57%		0.00%	\$8,110	0.12%
The Writing Works		0.00%	\$2,711	0.19%		0.00%	\$2,711	0.04%
Triad Technology Group	\$183,757	30.49%		0.00%		0.00%	\$183,757	2.76%
Vanderhouwen & Associates		0.00%	\$319,415	22.32%		0.00%	\$319,415	4.80%
Vigil-Agrimis	\$33,224	0.00%		0.00%		0.00%	\$33,224	0.50%
Totals	\$602,646	100.00%	\$1,430,752	100.00%	\$161,367	100.00%	\$2,194,765	100.00%
Percentage of Total Expenditures		9.07%		21.52%		2.43%		33.02%
Total Expenditures Professional Services							\$6,647,560	
Majority Firm Expenditures							\$4,452,795	
MWESB Expenditures							\$2,194,765	
MWESB % of Total Expenditures							33.02%	

Section Four: South Waterfront Central District

I. INTRODUCTION

Five projects were under construction in the South Waterfront Central District this past fiscal year. While the South Waterfront has not been immune to the effects of the current economic recession, one new project did break ground in FY 2008/2009, the South Waterfront Park project. Now six years in to the South Waterfront Central District Project Development Agreement (DA) the neighborhood is taking shape and the formerly blighted area is significantly contributing to the contracting opportunities available to MWESB businesses, as well as construction workforce training opportunities available to women and minority workers.



Throughout construction of the South Waterfront, MWESB participation has met or exceeded Development Agreement goals.

The following pages will document the ongoing contracting, workforce training and workforce diversity efforts being made on projects subject to the DA. Each project carries a 20 percent MWESB contracting goal as well as a 20 percent apprenticeship training requirement and escalating workforce diversity goals which this fiscal year equate to 17 percent minority workforce participation and 11 percent female workforce participation.

For a second consecutive year a significant majority of the construction contracting has taken place on privately funded projects. With the exception of the South Waterfront Park project, the other four projects (the Ardea, Alexan, Mirabella and Matisse) under way during this past fiscal year were solely financed by private dollars.

It is anticipated the contracting and workforce training volume will be significantly reduced over the fiscal year when compared to the previous five fiscal years. However, those opportunities that are available will continue to be marketed to MWESB businesses and the workforce training and diversity goals will remain in effect.

II. SUMMARY OF MWESB CONTRACTING UTILIZATION

A total of \$36,708,650 has been awarded to first and second tier MWESB businesses on the five South Waterfront projects included in this year's report. Emerging Small Businesses account for 55.9 percent of the MWESB utilization dollars in this report. Minority Business Enterprises account for the second largest

percentage of utilization dollars at 26.8 percent, with Women Business Enterprises accounting for the remaining 17.3 percent.

The combined MWESB utilization percentage equals 12 percent of the hard construction costs (\$305,843,165) for the five DA projects. While the percentage total is considerably short of the 20 percent goal, the large size of the projects involved and the actual dollar volume of contracts awarded to MWESB firms is significant. Just over 99 percent of the dollars awarded to MWESB firms were on projects with no public investment.

The MWESB utilization dollars represent 84 separate subcontracts with approximately one third of the contracts going to firms holding each of the certification types.

Alonzo Simpson City of Roses Disposal & Recycling LLC

Alonzo “Al” Simpson already had a job with the City of Portland’s Bureau of Maintenance and, for most people, that would be enough. But it wasn’t for Simpson. In 1996, he started City of Roses Disposal & Recycling, a drop box and recycling business while still working his city job.

He drove a truck for the bureau, and occasionally he would make a run out to the Metro Transfer Station off NW St. Helens Road. The idea for the business came to him one day after he noticed few people of color or women driving trucks into the station. “This has gotta change,” he remembers thinking to himself.

Using a home equity line of credit, he bought a 30-yard drop box and his first vehicle – known as a roll-off truck for the way it handles drop boxes. Thirteen years later, Simpson owns eight trucks and 50 drop boxes. He works swing shift now, rising early to complete rounds for City of Roses before heading to work for the city’s maintenance bureau in the afternoon. Two years ago, he bought a two-acre parcel near the Portland International Airport with room for his trucks, an office and a house, where he now lives. He employs two drivers, a yard manager and two part-time assistants. His 26-year-old son, Alando, a graduate of Portland State University, now works full time as the City of Roses business manager and has plans to expand the company.

Al Simpson got his first opportunity to move into the larger commercial construction recycling and disposal market with a contract to serve the Ardea project in the South Waterfront for Hoffman Construction. He made the contact with Hoffman through the Oregon Association of Minority Entrepreneurs. He won the contract over a much larger and more experienced provider. “People doubted we could pull it off, but we did,” he said proudly.

With that experience under his belt, he successfully bid on a contract from Hoffman to serve the Mirabella project at South Waterfront. City of Roses also provides drop box and recycling services on construction projects for the PSU Academic and Student Recreation Center and the Courtyard by Marriott, all of which have received PDC resources.

The story of Simpson’s success is one of hard work fueled by a desire to provide opportunities for his children. Simpson credits his work ethic to his father, who worked for the Burlington Northern Railroad by day and cleaned a three-story apartment building at night. “He worked his tail off,” Simpson says of his father. “He took care of his kids. Now I want my kids to have opportunities I didn’t have.” Simpson has already sent two of his five children, including Alando, through college, with another two in high school on their way.

Alando Simpson has big plans for the business. He points to a newspaper in front of him, which has the word “sustainability” printed on a section front. “Sustainability is not only beneficial to the environment, but it differentiates us in the marketplace. We’re trying to create a whole new industry.”

The new industry is the recycling industry. On the company’s 20-acre lot by the airport, the Simpsons want to build a recycling plant, known in the business as a materials recovery facility, to sort and recycle all the construction and demolition debris they collect. Such a facility would help them reduce their costs by minimizing dumping fees and create a revenue stream by separating and preparing recyclable materials, such as wood waste, for marketing to end-user manufacturers.

But Alando Simpson also has a more personal motivation for expanding the business.

“Growing up, I kind of resented my dad. He worked so hard. But once I got older, I understood him better. Now, I work hard because I want him to finally retire from his city job. He’s my motivation ultimately. He’s the hardest-working person I know. That’s my catalyst, to take the business to a new level. We have a very, very, very bright future.”

Alando and Alonzo Simpson



*Al Simpson’s son,
Alando, has a
more personal
motivation for
expanding the
business.*

Reporting Approach

The large scale of most construction projects outlined in the Development Agreement created a number of challenges to meeting the MWESB utilization goals of the agreement. MWESB firms are typically small-to-medium-sized companies with relatively few employees. Many of these small firms did not have the capacity to take on first-tier subcontracts (contracts directly with the prime contractor for the project). Smaller MWESB firms also were hard-pressed to meet bonding and insurance requirements. In recognition of these challenges, PDC, along with its Development Agreement partners, decided to expand MWESB reporting to include tracking of MWESB-certified prime and second-tier contractors.

Prior to the execution of the Development Agreement, the MWESB utilization goals for PDC supported projects were set as a percentage of PDC's investment in the project. With the Development Agreement, an aggressive new approach was implemented to base MWESB participation goals on the hard construction costs of each PDC supported project, regardless of PDC's actual contribution. This approach has significantly raised the bar for measuring success and has increased the number of opportunities available to MWESB firms. The approach adopted for Development Agreement projects six years ago has now been adopted for all PDC-supported projects.

Challenges

Challenges relating to small business participation on large vertical construction projects common in the South Waterfront area persist today. Certain trades continue to have little to no representation of MWESB certified firms. Primarily this has to do with the large size of contracts undertaken by those trades and/or the specialized nature of the work. A partial list of trades on large vertical construction projects with little or no MWESB representation includes: elevator installation, curtain wall, cast-in-place concrete, brick and concrete block masonry, traffic coating, waterproofing and fire protection. Contractors have reported that the ability to subcontract portions of the large first tier scopes of work to smaller second tier MWESB contractors varies significantly depending on the particular trade. Warranty and liability constraints limit the ability of larger majority-owned subcontractors to subcontract portions of their contract to smaller MWESB contractors in some trades. The electrical and mechanical/plumbing are two prominent examples. Using the Ardea project as an example, the cast-in-place concrete, curtain wall, electrical and mechanical/plumbing trades subcontracts accounted for approximately 39 percent of the hard costs on the project. While the subcontractors were successful in subcontracting some of this work to MWESB firms (approximately four percent), the vast majority of the work was performed by the four large majority-owned contractors who specialize in those scopes of work.

III. WORKFORCE ACTIVITY

The table below outlines the fiscal year workforce diversity goals for projects in the DA that are subject to the Project Apprenticeship Agreement (PAA). The workforce diversity goals for FY 2008/2009 were 11 percent for women and 17 percent for people of color. Progress towards the workforce goals is measured by combining the journey and apprentice level construction workforce hours on a project by project basis.

Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Women	4%	5%	6%	8%	10%	11%	12%	13%	14%	15%
Minority	12%	13%	14%	15%	16%	17%	18%	19%	20%	20%
Total	16%	18%	20%	23%	26%	28%	30%	32%	34%	35%

The following Development Agreement projects were monitored by the City of Portland Bureau of Purchases, for compliance with the PAA.

PDC-Owned & Privately Owned Projects	City of Portland Projects
The Mirabella	South Waterfront Park Improvements
The Ardea	
The Alexan	
The Matisse	

A total of 690,541 hours were worked on these projects during FY 2008/2009, which is an increase in hours, when compared to last fiscal year. The increase in hours is likely due to an increase in construction on both The Ardea and The Alexan, as well as the addition of The Matisse and Mirabella projects.

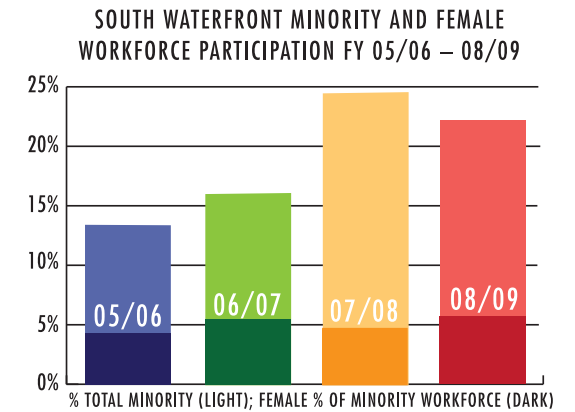
Overall, minority participation on the South Waterfront projects was at approximately 23 percent this fiscal year, which represents a slight decrease in participation, when compared to FY 2007/2008 (24.5 percent). Female participation increased to just over six percent this fiscal year.

All five projects exceeded the 17 percent minority participation goal for this fiscal year, with all projects achieving over 20 percent minority participation. Achieving the fiscal year goal for female participation continues to be a struggle. The Alexan came closest to meeting the 11 percent goal, with 8.5 percent participation.

Apprentices worked 165,837 hours on Development Agreement A projects, or approximately 24 percent of total hours. This is a slight decrease in apprentice participation, when compared to last fiscal year's 25 percent. Minority and female apprentices worked 40 percent of the total apprentice hours, which is a slight dip, when compared to last fiscal year's 42 percent. Though these decreases are minimal, the lack of new projects in the South Waterfront Central District may have an impact on the number of apprentice hours next fiscal year. The continued high participation percentage of minority and female apprentices is an encouraging sign for the success of the PAA. Apprentices represent the future workforce for the construction industry and the workforce diversity progress realized on DA projects helped diversify the apprentice group which worked on projects subject to the PAA in FY 2008/2009. Of the apprentices:

- 2% graduated during FY 2008/2009;
- 73% continue to be active in apprenticeship programs;
- 15% were terminated or suspended from their apprenticeship program
- 11, or 6% were indentured into the apprenticeship program from 7/1/08 to 6/30/09
- Of the 11 that were indentured, eight, or 73% remain active in the apprenticeship program.

As part of the PAA, many of the construction trade unions agreed to make good faith efforts to increase enrollment of women and minority apprentices, as well as to narrow the gap in graduation rates between Caucasian male apprentices and minority and female apprentices. The trades experiencing the highest and lowest levels of minority and female apprentice participation are listed, right.



Minority				Female			
Highest		Lowest		Highest		Lowest	
Trade	%	Trade	%	Trade	%	Trade	%
Drywall	60%	Sheet Metal	9%	Laborers	51%	Brick Masons, Ironworkers, Operators	0%
Cement Masons	49%	Roofers	13%	Painters	38%	Drywall	7%
Painters	44%	Electricians	16%	Glaziers	37%	Electricians, Sheet Metal Workers, Roofers	8%



Nelda Wilson Operating Engineers Local 701

Nelda Wilson can appreciate the hard-fought progress won by women in the trades. Now the assistant business manager for Operating Engineers Local 701, Wilson knows firsthand what it's like to be "the different one" on a job, to suffer abuse, ridicule and discrimination.

Wilson's first job as an apprentice, in 1980, was working as an oiler on a dragline machine cleaning Mount St. Helens ash out of the Cowlitz River. "That first job was tough," she says. "I wasn't used to getting screamed at and spit on." Some co-workers told her she was taking a job away from a man. Others told her she was in the wrong union and "should be in the dishwashers union."

But Wilson persisted and gradually won the respect of her co-workers. She earned her journey card, and, eventually, she ascended to the operating engineer role, sometimes literally climbing to the top of tower cranes. At one job, she remembers a man, new to the crew, looked at her oiler, a man, and said, "Why aren't you the operator?" And her oiler, responded, "Believe me, I couldn't hold a candle to her. She's the one you want in that operator's seat."

Both her children were born during her 15-year career as an operating engineer. But the early, late, weekend and overtime hours meant she rarely saw her children before or after school. So, 14 years ago she made the transition to working regular hours for her local union.

As part of her job, Wilson assisted in setting workforce goals for women and minorities on the South Waterfront Development. She was also a member of the PDC Workforce Diversity Strategy Committee, which set workforce goals for all PDC-owned and -sponsored construction projects.

Wilson now serves as co-chair of the South Waterfront Oversight Committee. Members meet regularly to review progress on the project apprenticeship agreement. The agreement sets a goal of 35 percent women and minorities (20 percent ethnic minority and 15 percent women) employed on a project-by-project basis in South Waterfront by the year 2014.

She sees the goals as a test case for getting women and minorities into the trades. So far, overall apprenticeship and minority participation benchmarks have been met, but meeting the goals for women has been difficult, Wilson says. "We're struggling to break six percent (female participation)."

There are no easy answers to turn that around. Some of it is changing social and cultural barriers. Some of it is improving vocational training in high schools. But if women and people of color knew about the benefits of working in the trades, Wilson is sure more of them would make the same choice she helped pioneer 30 years ago.

"For South Waterfront, even knowing the opportunity is there is huge. For me, that was one of the biggest things. That's important for women and minorities, to know that there are jobs available. The trades are looking for you."

Nelda Wilson

"[W]omen and minorities...The trades are looking for you."

South Waterfront Central District Development Agreement Minority, Women and Emerging Small Business Construction Utilization

	Basis for Goal	Number of MWESB Contracts	MBE Dollars	MBE %	WBE Dollars	WBE %	ESB Dollars	ESB %	Combined MWESB Dollars	Combined MWESB %
Block 38 -3720 Condominium**	\$100,212,338	42								
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$5,410,166	5.40%	\$2,988,588	2.98%	\$3,469,947	3.46%	\$11,868,701	11.84%
Second Tier			\$1,236,639	1.23%	\$1,485,452	1.48%	\$2,992,531	2.99%	\$5,714,622	5.70%
Combined Tiers			\$6,646,805	6.63%	\$4,474,040	4.46%	\$6,462,478	6.45%	\$17,583,323	17.55%
Block 39 - Alexan**	\$51,610,420	14								
Prime (Walsh Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$92,365	0.18%	\$3,137	0.01%	\$6,764,316	13.11%	\$6,859,818	13.29%
Second Tier			\$0	0.00%	\$202,754	0.39%	\$223,535	0.43%	\$426,289	0.83%
Combined Tiers			\$92,365	0.18%	\$205,891	0.40%	\$6,987,851	13.54%	\$7,286,107	14.12%
Mirabella**	\$104,785,261	14								
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$105,000	0.10%	\$542,360	0.52%	\$0	0.00%	\$647,360	0.62%
Second Tier			\$180,982	0.17%	\$70,687	0.07%	\$5,389,167	5.14%	\$5,640,836	5.38%
Combined Tiers			\$285,982	0.27%	\$613,047	0.59%	\$5,389,167	5.14%	\$6,288,196	6.00%
The Matisse**	\$47,068,536	8								
Prime (R&H Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$2,605,000	5.53%	\$816,858	1.74%	\$1,650,000	3.51%	\$5,071,858	10.78%
Second Tier			\$184,239	0.39%	\$0	0.00%	\$0	0.00%	\$184,239	0.39%
Combined Tiers			\$2,789,239	5.93%	\$816,858	1.74%	\$1,650,000	3.51%	\$5,256,097	11.17%
South Waterfront Park Improvements	\$2,166,610	5								
Prime (Nutter Corp.)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$11,114	0.51%	\$238,035	10.99%	\$45,778	2.11%	\$294,927	13.61%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined Tiers			\$11,114	0.51%	\$238,035	10.99%	\$45,778	2.11%	\$294,927	13.61%
Subtotal All Projects	\$305,843,165	83								
Prime			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$8,223,645	2.69%	\$4,588,978	1.50%	\$11,930,041	3.90%	\$24,742,664	8.09%
Second Tier			\$1,601,860	0.52%	\$1,758,893	0.58%	\$8,605,233	2.81%	\$11,965,986	3.91%
Combined Tiers			\$9,825,505	3.21%	\$6,347,871	2.08%	\$20,535,274	6.71%	\$36,708,650	12.00%

South Waterfront Central District Development Agreement Minority Business Enterprise Construction Utilization by Ethnicity

	Total MBE	Number of MBE Contracts	African American	% of Total MBE Dollars	Asian American	% of Total MBE Dollars	Hispanic	% of Total MBE Dollars	Native American	% of Total MBE Dollars	Other Minority	% of Total MBE Dollars	Combined MBE Dollars	% of Total MBE Dollars
Block 38 -3720 Condominium**	\$6,646,805	18												
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$3,149,762	47.39%	\$188,691	2.84%	\$14,696	0.22%	\$2,057,017	30.95%	\$0	0.00%	\$5,410,166	81.39%
Second Tier			\$183,394	2.76%	\$466,615	7.02%	\$0	0.00%	\$328,271	4.94%	\$258,359	3.89%	\$1,236,639	18.61%
Combined Tiers			\$3,333,156	50.15%	\$655,306	9.86%	\$14,696	0.22%	\$2,385,288	35.89%	\$258,359	3.89%	\$6,646,805	100.00%
Block 39 - Alexan**	\$92,365	2												
Prime (Walsh Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$85,525.00	92.59%	\$0	0.00%	\$0	0.00%	\$6,840.00	7.41%	\$0	0.00%	\$92,365	100.00%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined Tiers			\$85,525	92.59%	\$0	0.00%	\$0	0.00%	\$6,840	7.41%	\$0	0.00%	\$92,365	100.00%
Mirabella @ South Waterfront**	\$285,982	4												
Prime (Hoffman Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$105,000	36.72%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$105,000	36.72%
Second Tier			\$38,000	0.00%	\$0	0.00%	\$0	0.00%	\$142,982.00	50.00%	\$0	0.00%	\$180,982	63.28%
Combined Tiers			\$143,000	50.00%	\$0	0.00%	\$0	0.00%	\$142,982	50.00%	\$0	0.00%	\$285,982	100.00%
The Matisse**	\$2,789,239	2												
Prime (R&H Construction)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$0	0.00%	\$0	0.00%	\$2,605,000	93.39%	\$0	0.00%	\$0	0.00%	\$2,605,000	93.39%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$184,239	6.61%	\$0	0.00%	\$184,239	0.00%
Combined Tiers			\$0	0.00%	\$0	0.00%	\$2,605,000	93.39%	\$184,239	6.61%	\$0	0.00%	\$2,789,239	100.00%
South Waterfront Park Improvements	\$11,114	1												
Prime (Nutter Corp.)			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$0	0.00%	\$0	0.00%	\$11,114	0.00%	\$0	0.00%	\$0	0.00%	\$11,114	100.00%
Second Tier			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Combined Tiers			\$0	0.00%	\$0	0.00%	\$11,114	0.00%	\$0	0.00%	\$0	0.00%	\$11,114	100.00%

South Waterfront Central District Development Agreement Minority Business Enterprise Construction Utilization by Ethnicity
 Ongoing Projects & Projects Completed in FY 08-09

	Total MBE	Number of MBE Contracts	African American	% of Total MBE Dollars	Asian American	% of Total MBE Dollars	Hispanic	% of Total MBE Dollars	Native American	% of Total MBE Dollars	Other Minority	% of Total MBE Dollars	Combined MBE Dollars	% of Total MBE Dollars
TOTALS	\$9,825,505.00	27												
Prime			\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
First Tier			\$3,340,287	34.00%	\$188,691	1.92%	\$2,630,810	26.78%	\$2,063,857	21.01%	\$0	0.00%	\$8,223,645	83.70%
Second Tier			\$221,394	2.25%	\$466,615	4.75%	\$0	0.00%	\$655,492	6.73%	\$258,359	2.63%	\$1,601,860	16.30%
Combined Tiers			\$3,561,681	36.25%	\$655,306	6.67%	\$2,630,810	26.78%	\$2,719,349	27.92%	\$258,359	2.63%	\$9,825,505	100.00%

Section Five: Acknowledgements

We would like to offer a special thanks to the individuals and organizations who put forth an extra effort this year to help PDC succeed in creating diversity in the contracting and workforce arena.

- City of Portland Procurement Services
- Hispanic Metropolitan Chamber
- National Association of Black Contractors
- Native American Chamber
- Oregon Association of Minority Entrepreneurs
- Philippine American Chamber
- Walsh Construction
- Workforce Diversity Strategy Committee



South Waterfront work crew

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