



DATE: September 14, 2016
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 16-48

Authorizing an Amendment to the Intergovernmental Agreement with the Bureau of Revenue and Financial Services, Procurement Services in an Amount Not to Exceed \$565,700 for Business and Workforce Equity Contract Compliance Services

BOARD ACTION REQUESTED

Adopt Resolution No. 7207

ACTION DESCRIPTION

This action by the Portland Development Commission (PDC) Board of Commissioners (Board) will authorize the Executive Director to amend the Intergovernmental Agreement (IGA) first approved in fiscal year (FY) 2012-13 between PDC and the City of Portland (City) Bureau of Revenue and Finance Services, Procurement Services (Bureau) to provide business and workforce equity contract compliance services for FY 2016-17. The proposed IGA amendment to continue these services to FY 2016-17 will increase the cumulative IGA amount to exceed \$500,000, requiring PDC Board approval.

BACKGROUND AND CONTEXT

The PDC Business Equity Program requires contractors on specified projects to make good faith efforts to provide contracting opportunities available to certified disadvantaged, minority, woman-owned and emerging small businesses (Certified Firms) when subcontracting portions of PDC-funded projects. The PDC Workforce Equity Program and the City Workforce Training and Hiring Program both require contractors working on certain construction projects to make good faith efforts to hire and train a diverse workforce including apprentices. Such requirements necessitate a mechanism for documenting and evaluating tracking the degree to which Certified firms are being offered opportunities for work and the degree to which the workforce reflects program goals.

The Bureau provides Certified Firm utilization and workforce tracking as set forth in the PDC Equity Policy and Procedures, including monthly and annual utilization and workforce reports. PDC also grants decision-making authority on compliance-related issues (warnings and damage assessments for failure to comply with program requirements, granting exemptions, and determining applicability of program requirements) contingent upon PDC concurrence.

The Bureau has also provided Certified Firm utilization and workforce tracking services for the South Waterfront Project Apprenticeship Agreement signed in 2005 by PDC, Oregon Health and Science University (OHSU), River Campus Investors, North Macadam Investors, the Block 37 project, and the ZRZ North Macadam project. The proposed IGA amendment includes Certified Firm utilization and

workforce tracking services for the Project Apprenticeship Agreement signed by the Block 37 project as well as the OHSU Center for Health and Healing projects Two and Three.

COMMUNITY AND PUBLIC BENEFIT

It is advantageous for PDC to enter into an IGA agreement because successful implementation of the compliance services outlined requires considerable staff time, expertise and information technology systems and software. The Bureau has the necessary staff, expertise, and systems in place to administer on PDC's behalf.

PUBLIC PARTICIPATION AND FEEDBACK

None

BUDGET AND FINANCIAL INFORMATION

This IGA had an initial contract value of \$110,000 which covered the period of July 1, 2012 to June 30, 2013. Amendment One increased the value of the IGA by \$113,000 and covered the period of July 1, 2013 to June 30, 2014. Amendment Two increased the value of the IGA by \$113,000 and covered the period of July 1, 2014 to June 30, 2015. Amendment Three increased the value of the IGA by \$113,000 and covered the period of July 1, 2015 to June 30, 2016. This Amendment increases the maximum compensation of the IGA by \$116,700 for a total contractual value of \$565,700.

Funding for this IGA is included in the FY 2016-17 budget for the General Fund in the Administration appropriation category. Most of the costs in this appropriation category are offset by revenue in the form of Service Reimbursements (see Attachment A).

RISK ASSESSMENT

There are no significant risks to adopting the amendment. PDC staff regularly coordinates with the Bureau on a weekly basis and through monthly meetings. The form of the amendment is based on a structure that has been utilized for a number of years on similar IGAs.

ALTERNATIVE ACTIONS

The PDC Board could elect not to authorize the amendment, which may result in a lapse of Certified Firm utilization and workforce tracking services. Alternately, the PDC Board could direct that the Equity Policy guidelines be revised so as to rely more heavily on self-reporting by those who benefit from PDC resources, which could result in some cases of erroneous reporting or mischaracterization of compliance.

ATTACHMENTS

- A. FY 2016-17 Adopted General Fund Budget Summary

**Financial Summary
 Total Resources and Requirements**

<u>General Fund</u>	<u>Actuals FY 2013-14</u>	<u>Actuals FY 2014-15</u>	<u>Revised FY 2015-16</u>	<u>Proposed FY 2016-17</u>	<u>Approved FY 2016-17</u>	<u>Adopted FY 2016-17</u>
Resources						
Beginning Fund Balance	3,230,300	2,042,835	1,762,246	1,266,625	1,266,625	1,269,360
Revenue						
City General Fund	4,620,796	5,228,187	6,066,486	6,235,580	5,743,466	5,743,466
Fees and Charges	250,516	167,236	44,339	15,464	15,464	15,464
Grants - Federal except HCD	0	40,104	0	0	0	0
Grants - State & Local	56,710	17,265	559,117	59,117	59,117	59,117
Interest on Investments	12,172	8,258	2,000	0	0	0
Loan Collections	131,765	127,254	136,704	57,986	57,986	57,986
Miscellaneous	219,007	57,899	0	0	0	0
Property Income	218,034	187,308	124,406	12,926	12,926	12,926
Reimbursements	93	4,645	0	0	0	0
Service Reimburesments	13,630,028	11,611,800	13,608,290	13,464,206	13,464,206	13,464,206
Transfers In	61,768	306,267	147,871	0	0	0
Total Revenue	19,200,887	17,756,223	20,689,213	19,845,279	19,353,165	19,353,165
Total Resources	22,431,186	19,799,058	22,451,459	21,111,904	20,619,790	20,622,525
Requirements						
Expenditures						
Administration	13,487,332	11,777,609	13,234,024	12,982,158	12,982,158	12,814,812
Economic Development	5,675,657	5,466,561	6,984,398	6,373,240	5,881,126	5,881,126
Housing	89,610	90,448	165,183	18,184	18,184	18,184
Property Redevelopment	331,793	265,217	266,367	230,248	230,248	230,248
Total Expenditures	19,584,392	17,599,835	20,649,972	19,603,830	19,111,716	18,944,370
Transfers	803,958	436,978	612,283	420,509	420,509	420,509
Contingency	0	0	1,189,204	1,087,565	1,087,565	1,257,646
Ending Balance	2,042,835	1,762,245	0	0	0	0
Total Requirements	22,431,186	19,799,058	22,451,459	21,111,904	20,619,790	20,622,525