

PDC

PORTLAND DEVELOPMENT COMMISSION

DATE: January 29, 2009
TO: Board of Commissioners
FROM: Bruce A. Warner, Executive Director
SUBJECT: Report Number 09-12
2007/08 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 2007 (Attachment A). Highlights of the report include:

- This year's M/W/ESB utilization total was \$41,991.881, equaling 36.8 percent of the \$114,030,006 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 255,676 hours were worked by state registered apprentices, equaling 23 percent of the total project hours of 1,109,077. Of the total apprentice hours, 71,464 (28 percent) were worked by minorities and females. These hours were made up of 50,609 worked by minority males, 5,110 by minority females and 15,745 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 \$40,403,570, equating to 13.2 percent of the project construction costs of \$305,338,062 and 168,886 apprentice hours equating to just over 25 percent of the total project hours of 665,598. Also, minorities and females worked 42 percent (168,886 hours) of the apprentice hours on the covered projects compared to 33 percent last year.

Staff anticipates expanded Business and Workforce Equity efforts during 2009 through full development and implementation of the new Policy.

BACKGROUND

For Fiscal Year 2007-2008, PDC established the following goals:

- Minority, Women and Emerging Small Business 20%
- Workforce Training and Hiring Program – (apprentice hours) 20%

The overall Minority, women and emerging small business (M/W/ESB) utilization for Fiscal Year 2007/2008 exceeded the 20 percent goal. This year's M/W/ESB utilization total was \$42,018,571, equaling 36.9 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 1,109,077 hours were worked on PDC supported projects by contractors subject to the Workforce Training and Hiring Program requirements this Fiscal Year with 255,676 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 were not reached. However there was an increase from last year's 12.21 percent to 13.23 percent totaling \$40,403,570 committed to M/W/ESB firms for South Waterfront projects.

A total of 665,598 hours were worked on South Waterfront projects, a vast increase from last year's 362,864. A total of 168,886 hours were worked by state registered apprentices, equaling more than 25 percent of the total project hours.

On October 26, 2005, PDC's Board of Commissioners adopted Resolution No. 6309 establishing a Workforce Diversity Initiative and outlining a strategy for increasing female and minority representation in the construction trades. This initiative establishes phased goals for increasing diversity on all South Waterfront Development Agreement contingent projects with a final diversity goal of 35 percent (20 percent minority participation and 15 percent female participation) by the year 2013. To implement the goals of the Workforce Diversity Initiative PDC worked with construction trade unions, North Macadam Investors, Inc. and Oregon Health Sciences University to draft the Project Apprenticeship Agreement for the South Waterfront Central District. This agreement was signed by all parties on December 14, 2005. All parties agreed to require the program on all contracts in effect as of the date of the agreement.

Total minority workforce participation on PDC construction projects for Fiscal Year 2007/08 equaled 163,101 hours equaling 24.5 percent of the project hours. The South Waterfront project workforce program goal was 16 percent of the project hours. The female participation program goal for Fiscal Year 2007/08 was 10 percent. A total of 35,000 hours were worked by female employees, equaling 5.3 percent of the project hours.

The Business and Workforce Equity Policy is being amended to clarify some outstanding issues and move workforce requirements from the Construction Wage Policy to the Business and Workforce Equity Policy. The policy supports Portland Development Commission's [PDC's] commitment to provide opportunities for State certified Minority, Women and Emerging Small Businesses [M/W/ESBs] 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 as outlined in The PDC Construction Wage Policy. This policy works with and references the City of Portland's Workforce Training and Hiring Program, the City of Portland's EEO Certification Program, and PDC's Construction Wage Policy.

ATTACHMENTS:

- A. 2007/08 Annual Diversity in Contracting and Workforce Training Report