



DATE: April 14, 2021
TO: Board of Commissioners
FROM: Kimberly Branam, Executive Director
SUBJECT: Report Number 21-05
Adopting Prosper Portland's Construction Business and Workforce Equity Policy

BOARD ACTION REQUESTED AND BRIEF DESCRIPTION

Adopt Resolution No. 7411

This action by the Prosper Portland Board of Commissioners (Board) will adopt the agency's new Construction Business and Workforce Equity (CBWE) Policy. If approved, the CBWE Policy will:

1. Elevate Prosper Portland's construction-related Business Equity and Workforce Hiring programs into a policy in accordance with the agency's Equity Policy;
2. Increase the Certified Firm participation goal on owned and sponsored projects from 20 to 22 percent and implement a sub-goal of 14 percent Minority Business Enterprise and Disadvantaged Business Enterprise participation;
3. Establish a Construction Equity Fund to provide additional resources for business technical assistance and workforce development; and
4. Require that 0.25 percent of hard construction costs for qualifying projects be set aside to the Construction Equity Fund (see Attachment A for a table comparing the agency's current approach to the new CBWE Policy).

In addition, the Prosper Portland Board action will direct staff to convene a working group with key external and internal workforce development practitioners to further understand the implications of enacting a workforce agreement within the context of Prosper Portland's unique role in public/private projects. Staff will present the findings to the Prosper Portland Board within the next three months.

STRATEGIC PLAN ALIGNMENT AND OUTCOMES

This action delivers on the agency's Strategic Plan priorities of increasing access to quality employment; supporting equitable wealth creation; and fostering partnerships. It also aligns with the Equity Policy's goal of leveraging investments that support Black, Indigenous, and other/all People of Color (BIPOC); and women in contracting opportunities.

BACKGROUND AND CONTEXT

On February 27, 2008, the Prosper Portland Board through Resolution No. 6561 adopted the Business and Workforce Equity Policy, which was subsequently amended by Resolutions No. 6787 on April 28,

2012. This policy required that developers and contractors provide contracting opportunities to firms owned by women, minorities, and emerging small businesses, and it maximized apprenticeship opportunities.

On January 9, 2013, through Resolution No. 6988, the Prosper Portland Board adopted a comprehensive Equity Policy that replaced the agency's prior equity initiatives (which were limited to construction) to include financial and non-financial investments, public benefits, and internal equity efforts. Several years later, on April 20, 2016, through Resolution No. 7175, the Prosper Portland Board adopted changes to the Equity Policy to better reflect the agency's commitment to equity initiatives; ensure consistency with the 2015-2020 Strategic Plan by making explicit the agency's anti-racist mission; and establish the Equity Council as the staff body that will drive implementation of the Social Equity Policy. On November 8, 2017 through Resolution No. 7256, the Prosper Portland Board authorized amendments to the Equity Policy to reflect the agency's new name (formerly the Portland Development Commission) and further refine policy objectives.

Most recently, on August 14, 2019, the Prosper Portland Board approved Resolution No. 7335, which made changes to the Social Equity Policy that retitled it the Equity Policy and reorganized objectives in alignment with the Equity Framework. This revised Equity Policy removed the administrative procedures as an attachment requiring the Construction Business and Workforce Equity procedures to be elevated to a policy. The April 14, 2021, Prosper Portland Board requested action allows the agency to codify existing procedural requirements in policy and increase contracting goals to be in alignment with the regional efforts of the Construction Careers Pathway Project (C2P2) to provide greater access to construction industry jobs for BIPOC and women and help grow the construction workforce.

C2P2 was initiated by Metro through their Strategic Plan to Advance Racial Equity, Diversity, and Inclusion. By working with public owners (i.e., local governments and public agencies) and construction industry stakeholders, the region could collectively advance equitable outcomes for BIPOC and women in the construction trades. The regional effort produced the C2P2 Regional Framework, which the Prosper Portland Board adopted through Resolution No. 7344 on October 9, 2019. The framework provided recommendations on key areas regional partners could collectively address, including workforce diversity goals, workplace harassment prevention, and workforce agreements.

EQUITY IMPACT

The CBWE Policy increases Prosper Portland's ability to guide, influence, and assess the agency's progress toward construction equity goals. The CBWE Policy is fundamental to Prosper Portland's efforts to ensure widely shared prosperity among Portland residents and equitable outcomes for BIPOC and women in the construction trades. The establishment of a Construction Equity Fund allows the agency to provide resources to organizations that help grow small businesses, as well as develop and provide support to the workforce. Supporting these efforts along with other regional agencies will provide lasting meaningful growth and a strong foundation for BIPOC and women in the construction industry.

COMMUNITY PARTICIPATION AND FEEDBACK

To understand partner organizations' perspective on development of the CBWE Policy, in winter 2020 staff reached out to National Association of Minority Contractors - Oregon, Professional Business Development Group, LatinoBuilt, Metropolitan Alliance for Workforce Equity, and NW College of Construction. While partner feedback on the CBWE Policy was predominantly positive, staff intend to conduct further study and outreach regarding implementation of a project labor agreement or

community workforce agreement policy. Within the next three months, staff will report back to the Prosper Portland Board on this additional feedback and with a report or proposal.

BUDGET AND FINANCIAL INFORMATION

The Construction Equity Fund is estimated to generate \$200,000 to \$300,000 per year based on prior projects and future projections. Adopting the CBWE Policy will not result in any additional staffing costs, as there are current staff in place to implement.

RISK ASSESSMENT

There are few to no risks to this action.

ATTACHMENTS

- A. CBWE Policy Comparison Table

Comparison Chart of Construction Business and Workforce Equity Policy

Current Approach	New Policy	Change	Purpose
Format			
The policy requirements were contained in the administrative procedures, a separate document from the overall equity policy from 2015 and were implemented by the specifications. The administrative procedures could be changed by the Executive Director.	These procedures will become the Construction Business and Workforce Equity Policy (CBWE) and will be implemented by specifications. Administrative sections can be changed by the Executive Director as long as they are not material changes. Otherwise changes need to be approved by the Board of Commissioners	The Construction Business and Workforce Policy is its own Policy. Non material changes that do not alter intent can be approved the Executive Director	To replace the procedures with a Policy that would require Board Approval for any substantial changes. It also allows us to place Business and Workforce Equity front and center. elevate our strategic plan and uphold the regional C2P2 efforts.
Business Equity			
The goal percentages are as follows: COBID certified firms D/M/W/ESB-20% for Professional Services. 20% for Hard Construction Costs	The goal percentages are COBID certified firms D/M/W/ESB/SDV 20% for professional services 22% for Hard Construction with a 14% callout for DBE/MBE	Included SDV designation, raised the percent from 20% to 22% and created a callout of 14% for DBE/MBE firms.	By increasing the percentages we will achieve parity with the City. Including the SDV designation recognizes the importance of supporting the work of disabled veterans on our projects.
Workforce Training and Hiring			
Applicability 1. Own Construction Projects \$200,000 or > and subcontracts of \$100,000 or >. 2. Sponsored Construction Projects > \$300,000 in support for construction projects of \$1,000,000 or more and subcontracts of \$100,000. 3 Land Sales of \$300,000 or > with hard construction cost of \$200,000 or greater subcontracts of 100,000 or >. 4. IGA on projects \$200,000 or greater with at least 100,000 PP investment and to each subcontract of 100,000 or greater	Applicability 1. Own Construction Projects \$300,000 or > and subcontracts of \$100,000 or >. 2. Sponsored Construction Projects > \$300,000 in support for construction projects of \$1,000,000 or more and subcontracts of \$100,000. 3 Land Sales of \$300,000 or > with hard construction cost of \$300,000 or greater subcontracts of 100,000 or >. 4. IGA on projects \$300,000 or greater with at least 100,000 PP investment and to each subcontract of 100,000 or greater	Raised the lowest Hard Construction Applicability Threshold to 300,000	This change simplifies and creates a project dollar amount where training and reporting are more achievable, reducing barriers for smaller firms.
Accountability			
No requirement within the procedures for accountability through reporting for workforce.	Requirement for contractor to report using the City of Portland's systems, monthly reporting to internal/external teams and website. Also commitment to disaggregate the data so we can continue to address disparities	Created a requirement within the policy not just specifications and committed to disaggregating the data.	Accountability and transparency is needed to create lasting trust in the agency and real change in the industry.
Workplace Anti Harrassment and Culture Change			
No workplace culture requirement	Created a requirement for contractors to have/implement a culture change/antiharrassment program.	Provides the space for the future full addition to the policy. Working with regional partners on how this requirement will be implemented	As an agency we are dedicated to increasing the numbers of BIPOC and Women who enter and stay in the Construction Workforce. Culture change that values a safe, harrassment free work place is necessary for this to transpire.
Construction Equity Fund			
Liquidated Damages collected have been used to fund technical assistance contracts. Not an official part of the policy	Creates a Construction Equity Fund from dollars collected from Ezone (3%), hard construction projects set aside(.25%)and Liquidated Damages.	Created a Construction Equity Fund to fund small business and worforce technical assistance.	This Construction Equity Fund will help pay for Business and Workforce technical assistance on Prosper Portland projects. They represent the Portlands region certified minority owned service and construction business organizations and workforce.
Community Workforce Agreement			
No Community Workforce Agreement Section	Prosper Portland will convene a working group including relevant staff, legal counsel, community stakeholders and others as appropriate, to study and discuss adoption of a project labor agreement or community workforce agreement policy for Prosper Portland-contracted construction and/or Prosper Portland-supported construction.	Initiates a process to consider CWA's for Prosper Portland contracted or supported projects where there is Public Private investment	To ensure that on Prosper Portland's largest projects that all parties are working together to achieve the goals of this policy by increasing workforce numbers through training, equitable hiring, and retention strategies.