

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: January 29, 2009

TO: Board of Commissioners

FROM: Bruce A. Warner, Executive Director

SUBJECT: Report Number 09-11
Amending the Business and Workforce Equity Policy and reauthorizing the Workforce Training and Hiring Program

EXECUTIVE SUMMARY

BOARD ACTION REQUESTED

Adopt Resolution No. 6667

ACTION SUMMARY

This Action will amend the Business and Workforce Equity Policy (Policy) adopted by the Board of Commissioners (Board) on February 27, 2008 (Resolution No. 6561), and make the following changes to the Policy:

- Moves the workforce strategy components of the Construction Wage Policy into this Policy.
- Establishes workforce goals as recommended by the Workforce Diversity Strategy Agreement created through the Construction Wage Policy.
- Raises the applicability of the Policy on PDC sponsored Projects from \$100,000 in PDC Resources and \$200,000 in Hard Construction Costs to \$300,000 for both thresholds.
- Includes a determination of availability and capacity of M/W/ESB firms for commercial high-rise projects in calculating the applicable Utilization Goal.
- Reauthorizes the Workforce Training and Hiring Program.
- Clarifies exemptions to the Policy.
- Adds definitions to the Policy.

PUBLIC BENEFIT

This action will support the following PDC goals:

- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Strong Economic Growth and Competitive Region
- Effective Stewardship over our Resources and Operations, and Employee Investment

PUBLIC PARTICIPATION AND FEEDBACK

Commissioner Mohlis and John Jackley represented PDC on the Workforce Diversity Strategy Committee with representation from various training organizations. The Committee met for several months and finalized the Workforce Diversity Strategy Agreement on June 16, 2008. The Committee reviewed the Policy and made recommendations for workforce goals similar to those in the South Waterfront project. The recommended goals are included in this amended Policy

COMPLIANCE WITH ADOPTED PLANS AND POLICIES

The changes in the Policy comply with other adopted plans and policies such as the Construction Wage Policy and the Local Contract Review Board rules.

FINANCIAL IMPACT

There is no additional financial impact with the amendment to the Policy.

RISK ASSESSMENT

Amending the Policy creates no risk for PDC.

WORK LOAD IMPACT

Existing staff resources are sufficient to manage implementation of this Policy, and no additional staff is needed.

ALTERNATIVE ACTIONS

Amending this Policy as proposed is the only way to formally implement desired changes to the Policy. Not taking this action would impact staff's ability to successfully implement the Policy.

CONCURRENCE

The internal Business and Workforce Equity Team concur with these changes.

BACKGROUND

The Board adopted the Workforce Equity Policy on February 27, 2008 (Resolution No. 6561), with the objective of ensuring fair and equitable opportunities for Portland's diverse populations to participate in PDC-funded projects, promoting prosperity in all segments of Portland's diverse communities, fostering economic growth, and expanding competition in the market.

The Workforce Equity Policy applicability threshold of \$100,000 in PDC Resources and \$200,000 in Hard Construction Costs for PDC Sponsored Projects set forth in the current Business Equity Program was established in 1997. Due to inflation and the decrease in subcontracting opportunities at the \$200,000 level, PDC staff recommends raising both thresholds to \$300,000.

Another proposed change to the Workforce Equity Policy will include a determination of availability and capacity of M/W/ESBs for commercial high-rise projects in calculating the applicable Utilization Goal. PDC staff have been analyzing the number certified firms listed in the various trade areas, and have found that in commercial construction there are several trades with very little or no availability. With this change, a developer and contractor will have a better chance at reaching the utilization goal now that the program applies to the entire project and not just the PDC funded portion. This provision was intended to be included in the previously adopted Policy but was inadvertently left out.

The Construction Wage Policy was originally adopted by the Board on January 10, 2007, (Resolution No. 6424) and subsequently amended on April 11, 2007, (Resolution No. 6471) to, among other things, achieve a diverse workforce, and provide training opportunities for workers that have historically been excluded from the construction trades. To achieve that objective, the Construction Wage Policy included a Workforce Diversity Strategy Component under which certain stakeholders agreed to negotiate and enter into an agreement that sets forth their commitment to develop a program for the recruitment, training, employment and retention of People of Color and Women members of the Portland metropolitan area in union and non-union apprenticeship programs through graduation with the objective of achieving a permanent increase at the journey level in the participation of trained and licensed People of Color and Women in the construction trades in the Portland metropolitan area.

To facilitate easier administration and improve clarity of these related policies, this action will move all workforce related policies to the Business and Workforce Equity Policy thereby facilitating drafting of the administrative procedures and contractor instruction documents and reducing confusion.