

PDC Utilization of D/MWESB Construction Contractors

Summary

Projects receiving investments from PDC vary significantly in ownership, contracting methods and types of construction. These projects include:

- **Housing.** City policy is that a minimum of 30% of the dollars in each urban renewal area (URA), as defined by the policy, be sent to the Portland Housing Bureau for affordable housing. MWESB contracting utilization on those dollars is reported separately by PHB, and PHB owns the contract for construction.
- **Intergovernmental Agreements (IGAs).** PDC provides funding via IGAs to other government agencies for projects eligible for tax increment financing (TIF) from the URAs. Examples include streetscape improvements in NNE Portland and East Portland, park projects, and PDC's \$10 million investment in the Tillikum Bridge. Agencies receiving these IGA funds must bid, award and build the project according to PDC's equity policy, procedures and specifications; the contract for construction is owned and executed by the other public agency.
- **Development Agreements (DAs) and Development and Disposition Agreements (DDAs)** can include commercial property loans to developers as well as investments in public infrastructure via IGAs. DAs and DDAs are not contracts for construction; the contracts are owned by the private parties and/or other public agencies, and the bidding, award and construction is done by those parties in accordance with PDC's equity policy, procedures and specifications. Examples include the South Waterfront Development Agreement, the development with ZRZ in South Waterfront's north district
- **Grants and loans** that meet the thresholds of PDC's equity policy bid, awarded and constructed in accordance with the policy. These contracts for construction are held by the organization or company that receives the investment. Examples range from certain Community Liability Grants to nonprofit organizations, the Pacific Northwest College of the Arts downtown building, and the Daimler campus improvements on Swan Island. Grants and loans can either be free-standing or part of a larger development agreement.
- **PDC-owned contracts** represent the smallest group of contracts in which our resources are invested. These typically involve PDC-owned properties and include demolition and abatement, tenant improvements, and life and safety improvements. Examples include PDC-owned properties in Lents, Northeast and North Portland, and Old Town/Chinatown.

The construction-related elements of PDC's equity policy include contracting and professional services, workforce diversity and apprenticeship. PDC has aspirational race and gender goals for contracting and workforce diversity – projects are required to follow strict procedures for outreach, bid and award, but race and gender-based outcomes cannot be made legally binding. PDC does have a legally-binding requirement for 20% apprentice hours overall in a project and for each individual division of construction.

For FY 14-15 and beyond, following the recommendations of the City of Portland Auditor's Office, PDC now disaggregates the project numbers based on development agreements, IGAs, and other projects by individual project totals, which you will see on the attached spreadsheet for FY 14-15; the agency will continue its practice of disaggregating by MBE, WBE, ESB, DBE and majority firms. We will also start reporting on utilization results when each project closes out, and follow the recommendations with regard to how reports are formatted. The City Auditor's report and recommendations, which focused on PDC's on-call contracts, can be found at

<https://www.portlandoregon.gov/auditservices/article/559566>.

MWESB reporting for PDC is currently done by City of Portland staff under an annual IGA, who also conduct our apprenticeship and workforce utilization reporting. We have also issued an RFP for contract compliance software to will allow us to post contracting and workforce utilization directly to www.pdc.us in real time.

The PDC Equity Policy, procedures, specifications and MWESB utilization results by year are found below. The most complete discussion of PDC's Equity Policy, policy initiatives and reporting can be found in the most recent 2015 annual report to the PDC Board of Commissioners at http://www.pdc.us/Libraries/Board_Reports/Report_15-26_pdf.sflb.ashx.

PDC Equity Policy

http://www.pdc.us/Libraries/Document_Library/Business_and_Workforce_Equity_Policy_pdf.sflb.ashx

PDC Equity Procedures and Specifications

<http://www.pdc.us/developers-and-contractors/developer-contractor-programs/mwesb.aspx>

**Portland Development Commission
Construction Contracting by Ethnicity
Reporting Period 7/1/10 Through 6/30/11**

Project Type	Total M/W/ESB	African American	%	Asian American	%	Hispanic American	%	Native American	%	Other Minority	%	Total MBE Utilization	% of Total
Development	\$4,396,190	\$917,763	20.88%	\$16,454	0.37%	\$1,423,685	32.38%	\$0	0.00%	\$0	0.00%	\$2,357,902	53.64%
Direct Bid Projects	\$457,094	\$0	0.00%	\$80,879	17.69%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$80,879	17.69%
Enterprise Zone	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Intergovernmental Agreements	\$0	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%	\$0	0.00%
Loan Construction	\$6,149,411	\$1,558,935	25.35%	\$196,465	3.19%	\$267,855	4.36%	\$301,842	4.91%	\$9,769	0.16%	\$2,334,866	37.97%
Total PDC Construction Funding	\$11,002,695	\$2,476,698	22.51%	\$293,798	2.67%	\$1,691,540	15.37%	\$301,842	2.74%	\$9,769	0.09%	\$4,773,647	43.39%

**Portland Development Commission
Overall M/W/ESB Utilization
Reporting Period 7/1/11 Through 6/30/12**

Contracting Type	*Total PDC Portion	Majority Firms	ESB	%	WBE	%	MBE	%	M/W/ESB	%
Construction	\$55,141,025	\$39,035,317	\$2,762,884	5.01%	\$2,724,387	4.94%	\$8,350,008	15.14%	\$13,837,279	25.09%
Professional Services										
Professional Services RFPs										
Totals	\$55,141,025	\$39,035,317	\$2,762,884	5.01%	\$2,724,387	4.94%	\$8,350,008	15.14%	\$13,837,279	25.09%

Portland Development Commission										Overall M/W/ESB			
Utilization													
Reporting Period 7/1/12 Through 6/30/13													
Contracting Type	Total		Majority Firms	ESB	%	WBE	%	MBE			%	M/W/ESB	%
Construction	\$75,927,907.00		\$27,484,647.00	\$1,200,385.00	1.58%	\$2,047,429.00	2.70%	\$2,894,977.00			3.81%	\$6,142,791.00	8.09%
Professional Services	\$2,450,616.00		\$608,763.00	\$17,355.00	0.71%	\$37,337.00	1.52%	\$4,775.00			0.19%	\$59,467.00	2.43%
Professional Services RFPs	\$0.00		\$0.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00			0.00%	\$0.00	0.00%
Totals	\$78,378,523.00		\$28,093,410.00	\$1,217,740.00	1.55%	\$2,084,766.00	2.66%	\$2,899,752.00			3.70%	\$6,202,258.00	7.91%
	\$78,378,523.00												
	\$397,769.00												
	\$1,302,552.00												
	\$485,797.00												
Reduction amt. based upon non-availability of MWESB firms	\$2,186,118.00												
New Total (based upon MWESB availability)	\$76,192,405.00												
MWESB Participation + \$90,000 Jefferson School Design	\$6,292,258.00												
MWESB %	8%												
Revised Total (based upon MWESB availability)	\$76,192,405.00												
PDC Direct Contracting	\$9,568,090.00												
TOTAL CONTRACTING	\$85,760,495.00												
MWESB Participation + \$90,000 Jefferson School Design	\$6,292,258.00												
PDC MWESB Direct Contracting	\$2,534,520.00												
Total MWESB Participation	\$8,826,778.00												
MWESB %	10%												
Revised Total (based upon adjustments 10-13)	\$27,902,686.00			ESB		WBE		MBE					
PDC Direct Contracting	\$9,568,090.00												
TOTAL CONTRACTING	\$37,470,776.00			CONTRACTING	\$1,217,740.00	\$2,084,766.00		\$2,899,752.00					
				JEFFERSON SCHOOL DESIGN				\$90,000.00		\$1,217,740.00			
MWESB Participation (based upon adjustments 10-13)	\$8,456,152.00			PDC MWESB DIRECT CONTRACTING	\$745,305.00	\$1,169,212.00		\$620,000.00		\$2,084,776.00			
PDC MWESB Direct Contracting	\$2,534,517.00			TOTAL	\$1,963,045.00	\$3,253,978.00		\$5,773,636.00		\$2,899,752.00	\$1,963,045.00	\$745,305.00	
Total MWESB Participation	\$10,990,669.00									\$2,163,884.00	\$3,253,978.00	\$1,169,212.00	
										\$90,000.00	\$5,773,636.00	\$620,000.00	
MWESB %	29%									\$8,456,152.00	\$10,990,659.00	\$2,534,517.00	
FY 10-11 MWESB %	39.5%												
FY 11-12 MWESB %	25.0%												
FY 12-13 MWESB %	29.0%												
3 YEAR AVERAGE %	31.2%												

Portland Development Commission		Reporting Period 7/1/13 Through 6/30/14										Overall D/M/W/ESB Utilization	
Contracting Type	Total	Majority Firms	DBE	%	ESB	%	WBE	%	MBE	%	D/M/W/ESB	%	
PDC Sponsored Construction	\$79,696,109.00	\$57,718,312.00	\$4,380,269.50	5.50%	\$1,627,819.00	2.04%	\$6,260,388.00	7.86%	\$4,886,728.00	6.13%	\$17,155,204.50	21.53%	
PDC Sponsored Professional Services													
PDC Sponsored Professional Services RFPs													
Totals	\$79,696,109.00	\$57,718,312.00	\$4,380,269.50	5.50%	\$1,627,819.00	2.04%	\$6,260,388.00	7.86%	\$4,886,728.00	6.13%	\$17,155,204.50	21.53%	
Reduction amt. based upon non-availability of DMWESB firms	\$3,450,660.00												
Revised Total of PDC Sponsored Projects (based upon DMWESB availability)	\$76,245,449.00												
Revised Total of PDC Sponsored Projects (based upon DMWESB availability)	\$76,245,449.00												
PDC Direct Contracting	\$8,791,630.00												
TOTAL CONTRACTING	\$85,037,079.00												
PDC DMWESB Sub-Contracting Participation	\$17,155,204.50												
DMWESB %	20%												
PDC DMWESB Direct Contracting	\$3,392,360.00												
DMWESB %	4%												
PDC DMWESB Sub-Contracting Participation	\$17,155,204.50												
PDC DMWESB Direct Contracting	\$3,392,360.00												
Total PDC DMWESB Participation	\$20,547,564.50												
DMWESB %	24%												
Revised Total of PDC Sponsored Projects (based upon DMWESB availability)	\$76,245,449.00		DBE		ESB		WBE		MBE				
PDC Direct Contracting	\$8,791,630.00												
TOTAL CONTRACTING	\$85,037,079.00		\$4,380,269.50		\$1,627,819.00		\$6,260,388.00		\$4,886,728.00				
PDC DMWESB Sub-Contracting	\$17,155,204.50		\$100,000.00		\$293,570.00		\$614,600.00		\$2,384,190.00		\$1,627,819.00	\$1,921,389.00	\$293,570.00
PDC DMWESB Direct Contracting	\$3,392,360.00		\$4,480,269.50		\$1,921,389.00		\$6,874,988.00		\$7,270,918.00		\$6,260,388.00	\$6,874,988.00	\$614,600.00
Total DMWESB Participation	\$20,547,564.50		5%		2%		8%		9%		\$12,774,935.00	\$16,067,295.00	\$3,292,360.00
DMWESB %	24%												
FY 11-12 MWESB %	25.0%												
FY 12-13 MWESB %	29.0%												
FY 13-14 DMWESB %	24.00%												
3 YEAR AVERAGE %	26.0%												

**Portland Development Commission
Development Agreement – Contracting Dollars
Reporting Period 7/1/14-6/30/15**

Project Name	Total Hard Construction	Majority Firms	DBE	%	ESB	%	WBE	%	MBE	%	Total D/M/W/ESB	%
Thetus-US Bank	\$1,895,443	\$1,498,524	\$196,796	10.38%	\$123,381	6.51%	\$76,742	4.05%	0	0%	\$396,919	20.94%
PNCA Bldg 511	\$20,008,380	\$14,508,159	\$12,569	.06%	\$434,015	2.17%	\$4,954,806	24.76%	\$98,831	.49%	\$5,500,221	27.49%
Portland Mercado	\$1,584,199	\$913,458	\$125,439	7.92%	\$506,246	31.96%	\$7,001.44%	.44%	\$32,055	2.02%	\$670,741	42.34%
Society Hotel	\$2,500,000	\$2,416,870	\$9,721	.39%	\$34,719	1.39%	\$8,900	.36%	\$29,790	1.19%	\$83,130	3.33%
Z Haus Brewery	\$854,331	\$522,489	\$40,070	4.68%	\$101,503	11.88%	\$108,927	12.75%	\$81,342	9.52%	\$331,842	38.84%
Daimler*	\$66,724,000	\$55,650,256	\$440,042	.66%	\$342,100	.51%	\$5,430,550	8.1%	\$4,861,052	7.2%	\$11,073,744	16.5%
Block 37	\$36,623,690	\$31,331,084	0	0	\$1,647,457	4.5%	\$2,746,544	7.5%	\$898,605	2.45%	\$5,292,606	14.45%
Block 8L	\$23,395,664	\$18,237,082	0	0	\$81,720	.35%	\$3,075,160	13.14%	\$2,001,702	8.56%	\$5,158,582	22.05%
Iberdrola	\$1,226,898	\$875,128	0	0	\$81,564	6.65%	\$152,371	12.42%	\$117,835	9.6%	\$351,770	28.67%

*The Daimler expansion on Swan Island is a multiyear project whose overall certified firm utilization to date exceeds 20%.

IGA-City of Portland

Killingsworth Street Project	\$1,489,484	\$895,853	n/a	n/a	\$15,800	1.06%	\$521,731	35.03%	\$56,100	3.7%	\$593,631	39.85%
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IGs-TriMet

	Total Cost	Majority Firms	%	DBE%	%
Tillikum Bridge (\$10 million PDC investment)	\$99,800,000	\$81,954,000	82.2%	\$19,850,000	21.9% overall participation (19.88% + retainage returned to MBEs)
(as reported by TriMet)					

Note: This project is not completely closed out; final numbers may vary slightly in the end.

Fair Market Land Sales Not Subject to the PDC Equity Policy at the Time of Sale

Block 67-Burnside Bridgehead	\$59,132,950	\$53,823,834	\$5,309,116	8.98%	0	0	0	0	0	0	\$5,309,116	8.98%
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Note: 1) The report of this fiscal year's reporting is different from previous years in that it follows the recommendations of the City Auditor's Office to disaggregate individual project totals and include IGAs, previous fair market land sales and other forms of PDC construction-related investments. 2) For construction contracting, PDC's Equity Policy has an aspirational goal of 20% DMWESB contracting on a per-project basis; regardless of outcome, prime contractors, developers and owners must follow the Equity Policy procedures for bidding and outreach. 3) all figures above are subject to rounding.