



EXPANDING OPPORTUNITY
THROUGH CONTRACTING

Minority, Women, Emerging Small Business and First Opportunity Target Area Report

MWESB ANNUAL REPORT NOVEMBER 2015



MAKING A GREAT PLACE

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

Metro works with these communities to support a resilient economy, keep nature close by, and respond to a changing climate.

Together we're making a great place, now and for generations to come.

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Why Does Diversity in Contracting Matter?

Diversity in contracting is a critical component to the success of Metro's mission to plan for the region's future and ensure that it remains a great place to live. Each year, Metro spends millions of dollars on contracts with businesses that support our efforts to provide public services for nearly 1.5 million people in Clackamas, Multnomah, and Washington counties. By actively involving minority-owned business enterprises, woman-owned business enterprises, and emerging small businesses (MWESBs) in that pool for business opportunities, the agency can help expand economic opportunities in the region.

Metro's procurement department has continued to build on the success of the changes that we implemented in FY 13-14. We have also made several additional changes in the last year to improve our approach to increase access and participation of MWESB firms in the procurement process. This year's activities include implementing procurement training based on last year's procedure changes, updating

Metro's procurement code through a second phase of the Procurement Enhancement Project (PEP 2), holding additional stakeholder focus groups, and identifying focus areas for further program development through the Diversity Action Plan's Procurement Core Team.

While procedural changes are important, real progress is dependent upon the attitudes and actions of Metro leadership and staff. Over the last year, more project managers have been involved in outreach to MWESB firms and the agency has continued to improve lines of communications with minority business organizations and the firms seeking to do business with Metro.

As required by Metro Code 2.04, this report includes the program activities, utilization rates, findings and recommendations of Metro's MWESB program. The reporting period covers July 1, 2014, through June 30, 2015.



*"Strength lies in differences,
not in similarities."
- Stephen Covey*

FY 2014–2015 MWESB Contracting

During the past fiscal year, Metro awarded a total of \$56,480,464 through the competitive procurement process and direct award of contracts less than \$10,000. MWESB certified firms earned a total of \$13,217,436 in contract awards—representing a utilization rate of 23 percent. This amount is a substantial increase over last year’s 15 percent, largely a result of three particular solicitations: RFP 2824 – Strategic communication and marketing professional services; RFP 2915 – On-call professional services: design, writing, photography and videography; and RFP 2788 – Natural areas habitat restoration.

Metro released two major solicitations for on-call contracts available for agency-wide use. RFP 2824 – Strategic communication and marketing professional services resulted in seven awards to MWESB firms, out of nine total contracts. The value of the contracts awarded to MWESB firms totals \$2.45 million out of \$3.15 million, a contract utilization rate of 78 percent. Similarly, RFP 2915 – On-call professional services: design, writing, photography and videography resulted in 13 contracts awarded to MWESB certified firms out of 25 total awards and \$1.4 million out of \$3.15 million. This results in a 44 percent contract utilization rate. The communications department made a concerted effort to follow outreach and engagement best practices to ensure the solicitations would be accessible to MWESB firms. Efforts included:

- Announcing opportunities at the open house.
- Offering quarterly one-on-one meetings to MWESB firms to share more about the procurement process.
- Notifying MWESB firms directly about opportunities available on ORPIN.
- Holding an optional pre-proposal meeting to clarify vendor questions.
- Writing the request with small businesses and sole proprietors in mind.
- Structuring request of skills and services to match competitive capacities of small businesses.
- Reviewing qualifications so small businesses are not arbitrarily excluded from competition.

The third solicitation that contributes significantly to Metro’s overall utilization rate is RFP 2788 – Natural areas habitat restoration through the Sustainability Center. This solicitation was paired with the pilot technical assistance workshop, and focused on providing assistance and capacity building opportunities to MWESB suppliers in order to provide new opportunities.

Without taking these contracts into consideration, Metro awarded 15 percent of contract dollars to certified MWESB businesses. All three of these are multi-year contracts, and Metro does not always have the need for similar solicitations every year. However, they are great examples of the results that can be achieved in inclusive and equitable contracting when Metro staff and departments make deliberate efforts to engage MWESB firms.

MWESB CONTRACTING: FY 2014–2015

Total Contracts Awarded	684
MWESB Contracts Awarded	180
Non-MWESB Contracts Awarded	504
MBE Contracts Awarded	37
WBE Contracts Awarded	59
ESB Contracts Awarded	84
Total Contracted Dollars Awarded	\$56,480,464
Total MWESB Contract Dollars Awarded	\$13,217,436
Total Spending FY 14–15	\$47,591,485
Total MWESB Spending FY 14–15	\$4,387,269

VALUE OF MWESB CONTRACTS BY DEPARTMENT: FY 2014–2015

ORIGIN	AWARDED	SPENT
Auditor	\$0	\$0
Chief Operating Officer	\$94,000	\$0
Communications	\$4,074,910	\$86,542
Council	\$0	\$36,576
Expo Center	\$182,794	\$241,156
Finance & Regulatory Services	\$133,000	\$450,017
Human Resources	\$12,875	\$36,462
Information Services	\$0	\$28,163
Office of the Metro Attorney	\$0	\$1,469
Oregon Convention Center	\$305,113	\$264,496
Oregon Zoo	\$1,470,065	\$303,786
Parks & Environmental Services	\$1,438,481	\$1,063,416
Planning & Development	\$200,150	\$193,141
Portland’s Centers for the Arts	\$592,163	\$185,001
Research Center	\$0	\$0
Sustainability	\$4,713,886	\$1,497,046
Grand Total	\$13,217,436	\$4,387,269

180
MWESB
Contracts
26%

MBE:
37 / 20%
WBE:
59 / 33%
ESB
84 / 47%



504
Non-MWESB
Contracts
74%

MWESB
Contracts
\$4.5M
9.5%

MBE: \$1.1M
WBE: \$1.3M
ESB: \$2.1M



Non-MWESB
Contracts
\$43.1M
90.5%

During FY 14-15, Metro awarded 684 eligible contracts through the competitive procurement process and direct award of contracts less than \$10,000. This does not include intergovernmental agreements or grants. Of the total contracts awarded, 180 went to certified MWESB firms. These MWESB awards represent 26 percent of the total count of contracts awarded. This number has increased by eight percent since last year. This increase is a direct result of departments following the recommendation from Procurement Services to give MWESB vendors an opportunity with small contracts, and then help them build up capacity and experience through those contracts.

During the past fiscal year, Metro spent a total of \$47,591,485 through the competitive procurement process and direct award of contracts less than \$10,000. Firms that were MWESB certified earned a total of \$4,512,404 that Metro spent through contracts. This represents a utilization rate of nine percent by dollar amount. Of the amount spent through MWESB contracts, \$1,138,560 went to minority-owned businesses, \$1,269,531 went to woman-owned businesses, and \$2,104,314 went to emerging small businesses.

MWESB
Contracts
\$13.2 M
23%



Non-MWESB
Spending
\$43.3M
77%

MBE
Contracts
\$3.4M
25%

WBE
Contracts
\$4.7M
35%



ESB
Contracts
\$5.2M
39%

During FY 14-15 a total of \$13,217,436 in contracts were awarded to underserved businesses: \$5,191,973 to emerging small businesses, \$4,667,591 to woman-owned businesses, and \$3,357,872 to minority-owned businesses.

A NOTE ON UTILIZATION NUMBERS & AVAILABILITY OF CERTIFIED FIRMS

As a public agency, Metro relies on the State of Oregon Office of Minority, Women and Emerging Small Businesses to certify that the firms we count toward our equity in contracting utilization rates are considered underserved. While there are a great number of firms doing business in Oregon that may qualify as underserved, Metro may only count those businesses that have undergone the MWESB certification process through the State of Oregon. Of the roughly 70,000 vendors who are registered to use ORPIN, where Metro releases solicitation notifications, the 3,422 MWESB certified firms make up only 5% of the vendor pool. This statistic becomes even more important when considering that Metro is only one of many public agencies striving for increased utilization with certified MWESB firms.

Additionally, MBEs and WBEs together make up only about half of the certified firms. Of the certified MWESB firms, 22% are MBEs, 30% are WBEs, and 48% are ESBs. Metro's distribution of awards and dollars spent is roughly aligned with this availability.

CERTIFICATION TYPE	MBE	WBE	ESB
Percent Availability	22%	30%	48%
Number of Contracts Awarded	20%	33%	47%
Contract Value Awarded	26%	35%	39%
Spending	25%	28%	47%

MERC Venues' FOTA and MWESB Participation During FY 14—15

The first opportunity target area (FOTA) was originally established in 1989. The program was intended to provide employment opportunities to “economically disadvantaged residents living in economically distressed neighborhoods in the immediate vicinity of the Oregon Convention Center site.”

The Metropolitan Exposition Recreation Commission (MERC) later expanded the program to include the Portland's Center for the Arts (P's) and the Portland Expo Center (Expo). Later, the FOTA program was expanded to include purchase and contracting opportunities. A comprehensive program review was conducted by consultants Cogan Owens Greene in 2014, and the team presented a final report to the MERC Commission and Metro Council in February 2015. Included in the report was an overview of historical, legislative and best practices research, summary of stakeholder feedback, analysis of demographic data, and recommendations for policy changes and administrative actions.

Among key policy recommendations were the following:

- Remove contracting and procurement from the FOTA policy and, instead, support Metro's agency-wide efforts to enhance its equity contracting program.
- Continue applying the FOTA hiring policy to only the three MERC venues (Oregon Convention Center, Portland Expo Center, and Portland's Centers for the Arts).
- Maintain the program's outreach and hiring focus on the original intended beneficiaries: the historic African American neighbors impacted by construction of the Oregon Convention Center.

- Convene a task force of community stakeholders to recommend updates to the geographic boundaries and income eligibility requirements for the General Manager of Visitor Venues' consideration.

In June 2015, the FOTA Task Force convened and developed the following draft recommendations based upon their desire to expand the program's reach and keep pace with demographic and economic changes of the past 25 years:

- Increase the income eligibility requirements from \$25,000 for an individual and \$40,000 for a family of four to \$47,000 for a household of one person and up to \$65,000 for a household of up to four people.
- Expand the geographic boundary to the north and east.

A final FOTA Task Force report is expected in the fall of 2015. In addition, Metro's Human Resources Department is implementing administrative actions per the Cogan Owens Greene recommendations, including identifying community-based organizations to assist in employment outreach. In FY 15–16 Metro's procurement code will be amended to remove references to FOTA.

Total spending by MERC venues in FY 14–15 was \$8,949,418. Firms that were MWESB certified earned a total of \$690,652 that MERC venues spent through contracts, representing 8 percent of total MERC spending. Of this, \$101,928 went to minority-owned businesses, \$161,477 went to woman-owned businesses, and \$427,247 went to emerging small businesses. Note that MERC numbers are included in Metro totals above. Of the total spending by MERC venues, \$21,106 was spent in the FOTA, representing 0.2 percent of the total spent.



Definition of terms

Minority-owned business enterprises (MBE), woman-owned business enterprises (WBE), and emerging small businesses (ESB) are types of businesses that, when they meet certain qualifications, can be certified by the State of Oregon and are categorized under the umbrella term “MWESB.” In many cases, businesses that Metro works with are certified in more than one category.

For example, a certified minority-owned business might also have an emerging small business certification. For the purposes of this report, in those cases where a business has multiple certifications, only one is counted. If a business has multiple certifications and is minority-owned, then the MBE certification is counted. If a business is certified as both a woman-owned business and an emerging small business, then it is only counted as a WBE. Businesses are only counted as emerging small businesses if they do not qualify for either of the other certifications.

Metro continues to focus on increasing the number and value of contracts awarded in each category. While Metro is required to maintain a diversity program that is race and gender neutral, we remain committed to working to award increasing contracts in the disadvantaged business communities, so that they correspond to the size of the market in the region. By looking at data like the current U.S. Census and U.S. Bureau of Labor Statistics, Metro can deduce the availability of firms in each category by industry. For example, if the makeup of the tree pruning market were 4 percent MBE, then ideally Metro would expect to have a utilization rate close to that number.

FIRMS THAT WERE MWESB CERTIFIED EARNED A TOTAL OF \$13,217,436 IN CONTRACT AWARDS. **THIS REPRESENTS A UTILIZATION RATE OF 23% BY DOLLAR AMOUNT. THIS AMOUNT IS A SUBSTANTIAL INCREASE OVER LAST YEAR'S AMOUNT OF 15%**



“Our workforce and our entire economy are strongest when we embrace diversity to its fullest, and that means opening doors of opportunity to everyone and recognizing that the American Dream excludes no one.

- Thomas Perez

2014–2015 Progress in Procurement

Building off of the success of FY 13–14 MWESB engagement activities, Metro has continued to increase outreach to MWESB firms and strengthen relationships with community and business organizations. This past year, Metro partnered with Multnomah County to host the annual MWESB Open House, with attendance of over 400 business people. Participation by Agency staff across all departments is key to the success of the Equity in Contracting program. Procurement Services continues to work to educate Agency staff about best practices for engagement and outreach, and Agency-wide participation was on the rise this year.

This year Metro committed to provide dedicated technical assistance to the MWESB business community through the implementation of quarterly workshops. These workshops are paired with contract opportunities and include training and technical assistance to help MWESB firms prepare bids and proposals and navigate the government procurement process. Metro has partnered with the State of Oregon

for these workshops in order to provide assistance in using the Oregon Procurement Information Network to find and respond to contracting opportunities and in getting State-certified as a minority-owned, woman-owned, or emerging small business.

We made additional progress on internal procedures through Phase 2 of the Procurement Enhancement Project (PEP 2). This year's focus was on updating Metro's contracting code to make it more user-friendly and reviewing the Equity in Contracting section. The team will present its recommendations to Metro Council in FY 15–16 for approval.

Along with the increased participation in existing efforts, Metro undertook an interdepartmental collaboration to develop new program activities. The interdepartmental Procurement Core Team, a sub-committee of the larger Diversity Action Team, evaluated current programs within Metro and throughout the region to identify and recommend targeted program enhancement activities.

BUILDING OFF OF THE SUCCESS OF FY 13–14 MWESB ENGAGEMENT ACTIVITIES, METRO HAS CONTINUED TO **INCREASE OUTREACH TO MWESB FIRMS AND STRENGTHEN RELATIONSHIPS WITH COMMUNITY AND BUSINESS ORGANIZATIONS.**

Outreach: Engaging the Community

A large part of Metro's outreach efforts involve attending community and business organization events and familiarizing area businesses with the opportunities that Metro has available. In FY 14–15, Procurement Services staff attended regular meetings of a number of business organizations that provide support to small businesses and businesses owned by people of color and women. During these networking activities, Metro staff have an opportunity to engage one-on-one with business owners. These visits have been a productive way to provide information about the agency, answer questions, and receive feedback on the effectiveness of our outreach activities.

Networking with the Business Diversity Institute (BDI) provided a number of opportunities to engage MWESB businesses. Metro participated in the networking events throughout the duration of Minority Enterprise Development (MED) Week. Staff attended monthly Breakthrough Breakfasts, a training

and networking series targeted at minority- and woman-owned businesses. The Diversity Practitioner's Summit allowed staff to network with other agency staff that work to expand business opportunities for MWESBs in the region and discuss best practices for solving some of the issues faced by MWESBs.

Metro is a partner and member of the Metropolitan Contractor Improvement Partnership (MCIP), a Portland-based organization that works to build capacity for minority contractors in the community. MCIP coaches firms to increase profitability by improving business management systems and provides training for writing bids and proposals. MCIP is also under contract to facilitate Metro's MWESB workshop training sessions.

Metro is a member of the following business chambers focused on minorities and women:

- National Association for Minority Contractors Oregon
- Oregon Native American Chamber (ONAC)
- African American Business Chamber
- Hispanic Metropolitan Chamber of Commerce
- Oregon Association of Minority Entrepreneurs (OAME)
- Oregon Tradeswomen
- Asian Pacific American Chamber of Commerce (APACC)

Metro attends regular monthly meetings of:

- National Association for Minority Contractors Oregon
- Oregon Association of Minority Entrepreneurs
- Oregon Native American Chamber
- Metropolitan Hispanic Chamber of Commerce
- Business Diversity Institute

In 2014, Metro supported the following events:

- APACC Mega Mixer
- MCIP Trade Show
- BESThq Business Expo West
- Minority Enterprise Development Week
- Annual events for ONAC, APACC, the Hispanic Metropolitan Chamber of Commerce
- Night of Networking at OHSU for individuals with disabilities



Outreach: Engaging the Community, cont.

OPEN HOUSES AND TRADE SHOWS

Metro partnered with Multnomah County this year to host the MWESB Open House on February 11, 2015. Staff from more than 20 departments from Metro and Multnomah County hosted tables and provided information about department projects and business opportunities to over 400 participants of the MWESB community. The event is an opportunity for the businesses to get a deeper understanding of the type of projects available and how to bid and propose on government work. It is also an opportunity for project managers to establish relationships with the MWESB business community.

Procurement Services shared information about the Metro procurement process and conducted training sessions about how to conduct business with and successfully respond to Metro and Multnomah County solicitations. The State of Oregon provided training on how to use the Oregon Procurement Information Network and how to get MWESB certified.

This year, Metro also hosted tables at a number of trade show events. These events allow businesses to learn about and network with chambers, business associations, large businesses with subcontracting opportunities, and public agencies. Hosting a table at trade shows is another way to provide information about how to do business with Metro. This year, Metro attended the Fall Mega Mixer, hosted by the APACC, the MCIP Trade Show, and BESThq's Business Expo West.

ORPIN OUTREACH

In 2013, Metro Procurement Services implemented ORPIN, the State of Oregon's electronic solicitation and bidding system, in order to reach a wider range of MWESB firms. Metro has continued to share information about how to use ORPIN and to register and discover business opportunities at minority business chamber meetings, outreach events, individual meetings, and through advertising campaigns in minority publications.

HOSTING MWESB EVENTS

Metro has continued to host the bi-monthly National Association for Minority Contractors Oregon (NAMC Oregon) meetings at the Metro Regional Center. NAMC Oregon supports minority and women construction and trade contractors and provides technical support to their members. Procurement Services regularly participates in NAMC Oregon meetings and shares information about business opportunities and connecting with Metro project managers. Metro also hosts Oregon Native American Chamber (ONAC) bi-monthly luncheons at the Metro Regional Center. ONAC works with the community to advance educational and economic opportunities for Native Americans in Oregon and Southwest Washington. Project managers and department staff from Metro are invited to attend and participate on a consistent basis. This past year, APACC Women's Empowerment Series held workshops and a conference at Metro.

FOCUS GROUPS

Our work this year has been informed significantly by the comments and feedback that we received through hosting focus groups. We have met with members of the construction industry and with personal and professional service providers. These focus groups provided valuable insight, context and information as we considered the existing equity in contracting program and evaluated the need for additional efforts.

Focus Group Takeaways / Metro Actions

- 1. Subcontractors sometimes receive delayed payments from prime contractors.**
Metro added a space in the monthly subcontractor utilization report for primes to report on the date and amounts paid to subs for work performed.
- 2. Early engagement with prime contractors is necessary for subcontractor diversity plans to be successful.**
Metro now expresses goals in solicitation and meets with prime contractors to discuss the implementation of their subcontracting plan and ways Metro can provide support.
- 3. On-call contracts are not always used.**
Procurement Services communicated this feedback to project managers and has begun reviewing contract usage to ensure that on-call contracts are being used appropriately.
- 4. MWESB firms requested a proposal template to reduce the time it takes to respond to RFPs.**
Metro created an optional proposal template available online.
- 5. Many MWESBs would benefit from additional support in learning how to respond to solicitations.**
Metro has implemented quarterly workshops for MWESB certified and eligible businesses to provide technical assistance for preparing bids and proposals.

Technical Assistance

Metro has responded to requests from the MWESB community by offering specific training for contractors about how to conduct business with Metro.

Metro Procurement Services provides on-going one-on-one assistance with:

- How to navigate ORPIN
- How to find and respond to Metro's business opportunities
- How to register as an MWESB at the State of Oregon website
- How to connect with Metro project managers

In addition, Metro Procurement Services has conducted three bid and proposal writing workshops for small businesses meeting the State of Oregon MWESB criteria. The workshops are paired with current opportunities in an effort to make the time spent by busy small business owners and representatives as effective as possible. The workshops are presented in partnership with staff from State agencies and a consultant team. Attendees also qualify for technical bid or proposal writing assistance from the consultant team. Metro plans to provide workshops on a quarterly basis as opportunities align. Businesses who have attended the workshops have improved their ability to prepare responsive and competitive bids and proposals and, as a result, many have won Metro contracts.

WORKSHOP SPOTLIGHT: RFP FOR NATURAL HABITAT RESTORATION

In fall of 2014, Metro conducted a free workshop for small businesses that met the State of Oregon MWESB criteria to assist in responding to Metro's Natural Habitat Restoration Request for Proposals #15-2788. The workshop was a combined effort of Metro staff, the State of Oregon, and a hired team of consultants to teach about proposal writing, doing business with Metro, navigating Metro's solicitation system, and getting State certification as a MWESB firm. The workshop included follow-up assistance for firms who attended the training.

The results of the workshop:

- A total of 63 percent MWESB contract dollars awarded.
- \$2.5 million awarded to MWESB firms out of a total contract award of \$3,975,000.
- Three \$400,000 contracts to MBE firms.
- Of 31 contracts awarded, 20 were awarded to MWESB firms, representing a 64 percent contract award utilization rate.
- Seven contracts awarded to MBE firms, two to WBE firms and 11 to ESB firms.
- Three firms completed State MWESB certification through the provided assistance.

Based on the success of this workshop, Metro committed to providing additional periodic workshops in conjunction with future opportunities.

WORKSHOP SPOTLIGHT: ON-CALL RFP FOR PLUMBING SERVICES

In addition to the investment of time required for preparing a response, solicitations for on-call contracts can pose several challenges for small firms. Determining pricing can be difficult, since the exact project need is yet to be defined. Many firms have also had the unfortunate experience of winning on-call government contracts that never get used or get used very little. The workshop held in April 2015 focused on the preparation of a bid for on-call trade services and aligned with an agency-wide solicitation for plumbing services. Metro committed to making sure that all awarded contracts result in paid work. There were 13 attendees at the workshop, including a mixture of plumbing firms and other trade service providers. Metro departments awarded multiple contracts to four bidders, two of which were certified MWESB firms. Additional results will be available in next year's report.

WORKSHOP SPOTLIGHT: RFQs FOR ARCHITECT & ENGINEER SERVICES AND FACILITATION & COACHING

The Request for Qualifications (RFQu) procedure presents similar challenges for small businesses, with no specified scope of work to reference in proposals. Metro provided guidance in responding to RFQs for architecture and engineering, and facilitation and coaching to 52 attendees at a June workshop. Contract results will be available in next year's report.

Marketing and Solicitation of Bids

Metro Procurement Services has made a concerted effort to inform MWESB contractors about business opportunities and solicit bids and proposals.

- 19 local plan centers pick up Metro bid information and documents through ORPIN and make them available to MWESBs.
- For all formal procurements over \$150,000, Metro posts solicitations on ORPIN, advertises in at least one local minority publication, and places public notice in the *Daily Journal of Commerce*. Publications where Metro places advertisements include:
 - Portland Observer
 - The Skanner
 - Asian Reporter
 - El Hispanic News

Although state law only requires agencies to contact three businesses to bid or propose on contracts under \$150,000, Metro provides additional opportunity for firms to win work by releasing all opportunities over \$10,000 on ORPIN. That means that our opportunities are available for any certified firm to bid or propose – whether we have met them yet or not. Businesses receive the opportunities through automated email notifications using commodity codes for different work categories. ORPIN reaches over 70,000 businesses and contractors, of which 3,442 are certified as MWESB firms.

Metro also uses this broad network to solicit bids for informal construction opportunities through our Sheltered Market program from qualified MWESB firms.

Metro announces projects to partner organizations for inclusion in their communications with members. These partner organizations include:

- Oregon Association of Minority Entrepreneurs
- The Metropolitan Hispanic Chamber of Commerce
- The African American Chamber of Commerce
- The National Association of Minority Contractors
- The ARC Plan Center
- The Asian Pacific American Chamber of Commerce
- The Oregon Native American Chamber of Commerce
- National Association of Women in Construction
- Portland Area Business Association
- BESThq
- Minority Contractor Improvement Partnership

CONTINUING THE PROCUREMENT ENHANCEMENT PROJECT

To strengthen Metro’s ability to comply with policies and procedures, in FY 13–14 Metro launched the Procurement Enhancement Project (PEP), a collaboration of several project teams that worked together to clarify and improve the organization’s procurement business processes. In FY 14–15, Metro undertook the project’s second phase, PEP 2. The focus of PEP 2 was to

review Metro Code 2.04 and evaluate the Equity in Contracting Program to identify opportunities for improvement. This phase of the project is in its final stages, and the team will present its recommendations to Council in FY 15–16.

PEP 2 Results:

- Updated and reorganized Metro Code 2.04, Metro’s contracting code, to be more transparent.
- Updated contracting thresholds to State levels. Small procurement limits were increased from \$5,000 to \$10,000. Informal procurement limits were increased from \$100,000 to \$150,000.
- Implemented a simplified Request for Quote process to allow for a competitive but vendor-friendly process.
- Developed recommendations for Equity in Contracting program enhancements, which will be presented to Metro Council in FY 15–16:
 1. *Expand Sheltered Market to include Personal and Professional Services– released for competitive solicitation among certified MWESB firms only.*
 2. *Consolidate Metro and MERC contracting rules for both internal and external ease. Having a single set of rules will reduce the number of templates required and eliminate confusion arising from differences between Metro and MERC rules.*
 3. *Support the program enhancements identified in the interdisciplinary Procurement Core Team, a subcommittee of the Diversity, Equity and Inclusion Action Team.*



An Agency-wide Approach of Diversity, Equity, and Inclusion

Metro's focus on diversity, equity, and inclusion is not limited to procurement and contracting—the effort is part of a broader initiative across Metro to examine and update internal operations and external programs.

While Metro is already implementing equity contracting practices, Procurement Services will work closely in the coming months with the Diversity Action Procurement Core Team, a subcommittee of the Diversity, Equity, and Inclusion Team, to examine best practices from other government agencies and make recommendations for transitioning from an MWESB program to a broader and more effective Equity in Contracting program that better aligns with regional and state partners, expands opportunities for underrepresented communities, and helps with diversifying the workforce on larger Metro construction projects to better reflect the diversity of the region we serve. In FY 15–16, the Diversity Action Procurement Team will be renamed the Equity Contracting Team to reflect this transition. All changes in administrative rules will be formalized with the Office of the Metro Attorney prior to implementation. As with any program, Equity in Contracting will require adequate resources to be successful.



Recommendations: Creating Opportunity

By actively including MWESB firms in the agency's contracting efforts, Metro helps to create a strong regional economy. Inclusion also helps MWESB firms build their capacity to compete for public procurement projects by getting them familiar with the RFP process and establishing relationships with Metro staff. This year, the theme for creating additional opportunities was collaboration. Procurement Services collaborated with other departments within the Agency, as well as other agencies in the region, to develop recommendations to expand Metro's efforts of active inclusion of MWESB firms. These recommendations were informed by the focus groups and research conducted by Metro's Diversity Action Procurement Core Team.

Connecting to Metro Diversity Efforts

Procurement Services connected with Metro's Diversity Equity and Inclusion program and served as the lead for the Diversity Action Procurement Core Team, creating a connection to overall Metro diversity efforts. The Procurement Core Team functions as an advisory committee for the MWESB program. This year the Procurement Core Team performed a thorough evaluation of Metro's current outreach efforts to discover how the program can operate more efficiently. The Team also reviewed best practices around the region to identify the best opportunities for Metro to expand its Equity in Contracting program. The analysis resulted in three recommendations that will be taken before Metro Council in Fall 2015: workforce diversity, training through the Mentor-Protégé Program, and setting goals.



RECOMMENDATION #1: WORKFORCE DIVERSITY

Tracking the diversity of business ownership tells only part of the story. Beyond supporting businesses with minority and woman ownership and emerging small businesses, it is important to expand diversity in the workforce for those actually providing services to Metro. To that end, the Procurement Core Team recommends that Metro provide workforce diversity programs for applicable projects. The Team recommends partnering with other organizations in this effort because Metro understands the resources required for implementing a proper program. In this way, Metro can provide the community benefit of making a commitment to workforce diversity, while taking advantage of existing experience. For example, Metro may participate in existing workforce diversity programs and apprenticeship programs developed by other government agencies, such as the City of Portland, and community-based organizations, such as Oregon Tradeswomen, or hire individual consultants.

RECOMMENDATION #2: TRAINING – MENTOR PROTÉGÉ PROGRAM

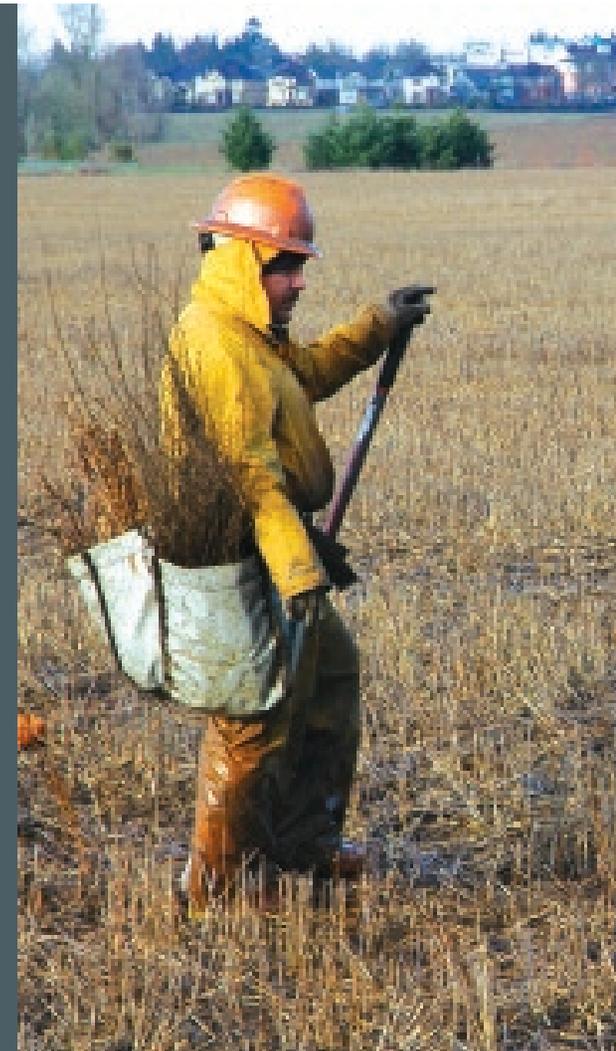
Metro is involved in a variety of training and technical assistance efforts to support MWESB businesses, as described previously in this report. The Procurement Core Team identified participation in mentorship programs, such as the Port of Portland's Mentor Protégé program, as an opportunity to offer deeper support. The Port's program builds effective working relationships between leaders of mature, established companies and emerging minority- and woman-owned companies in order for the latter to benefit from the knowledge and experience of the established firms. The Team again

recommended forming a partnership that allows Metro to sponsor participants in an existing program and take advantage of the existing experience that is incorporated into each program's model.

RECOMMENDATION #3: SETTING GOALS

The Procurement Core Team has already begun working with Agency staff to develop processes and procedures around setting and tracking goals for MWESB utilization. The team is asking for participation in a voluntary pilot year for FY 15-16, in which staff can set goals at the project-, program-, or division-level. Procurement Services will provide outreach and engagement support to Agency staff to help meet the goals that they have set.

The Team is also developing a system for tracking contracts awarded and dollars spent. In coordination with the Zoo Bond team, Procurement Services has started to improve the subcontractor utilization report process and requirements for prime contractors in order to improve tracking of MWESB utilization. The improved report will increase accountability of the prime contractor to hire contractors from underserved business communities. This action ensures compliance with Good Faith Effort to meet MWESB contracting goals. Procurement Services is also working on developing a process for tracking subcontractor utilization on non-construction projects. Staff is in the process of setting goals, and we will have more information on the effectiveness of goal setting in next year's report.



“Ensuring fairness in the American workplace should be a cornerstone of our economic policy.”

- Tim Scott



Metro's MWESB Reporting Method

To improve the accuracy of Metro's diversity efforts, the Agency's MWESB reporting method removes any type of work that cannot reasonably be performed by an MWESB-certified firm from the utilization rate calculation. This method of reporting is common among local and regional governments, including the City of Portland and the State of Oregon. This report does not include work contracted through the Zoo Bond program, as the program will compile a separate report.

Metro excludes the following types of contracts and payments from the calculation:

- Services provided by another public agency that do not compete with the private sector
- Services for which there is a single or limited group of businesses, none of which are certified MWESBs
- Services mandated by ORS to be provided by qualified rehabilitation facilities

Follow-up Survey

As our region continues to grow and change, so do Metro's efforts to reflect the population we serve. The agency's policies to encourage MWESB participation are constantly evolving and improving. These changes are driven by dedicated Metro staff who are actively developing relationships with MWESB firms, listening to their feedback, and responding with improvements to the way things are done.

FEEDBACK FROM CERTIFIED FIRMS

As a follow-up to last year's regional MWESB survey, which solicited feedback from over 400 state-certified MWESB firms about their experience in doing business with Metro, finding business opportunities, and getting contracts, Procurement Services conducted a new survey sent to over 1,800 MWESB certified businesses within the Metro regional boundaries. The purpose of this survey was to determine the value of current Metro contracting programs to the MWESB community as well as to gather information to guide a future course of new programs.

A total of 231 respondents provided us with valuable feedback that will help Procurement Services move forward in efforts to create programs to offer opportunities for equity and diversity in contracting. The majority of the respondents were businesses that have not submitted bids or proposals to Metro.

This is valuable, as it helps Metro understand how to better reach new contractors and what their current barriers are. About 20% of the respondents had been awarded contracts with Metro in the last three years.

SURVEY RESULTS

The survey results showed that Metro needs to continue to spread the word about its contracting opportunities and the various programs offered for MWESB firms. For example, of the respondents with construction-related businesses, about 65% were not aware of Metro's Sheltered Market program which seeks bids for public improvement projects between \$10,000 and \$50,000 from qualified MWESB firms only.

The results of the survey also helped inform the recommendations from the Procurement Core Team. Respondents named the programs offered by the City of Portland and the Port of Portland among examples of helpful programs. The majority were also interested in programs consistent with what Metro is currently offering and plans to offer soon, including mentorship, workforce training, technical assistance, and attendance at networking events.

Metro understands that the most valuable programs provide a solution to an existing problem and appeal to the business community

because they are helpful and convenient. Surveys such as this one help Metro to ensure that programs continue to be useful and accessible to their intended audience, and help identify areas where further assistance would be beneficial. This survey served to inform and shape the efforts for this year, and we will continue to conduct surveys to receive feedback about our outreach process in the future.

**METRO STAFF ACTIVELY
DEVELOP RELATIONSHIPS
WITH MWESB FIRMS,
LISTEN TO THEIR FEEDBACK,
AND RESPOND WITH
IMPROVEMENTS TO THE
WAY THINGS ARE DONE.**

Work with Metro

Metro is actively seeking to work with minority-owned, woman-owned, and emerging small businesses.

Each year, Metro awards millions of dollars in contracts for products and services and actively solicits bids and proposals from businesses that are certified as MWESB by the State of Oregon.

Metro also seeks bids from certified MWESB contractors for public improvement projects between \$10,000 and \$50,000 through its Sheltered Market Program.

HOW TO DO BUSINESS WITH METRO

Get certified:

Apply for MWESB certification through the State of Oregon at www.oregon4biz.com/Grow-Your-Business/Business-services/Minority-Owned-Business-Certification.

1. Respond to requests for proposals, bids and quotes:

Follow current opportunities through the Oregon Procurement Information Network and respond by the deadline.

Common contracts include:

- Construction and maintenance
- Architecture and engineering
- Forestry and landscaping
- Foodservice and supplies
- Professional, technical, and scientific services
- Goods, manufacturing, and supplies

How to get started:

- Register with ORPIN to get access to Metro's solicitations at orpin.oregon.gov.
- Use PDXProcurementSearch.com to search for opportunities using your business' keywords.
- Get certified. Apply for MWESB certification through the State of Oregon at www.oregon4biz.com/Grow-Your-Business/Business-services/Minority-Owned-Business-Certification.
- Visit oregonmetro.gov/contracts for workshop and training opportunities.
- Attend Metro's annual MWESB Open House event.
- Scan the Daily Journal of Commerce and various community newspapers for Metro bid opportunities.
- Network with small business associations such as Oregon Association of Minority Entrepreneurs (OAME), Business Diversity Institute (BDI), and others.

Contracting thresholds:

- Up to \$10,000 – competitive solicitation is not required. Utilization of MWESBs is strongly encouraged.
- Over \$10,000 – solicitations posted on ORPIN.

To become a vendor with Metro, businesses must:

- Maintain legal aspects of business to enter into contracts and transact business in the state of Oregon.
- Demonstrate compliance with Metro's Equal Employment and Nondiscrimination Clause, as outlined in our solicitation documents.

How to avoid quote, bid, or proposal rejection:

- Submit quotes and bids to the Metro reception desk prior to the solicitation closing date and time. This requirement is strictly enforced.
- Be a responsive, responsible bidder or proposer.
- Make sure your bid and proposal documents are complete and contain all requirements and information, including any forms requested in the solicitation document.
- Double check your documents before submitting.

Stay informed:

Metro hosts networking events for MWESB businesses and participates in MWESB outreach events. To learn about upcoming events, email gabriele.schuster@oregonmetro.gov.

PROCUREMENT STAFF AT METRO

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Assigned departments: *Property and Environmental Services, Planning and Research Center, Construction Project Management Office.* Responsibilities: *DBE Program Administration*

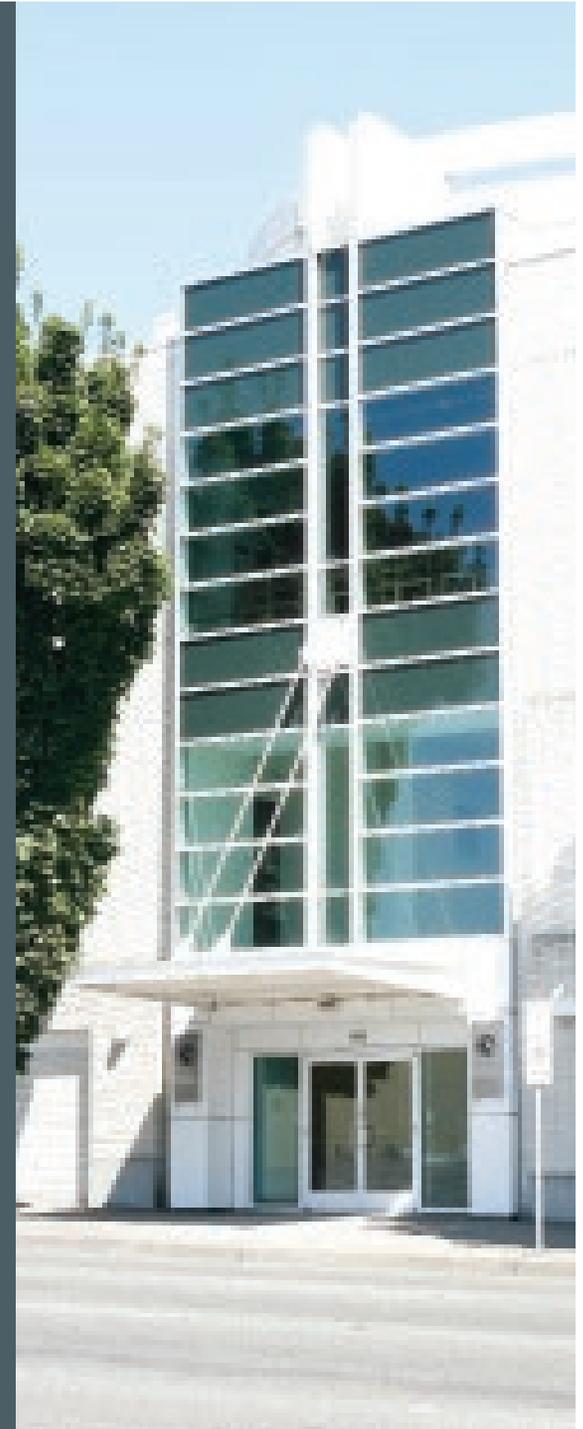
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Assigned departments: *Visitor Venues*

KAREN SLUSARENKO, CPPB, Procurement Analyst
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Responsibilities: *Agency-wide contracts, cooperative contracts*

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Assigned departments: *Visitor Venues*

For more information about business opportunities at Metro, visit the Metro MWESB website:
www.oregonmetro.gov/how-metro-works/contract-opportunities/minority-women-and-emerging-small-business-program





www.oregonmetro.gov

