









OREGON CONVENTION CENTER 2019 RENOVATION PROJECT EQUITY REPORT



Oregon Convention Center





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Message from NAMC Oregon

On behalf of the National Association of Minority Contractors of Oregon, I would like to thank the Metro Council and regional government for the opportunity to participate in the Oregon Convention Center Renovation Project. This historic partnership of Metro, Colas Construction, Raimore Construction, and NAMC-OR created an unprecedented level of participation in the project by the African American community, a substantial portion of which had been displaced by the original project. This time Metro intentionally sought to be inclusive of the community with the renovation, and this landmark effort will create future opportunities for minority contractors for years to come. We are especially appreciative of Metro's leadership, including the Metropolitan Exposition Recreation Commission (MERC) and the contracting team who worked so hard to make this approach happen.

The enclosed report and short video documents the Convention Center Renovation Project from the community's exclusion in the 1980s to what has been the most inclusive public project ever in the history of the Portland, Oregon region. NAMC-OR is proud to have played a key role to support minority contractors on the project, establish inclusive contracting strategies, and reducing barriers to participation as you will find in this report. General Contractors, Colas Construction and Raimore Construction, two of the largest minority-owned firms, set the highest standards for quality and efficiency, and the report and video recount their experiences during the process and the lessons learned.

Colas, Raimore, and local community leaders point out in the video that the renovation project did more than simply refurbish a large public facility—it truly shows upcoming generations of minority youth that people who look like them can not only fasten a bolt but sign paychecks, develop strategies, and manage and lead a stunning upgrade to one of the crown jewels of our region.

Thank you again for the opportunity to participate in this project, and we would encourage you to watch and share the accompanying trailer and video on Metro's various communications channels and platforms.

Sincerely,

Nate McCoy, Executive Director National Association of Minority Contractors-Oregon



EXECUTIVE SUMMARY

The Oregon Convention Center Renovation Project (OCCRP) is the latest example of inclusive urban development, with significant successes for both Contractors and Workers:

Contractors

- The OCCRP represents the largest public improvement contract awarded to a certified Minority Business Enterprise (MBE) as the Prime General Contractor in Oregon at the time of the award.
- Of total contract dollars awarded for the OCCRP, 51 percent were awarded to businesses that were registered with Oregon's Certification Office for Business Inclusion and Diversity as Minority-owned or Women-owned Businesses.
 - o 47 percent of all subcontract dollars went to businesses registered as Minority-owned Businesses
 - o 4 percent of all subcontract dollars were awarded to Women-owned Businesses
- Businesses registered as majority-owned by African Americans were awarded 45 percent of all contract dollars and businesses with Hispanic majority Owners received 3 percent.

Workforce

- Of hours worked on the OCCRP, 40 percent were worked by People of Color
- 94 percent of hours were worked by workers who reside in the Portland Metro Area
- Overall, women worked 7 percent of total hours on the OCCRP
- Racial minorities worked 51 percent of Apprentice-level hours and 35 percent of Journey-level hours
- Women worked 21.5 percent of Apprentice-level hours, and 6.7 percent of Journey-level hours

A review of the strategies used by Metro and its industry partners to provide equal access to minority-owned construction firms for the renovation of the Oregon Convention Center highlights the ways in which this project demonstrates the successful implementation of Metro's Diversity Action Plan and the Strategic Plan to advance racial equity, diversity, and inclusion. These strategies included:

- Development of authentic community relationships with the MBE community
- Engagement in an equity review of procurement and bidding policies and procedures
- Empowerment of MBE General Contractors
- Demonstration of support for diverse workforce development

These successes are important steps on the path to making a more economically and socially diverse greater Portland area. Recommendations for building on these successes include utilizing community-focused organizations to:

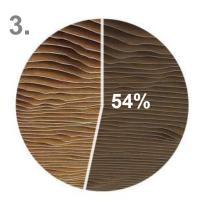
- Continue to expand the equitability and accessibility of the procurement process
- Improve communication regarding opportunities, timelines, and requirements
- Provide relevant supportive services
- Engage in transparent and ongoing project monitoring and evaluation



Of total contract dollars, 51% were awarded to Minority or Women Owned Businesses



Of total hours worked, 40% were completed by People of Color



Of total dollars paid to Subcontractors, 54% were awarded to majority Black **Owned Businesses**

4.

The following represents hours worked with respect to gender, specific to Apprentice-level and Journey-level hours completed on the OCCRP

HOURS WORKED BY WOMEN APPRENTICES



21.5%

HOURS WORKED BY WOMEN JOURNEYPEOPLE



6.7%

NON-WOMEN APPRENTICES AND JOURNEYPEOPLE

71.8%

5.

The following represents total subcontract dollars paid in respect to certified firms (this value does NOT include Colas Construction, although they are an MBE GC firm, they are not typically counted for MBE utilization on public projects)

61%

MINORITY OR WOMEN-OWNED BUSINESSES

UNCERTIFIED BUSINESSES

39%

*Figures 1, 3, and 5 reflect businesses registered with Oregon's Certification Office for Business Inclusion and Diversity

INTRODUCTION

The Oregon Convention Center Renovation Project

Originally constructed in the late 1980s, the Oregon Convention Center (OCC) is the largest convention center in the Pacific Northwest. The 18-acre site is located in NE Portland, Oregon near commercial and public transportation centers. The OCC is owned and operated by Metro, the regional governmental agency representing the greater Portland area in Clackamas, Multnomah, and Washington counties.

In 2013 planning began for the remodel of the OCC to modernize, improve national competitiveness, and improve accessibility (Metro, 2019). While the center has been recognized for its commitment to environmental design and stewardship, the original construction process was marred by the destruction of housing in a historic Black neighborhood and criticism for not providing jobs for those who were displaced (Peterson, 2017).

The Metro Council approved a diversity action plan in 2012 and four years later, a strategic plan to advance racial equity, diversity, and inclusion (Metro, 2016). The strategic plan was built on a set of core principles:

- Lead initiatives and programs with a racial equity lens
- · Generate support to create real and lasting cultural change
- Partner with communities of color
- Commit to measuring progress

As the planning for the Oregon Convention Center Renovation Project (OCCRP) continued, Metro procurement developed a fair bidding process, which emphasized a clear priority to contract with a diversified workforce by utilizing firms registered with the state's Certification Office for Business Inclusion and Diversity.

In 2017, the Oregon Convention Center partnered with Colas Construction, a Black-owned business based in Portland, as the Prime General Contractor for the project, resulting in the largest Oregon public works contract awarded to a Minority-owned business (Metro).

In their contracting plan, Colas Construction set ambitious goals to have:

- Thirty percent of subcontract dollars awarded to businesses registered with Oregon's Certification
 Office for Business Inclusion and Diversity
- Twenty percent of labor hours by Apprentices in each trade shall be performed by those registered with the state, for contracts in the amount of \$200,000 or more

and to:

- Maximize employment opportunities for racial-ethnic minorities and women
- Bring the highest value possible to the Owner for each contracting opportunity
- Engage the local community through the bidding process

The Oregon Convention Center Renovation Project was completed on-time and on-budget.

HISTORICAL CONTEXT

For many, Portland, Oregon represents the epitome of innovative city development. Generations of stories from the Black community serve as reminders of an unjust history. The link between divestiture, systemic racism, and financial profits from institutionalized discrimination prevented Black families from building intergenerational wealth. A study in 2017 revealed that White families in Portland have \$100 for every \$1 of the intergenerational wealth of Black families (Badger, 2017). Despite this disparity, Black Portlanders remain resilient, striving to gain a foothold, and generate a financially stable future for forthcoming generations.

As the imbalance of this reality is confronted, Black community activists and a growing number of equity partners who are individuals, private organizations, and government agencies committed to working together for equitable outcomes where all residents have access to thrive. Members of this coalition understand that leaning into discomfort and examining past policies and current practices stand as a prerequisite to identify bias in systems. It is by this method that we can begin to actualize equal opportunity to prosper.

Supporting Equity, Diversity, and Inclusion (EDI) takes considerable time, mental effort, emotional labor, and resources. In the construction sector, leaders investing in this movement are motivated by:

- Moral and ethical values for people and community
- Interests to increase resiliency from shifting demographics and market forces
- Solution-based EDI practices and intersections of innovation (business, environmental, geopolitical)

In Oregon, businesses are increasingly adapting to include an Equity Lens in decision-making. In construction, the proximity to economic opportunities for disenfranchised communities proves barriers can be broken as starting wages are typically 60 percent higher than most entry-level and minimum wage service jobs. Historically the industry has provided a profitable structure to rebuild lives from the reliance of on-the-job training in contrast to a college degree.

Equity in the construction sector will be built on objective examinations of past and present with a focus on the perspectives of the most vulnerable. This endeavor can result in a reimagining of the development in planning and the process from start to finish. By documenting the EDI process, we establish a new baseline, a blueprint for equitable procurement and evaluation practices sector wide. This report provides one example of a best practices case study by highlighting Metro's intentional shift toward equitable and inclusive policies and practices. Urban planning and development in Portland are intricately connected to the history of marginalization and the current socioeconomic struggles of Black Portlanders.







Waiters in front of Northern Pacific's Spokane-Portland-Seattle railway car in 1915; Ralph Flowers, son of Allen and Louisa Flowers, his wife Ruth Flowers and their son Clifford in front of the Flowers houses circa 1920; Luncheonette sign, We Cater to White Trade Only circa 1943

As individuals, we each operate within the cultural norms (e.g., values, rules, and behaviors) reinforced by the institutions we entrust for our socio-cultural wellbeing. Every major institution in America began with information from White supremacist ideology, from history, science, politics, religion, education, medicine, media, and law. Continual immersion in such community spaces (e.g. workplaces, schools) creates blind spots or unconscious biases that serve to narrow our world view and position us to unintentionally maintain an inequitable system (Walter et al., 2017). By using an Equity Lens Framework, we disrupt self-sustaining systems of oppression by challenging the conscious mind to examine the past, present, and future impacts of our decision-making from multiple perspectives. The Equity and Empowerment Lens produced by Multnomah County describes an Equity Lens as:

A transformative quality improvement tool used to improve planning, decision-making, and resource allocation leading to more racially equitable policies and programs. At its core, it is a set of principles, reflective questions, and processes that focuses at the individual, institutional, and systemic levels by:

- deconstructing what is not working around racial equity;
- reconstructing and supporting what is working;
- shifting the way in which we make decisions and think about this work; and
- healing and transforming our structures, our environments, and ourselves.

The Multnomah County Office of Diversity and Inclusion Equity Lens challenges us to:

"identify underlying patterns, barriers, and opportunities leading to equity and racial justice."

As these domains are interrelated, a focus on each individually forces us to think systemically (Balajee et al., 2012). The Multnomah County Office of Diversity and Equity has developed a "5Ps" strategy, which invites decision-makers to examine the context and potential impacts of their decisions in concert with stakeholders from the communities that have been and will continue to be most vulnerable.

This strategy involves an impact assessment of five domains: Purpose, People, Place, Process, and Power. Together, these domains reflect the underlying PURPOSE of decisions made by an individual or institution by the acknowledgement of unconscious and conscious bias and a forecast of repercussions for the community based on the domains collectively. (Figure 6)

Figure 6: Multnomah County Equity and Empowerment Lens



Purpose

Centering Equity for Intentional Urban Development in Portland, Oregon

The historical perspective of urban development in the areas surrounding the Oregon Convention Center, particularly in relation to equity, requires both awareness and understanding for why centering equity is vital to our economy. The history of the Black community in Portland greatly influenced the need for an Equity Lens to the approach of the OCCRP resulting in the construction of a milestone for the city by the intentional practice to advocate and support firms of marginalized and underrepresented communities.

Within the planning and development community, there has been a growing appreciation for applying evidence-based strategies to advance Equity, Diversity, and Inclusion (EDI) during the planning and construction processes (Bogle et al., 2016). This shift is in part due to the Federal Fair Housing Act (FFHA) of 1968, which was intended to redress the disproportionate and damaging impacts of systemic discrimination in housing and urban development. Under the law, jurisdictions receiving federal funds were required to "affirmatively further fair housing." In 2015, lawmakers clarified this task with the Affirmatively Furthering Fair Housing (AFFH) provision of the FFHA that provided a framework for taking "…meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination."

The significance of the 2015 framework for furthering fair housing is the focus of going beyond preventing future discriminatory acts to require mitigation of the impacts related to past injustices. Systemic inequities present in our policies and practices have led to the segregation of our neighborhoods and workplaces, which allowed for bias-influenced decisions that produced environmental injustices for marginalized communities. It is not a coincidence that historically Black neighborhoods in North Portland are close in proximity to industrial sites, including heavy transportation corridors (I- 5, I-205, I-84, Highway 30), the railroad tracks where 250,000 railroad cars pass annually, the Portland International Airport, and a sewage treatment plant.

Given the ethical and legal imperatives, and with demographic shifts toward a more diverse society, the construction sector is realizing the role of equity for the stability of the industry. Construction, like other STEM industries (science, technology, engineering, mathematics) suffers from pervasive underrepresentation of people from the very communities most impacted by bias in both planning and development. Nationally, Black workers make up only six percent of the construction workforce, while Hispanic workers represent the largest non-White group in the construction trades at 28.5 percent (U.S. Bureau of Labor Statistics, 2015).

Research indicates having diverse and empowered employees are necessary to develop and maintain an economic resiliency of our organizations and for environmental sustainability worldwide. Diverse perspectives enhance problem-solving, decision-making, and produce an array of positive outcomes for businesses:

- 1. Revenue Generation: Companies in the top quartile for racial and ethnic diversity are 35 percent more likely to have financial returns above their respective national industry medians (Hunt et al., 2015).
- 2. Innovation: Companies with more diverse management teams have 19 percent higher revenues due to innovation (Lorenzo et al., 2018).
- 3. Organizational Resilience: Organizations that use key practices to maintain inclusion are 1.8 times more likely to be change-ready in the face of market shifts (Bersin, 2015).

Benefits for historically marginalized employees, who would be working in these newly inclusive workplaces include access to higher earnings. The construction sector is uniquely positioned to uplift vulnerable community members, as the sector does not require a higher education degree for entry or promotion. Entry-level work is, on average, a family-sustaining wage of \$19.40 per hour (U.S. Bureau of Labor Statistics, n.d.). The Bureau of

Labor Statistics expects continued expansion of employment in the construction industry, with more than 7.5 million jobs projected by 2026 as population growth stimulates demand for new buildings and infrastructure (U.S. Bureau of Labor Statistics, 2018).

Early efforts to build and diversify the workforce produce long-term gains for industry leaders. When employees of color are given the opportunity to contribute and are promoted, they can further influence positive change by diversifying leadership teams and mentoring the next generation of workers with whom they share a cultural background or experience as part of a marginalized and underrepresented group. This regenerative pathway fosters the diverse growth of workers while maintaining a focus on intentional equity-centered practices.

People

The Black Portlanders

Extensive discriminatory practices were in place during the early 1900s, including the violent Lash Law and redlining, early strategies for controlling the size of the Black population in Portland. Exclusion laws were of the earliest inequitable practices, with the first of these laws effectively banning homesteading by Black residents, thereby forcing them into urban areas. In 1843, the Provisional Government, preceding the Oregon Donation Land Act, gave 320-acres to any White man over age eighteen and 640-acres to a married couple. The land that had been stolen from the Indigenous people, was given free of charge to White settlers willing to work the land for four years. Those who sought more could purchase under an extension act for \$1.25 per acre. By 1855, over 2.5 million acres of land had been claimed. Exclusion laws banned Black people from living in or moving to Oregon Territory, and subsequently, laws in Oregon's constitution prohibited slavery, excluded Negroes and Mulattos, and made it illegal for Black people to have the right to vote, own land or property, enter into contracts, or bring lawsuits, among other unjust legal practices. In 1859, Oregon was admitted to the Union and the only state with an exclusion law written into its constitution declaring a Whites-only state.

As potential Black residents and developers were blocked from land ownership opportunities, the evidence of history discloses the indifference post-colonial American Pioneers had towards Black people from legal actions preventing the opportunity for a stable livelihood or the capability to build intergenerational wealth. O.H. Francis is an example of how Black residents were prevented from owning and operating legitimate and competitive businesses. Francis worked hard to be a successful Portland merchant in the 1850s and was arrested under the Exclusion laws in 1851. After years of harassment, he eventually closed his business and relocated to Vancouver, British Columbia. Without legitimate business ownership as an option, illicit businesses, service industries, and businesses that catered only to Black customers were all that remained for Black entrepreneurs.

At the end of the 19th century, the most readily available jobs for Black Portlanders were limited to domestic service. For men, this included jobs on the railroad as Pullman porters and as waiters or support staff for restaurants and lodging. Work at the Portland Hotel held particularly coveted positions and many employees of the hotel would use their steady wages to start businesses and civic organizations.

Women found service work in the homes of wealthy White Portlanders as maids or seamstresses as most other jobs required manual labor. It was not until early in the 20th century that Black Portlanders would be partially integrated into professional positions, including work in offices. Portland's first Black doctor and Black lawyer both began their practice near their residences in the Albina District in 1903. The first Black dentist opened a practice in Albina in 1924. Oregon would not have a Black schoolteacher until Vanport City hired seven in the 1940s (Millner, et. al., 1995). A newspaper article from 1927 titled, *Cornerstones of Community: Buildings of Portland's African American History*, listed the following:

"We have one large hotel, a newspaper, three wealthy people, a branch of the YWCA, three churches, and two missions. From the economic standpoint, it is difficult for one of our race to find other than menial work, yet we have two postal clerks, one shoe clerk, two stenographers in White offices, a clerk of the Child Labor Commission in the Court House, three men in the express business, one dentist and physician, and two lawyers."

During the Great Depression, jobs became scarce for Portlanders of all backgrounds, yet the already small Black labor market became increasingly diminutive. Reliable service jobs were lost to White workers and similarly, the Trade Unions, which were controlled by European immigrants, actively discriminated against Black workers seeking a place in the workforce. Lockouts left Black residents with few options for sustainable employment. The result of the shrinking Black labor market was the end of disposable income for Black families. Given the reliance of Black business owners on solely Black patrons, this loss of income to spend on goods and services had a ripple effect, leading to the closure of most Black businesses, including the aforementioned hotel and newspaper.

Prospects in the job market would not begin to recover until World War II when jobs tied to the war effort made room for Black participation. The massive shipyards and other war contractors in Portland called for the migration of 90,000 people and provided high wage jobs to any worker, including women and Black people. The influx of workers led to the construction of Vanport in 1942, which quickly became the second-largest city in Oregon next to Portland. The era was not a boom for Black Portlanders, as systemic discrimination persisted. For instance, the Boilermaker Union, one of the most powerful unions in the shipyard refused full membership to Black workers, allowing them entry to an auxiliary that did not offer the same benefits or protections. Not being part of a union often equated to not being qualified for government contracts. This circular tactic of requiring a contract job to join the union was another institutionalized strategy to limit Black membership and opportunity.

Structural Supports for Black Portlanders

Despite systemic oppression, Black community members found glimmers of hope in organizations that still exist in the community today. The Urban League of Portland was established in 1945 in a patient exam room of Dr. DeNorval Unthank, who converted the space for meetings focused on making new career paths for gainful employment available to Black workers; from female elevator operators in department stores and government agencies to Gl's as drivers for Rose City Transit, and progress to secure access to Trade Unions. These efforts were buttressed by state legislation like the Fair Employment Act of 1949, which forbade discrimination in hiring, however, gains were not significant as the layers of inequitable practices and enforcement of laws were prevalent. In the construction sector, the Bureau of Labor and Industry (BOLI) observed their duty under the law primarily through education and took eight years to begin enforcement following the founding of the Civil Rights Division in 1957.

The Black community persevered to gain relevance and stability. The Albina community organized for a grassroots social change and community investment, and in the process, positioned the construction sector at the leading edge of social progress. The Urban League of Portland led the way in creating the Albina Contractors Association, providing Black companies negotiation support to procure government contracts. Their workforce development and contractor support continued as The Northwest Minority Contractors Association. In addition to the grassroots effort to build new Black construction firms, organizations like the Albina Neighborhood Improvement Project (ANIP) worked to renovate physical structures in the community.

It was common to be overqualified for the work Black Portlanders were hired for. Many had college degrees and were leaders in their churches and community. Some even managed to collect enough savings to use

their earnings to become entrepreneurs. Night clubs, restaurants, stores, auto repair, and mechanic shops were among the Black-owned businesses that increased self-sufficiency in the community. Most Black businesses established after World War II were located along North Williams Avenue. These culturally specific businesses were essential to community well-being as their owners understood and were equipped to support the community they served. For example, Blessed Martin's Day Nursery at Immaculate Heart Church provided culturally specific childcare and offered sliding scale fees to accommodate families of varying means.

Despite progress made in the construction and small business sectors, the unemployment rate for Black Portlanders remained high. The lack of opportunities coupled with intentional underinvestment by the city for infrastructure improvements in Albina neighborhoods produced community-wide resentment. This negative sentiment grew in strength once residents learned of the plan to turn all of Lower Albina into an industrial area. The City of Portland's response to the civil unrest during the late 1960s and early 1970s was further disinvestment in Albina and resulted in even fewer job opportunities for young Black people. Subsequently, the community would be hit hard by drugs, crime, and gangs through the 1980s.

As the area has rapidly gentrified, Black people living in Albina have been further marginalized. Residents report feeling like strangers in the neighborhoods where generations of their family resided. In addition to losing a sense of place, the average household income for Black people in Albina remains lower than the average Black Portlander at \$24,322. Differences are starker for White residents who earn three times more than the average household income of Black residents. This income level makes it unaffordable to rent in Albina where revitalization has drastically increased property values. The abundance of shops, the hospital, the surrounding industrial buildings, and the extensive construction provides hundreds of jobs and yet very few have been filled by Black Portlanders who have called Albina home more than 100 years.

The long-term impact of inequitable practices is most evident when looking at the average net worth of families. In 2017, local news broadcast on KGW8, reported for White families in Portland, the average net worth in 2013 was \$260,000 and for Black families, \$13,000. More striking was to notice the span of this gap over thirty years. In 1984, White families: \$84,000; Black Families: \$10,000. When adjusted for inflation, the net worth of Black Portlanders decreased 42 percent from 1984 to 2013.

Place

Origin of Black Albina

For many Black Portlanders, the Oregon Convention Center represents loss as the land in which it sits used to be in the Albina District, once known as the center of the Black community. A drastic transition took place from being a residential neighborhood to the business district we know today, when the shift began over a century ago in 1882, well before its neighborhoods became predominately Black. Of the first developments was a rail depot for the Oregon Railway and Navigation Company that was located near the present-day Interstate Rose Quarter Max Light Rail, which induced explosive growth of Albina for immigrant workers of German, Irish, and Scandinavian heritage, who moved to live near the railyard and docks. After the Steel Bridge was completed in 1887, another wave of change provided residents with easy access across the Willamette River, contributing to the annexation of East Portland and Albina by the city in 1891.

In 1903, one of the first Black developments in Albina was the Enterprise Investment Company Building on Larrabee Street. The company was founded by eight employees of the Portland Hotel who happened to be Masons- Black Pioneers who would later go on to support many of the major institutions and initiatives to advance the Black community. In the early 1900s, the owner of the Golden West Hotel, the head waiter of the Portland Hotel, the first Black doctor, lawyer, and firefighter in the city was each considered "wealthy Black Portlanders," and also had made their homes in the Albina District. Transition to a Black majority area

continued following the Lewis and Clark Exposition in 1905. The economic boom caused the overall population of Portland to flourish and provided opportunity and capital for White Portlanders to move out of older housing in Albina for the Westside, near Union Station. The establishment of Black Albina was further accelerated by the relocation of churches, known as the center of Black communities. Relocations of significance include:

- Bethel African Methodist Episcopal (AME) to Larrabee St. in 1912
- First AME Zion Church to Williams Ave., then Tillamook St. in 1916
- Mt. Olivet Baptist Church to Schuyler St. in 1921

After White Portlanders settled into Northwest Portland leaving their aging Albina residences behind, they codified the gentrification by raising property values to an exclusionary magnitude and replaced old Northwest wood homes with brick and concrete structures. Following World War II, the rise of the Ku Klux Klan (KKK) ingrained social pressure prompting the newly renovated Northwest area to exclude Black residents. Influence of the KKK led the Portland Realty Board to include in their code of ethics, a provision barring the sale of homes in White neighborhoods to people who were Black or Asian, from fear of decreased property values.

Redlining, coupled with the Great Depression, completed the removal of Black life in Northwest Portland. The Golden West Hotel, a civic and business center for Black Portlanders in Northwest, was shuttered along with nearly all Black-owned businesses. By 1939, half of all Black people in Portland lived in just two Census Tracts. Tract 23, which is now home to the Oregon Convention Center, and Census Tract 22, which encompasses Eliot, a neighborhood widely recognized as the heart of Albina from when its first plat was filed in 1873.

Vanport

World War II prompted the migration of Black workers to the Kaiser Shipyards along the Columbia River, North of Portland. Workers and their families were provided housing in Vanport, which rapidly grew to be the second-

largest city in Oregon, increasing the Black population of Multnomah County tenfold to 20,000. While residents of Vanport had to contend with underinvestment of the area, being constrained by restrictive housing covenants, and racism, the Black population of Vanport remained throughout the duration of the war. Movement for Black residents became even more difficult after the war, when jobs became scarcer. It was at this time when talks of dismantling Vanport commenced. On Memorial Day in 1948, a railroad embankment serving as a levee holding back the Columbia River collapsed. Black residents of Vanport had Albina as their only choice as the city's designated colored area. Though some felt the loss of home, others in the Black community viewed the move from the highly segregated city of Vanport into Portland proper as a step toward integration into Portland society. The 1950 Census showed the Black population of tracts 22 and 23 had guadrupled in size to around 4,700 residents, while the White population in that area was reduced by nearly a third to around 7,000 residents. Ninety percent of the houses in the area were built more than 50 years prior and were in need of renovations that were beyond the means of many homeowners and of little interest to White landowners.



Vanport City



Vanport Flood Destruction

Urban Development of Albina

In 1954, Portland voters approved a bond to empowering a city commission that would purchase and condemn properties to make room for what would become the Veterans Memorial Coliseum. While this commission was determining a location for the Coliseum, the State of Oregon decided Interstate 5 (I-5) should bisect North Albina along Minnesota Street cutting a diagonal path through the heart of the Albina community before turning south again. The initial site for the Coliseum in West Vanport was then abandoned for a large tract of the Eliot neighborhood, also in Albina, west of I-5. This included the claim by eminent domain and the decimation of the Enterprise Investment Company Building, Bethel AME Church, several tenement buildings, and single-family homes. Hundreds of families and multiple cultural spiritual centers of the Black community were displaced. In total, 175 homes were demolished in Albina to build I-5 and the Veterans Memorial Coliseum.

According to the 1960 Census, 70 percent of residents living in Tract 22 and 60 percent of residents in Tract 23, were Black. In 1961, the Albina Neighborhood Improvement Program, a grassroots organization created by residents to apply for federal funding to refurbish the buildings slated for demolition. The following year, city leaders appraised the community's needs as: "Clearly urban renewal, largely clearance, appears to be the only solution to not only blight that presently exists in central Albina, but also to avoid the spread of that blight to other surrounding areas."

With this objectionable designation formalized, Portland acquired funds through the Model Cities Program, one of President Johnson's Great Society and War on Poverty initiatives. During the 1960s, awarded funds were used to clear existing housing for industrial and transportation use, pushing residents north from the Eliot and Lloyd neighborhoods into Boise, West Irvington, King, Sabin, Vernon, and Woodlawn. The largest demolition of homes occurred in 1970 when Emanuel Hospital expanded ten city blocks encompassing 188 homes along the south and east edges of the hospital. The experience of the Model Cities Program and its ability to annihilate entire neighborhoods with little to no input from residents led Portland to create the Office of Neighborhood Associations in 1974. The organization formalized how residents provided input to the city about changes in their neighborhoods. The Lloyd District was created in the process, which officially removed the area around the Oregon Convention Center and Memorial Coliseum from the Albina District and attached them to new commercial areas near the Lloyd Center.

Despite the recognition of past wrongs, intentional practices ensured grave obstacles for Black families to build intergenerational wealth. The median home price in Albina is currently \$572,379. Consequently, there is an unrealized capital of \$202 million, considering only the 353 homes lost for the Memorial Coliseum, the development of I-5, and Legacy Emanuel Hospital. *Had the district maintained its peak population of Black residents, as many as 5,541 homes would be Black-owned, representing a current real estate value of over \$3 billion.*







Albina Neighborhood, 1952; Albina Residents Picket the PDC, 1973; Oregon Convention Center site, 1988

Process and Power

Black Portlanders and The Oregon Convention Center Renovation Project

Modern-day Portland and the site of the OCCRP is a poignant case study for cities that have opposed the interest of equity. A recent report by the Bureau of Planning and Sustainability provides a comprehensive account of Portland's history, outlining the impacts that systemic racism has had within the planning and development sector and on Black Portlanders (Hughes, 2019). While their analysis focused on discriminatory zoning practices, they incorporate three interrelated practices central to the Black Portlander experience:

- 1. *Employment Restrictions* Portland's job market demonstrates the impact of more than a century of restricting employment opportunities for Black residents. Early in the twentieth century, jobs in the private sector were limited to service personnel in hotels, restaurants, and office buildings; jobs that were low wages with little prospect for promotion. Black entrepreneurs of this era relied primarily on Black patrons and investors, as racism prevented interracial sales and investments (Portland Bureau of Planning, 1993).
- 2. **Housing Restrictions** –Black Portlanders were geographically confined using a combination of discriminatory zoning laws, redlining, and deed covenants that prevented them from buying or renting a house in predominately White neighborhoods. The period following the flooding of Vanport in 1948 is a stark example of the interwoven fabric of laws, unspoken rules, and attitudes that held back progress and integration. Black residents desperate to find a home after the destruction from the Vanport flood had only the Albina neighborhood as their solitary option for housing within city limits.
- 3. *Urban Renewal* In 1950, during a time of restrictions on employment and lending, a resulting socioeconomic depression prevented Black homeowners and renters from building capital to invest in infrastructure maintenance and upgrades. Consequently, residents were unable to prevent their neighborhoods from being designated with *slum and blight* status. The use of this designation, which followed a period of systemic disinvestment in predominately Black communities, opened the door for the conversion of Black neighborhoods to industry sites. In addition to the construction of the I-5 corridor and Legacy Emanuel Hospital, 30-acres of the historically Black Albina neighborhood was demolished to construct the Memorial Coliseum in the 1960s, the Oregon Convention Center in the 1980s, and the Moda Center in the 1990s.

These practices relied on both institutional racism and overt person-to-person discrimination. Further, they relied on decision-makers ignoring equity-driven approaches to planning and development. To prevent the recurrence of bias-driven decision-making, we now rely on tools that help us identify the impacts of decisions through a multicultural lens that also includes vulnerable communities subjected to the inequities in our society. The use of an Equity Lens has become an effective tool for evidencing change from numerous factors that impacted the Black community:

Exclusion Laws that blocked potential Black residents and developers from land ownership opportunities (e.g., The Donation Land Claim Act of 1850).

Discrimination in the business community where "White Trade Only" businesses forced Black entrepreneurs to build capital in unsustainable ways.

Disinvestment in predominately Black neighborhoods followed by private-investment-suppressing blight designation.

Workforce Lockouts that left Black residents with few options for family-sustaining employment.

Redlining by banks and mortgage lenders meant that housing prices in Albina were artificially low and that traditional loans were unavailable to residents, who had to find less scrupulous loans with high interest rates and fees to go with draconian terms that lead to high foreclosure rates.

Lack of Regulation for Predatory Lenders (e.g., Dominion Capital, Inc.) who used redlining as a means to take advantage of Black residents.

Inequitable Re-investment that became the impetus for gentrification.

Underlying these major factors exists a power structure where these processes, coupled with the general public conditioned to accept inequities, disguised as self-sustaining barriers to equal participation in the planning and development of Portland. Lawmakers, industry leaders, and the public were complicit in the maintenance of inequitable practices that facilitated pervasive disparities in community stability, wealth, and health outcomes for Black Portlanders. Even the equity-minded individual has been responsible for operating within this system that restrained equitable decision-making.

Impacts of Inequitable Practices in the Construction Sector

Research and data delineate how systemic discrimination causes a detrimental impact on future economic growth and stability, specifically in the construction sector. Ongoing shifts in demographics and geopolitical contexts in the construction industry highlight equity, diversity, and inclusion as an essential solution to current day challenges, including a paramount issue that impacts most others- a shortage of workers.

The shortage of skilled workers presents a host of issues for Contractors and the ability to be effective when faced with shrinking profit margins, increased safety incidents, and increased timelines for launching and completing projects. Since customers and clients are diverse, it's imperative for successful businesses to be able to understand and appeal to people from all walks of life. A team of employees that has a member of a specific ethnicity is 152% likelier to understand a Client of that ethnicity (HR Unlimited, 2019). Additionally, a homogenous workforce is ill-equipped to respond to necessary technology upgrades and compounding interest in sustainable building solutions. Conversely, a robust and diverse workforce is able to innovate and expand to meet the labor needs of the future. Countless studies and on-the-ground observations have led industry leaders to the realization that we must tap into new labor pools in order to make the industry flexible and resilient in the face of rapid change (Bell, 2018).

The current situation is dire. Workforce numbers in Oregon began plummeting during the recession, dropping to a low of 62,100 workers in 2011 after thousands of departed the field in search of other work. Women currently make up just four percent of the 23,000 people working in the Portland metro region's nonresidential construction workforce. Minorities account for 20 percent (Rojas, 2018).

From the Regional Construction Workforce Market Study Report released by Metro, it identified 81 large public capital projects to be underway between 2017 and 2021. Of those 81 projects, nearly 14,000 construction workers are required. Based on workforce participation goals or a percentage of hours worked by apprentices, minorities, and women, for all 81 projects, there would be a demand for 2,700 apprentices, 3,400 minorities and, 1,900 female construction workers. Another analysis revealed that the 2016 worker supply fell short by 445 apprentices, 1,074 minorities, and 1,416 women (Rojas).

Correspondingly, the study report outlined three major goals:

- 1. Increase the recruitment of a diverse workforce
- 2. Increase retention of a diverse workforce
- 3. Develop more robustly equitable policies and practices

Recruitment and retention are purposefully separated, as the strategies for meeting the goals are interrelated but distinct. A recent report from the Associated General Contractors of America presents these goals with results revealing 79 percent of construction companies want to hire more employees this year, but the industry is only estimated to grow its workforce by 0.5 percent annually for the next 10 years. A rate of growth that is clearly insufficient to redress the 600,000 jobs lost since the last recession (Borland, 2018). An additional

complexity that further substantiates diversification goals is that the current workforce is not only homogenous but also headed towards retirement. According to the Oregon Employment Department, *nearly a quarter of construction workers in Oregon are age 55 or over.* Retiring workers take with them years of institutional knowledge that can be difficult to replace with younger hires (Bell). It will take inclusive training programs and transformed workplace cultures to ensure institutional knowledge is transferred to a diversified industry. New workers of historically underrepresented backgrounds will only receive equal opportunity to gain essential skills if classrooms and worksites provide asset-based learning from professional mentors who are culturally responsive and intentional about mitigating implicit biases that might cause them to deliver less than comprehensive training. The worst-case scenario is the proliferation of microaggression-laden training experiences that drive the attrition of historically marginalized workers.

Now is the time to implement inclusive programs and initiatives for industry change as the rapid urban development throughout the 1980s has not slowed down in Portland. Construction has increased across the metro region, with new hotels, apartment buildings, office buildings, and public infrastructure projects transforming the area. Correspondingly, the industry has increased hourly wages and jobs like so many bricks in an office tower, climbing from 74,900 in January 2014 to 113,500 July of 2019 (Bell). According to the Bureau of Labor Statistics, the mean hourly wage for construction workers in Portland in May 2017 was \$26.90; the Oregon Employment Department estimates an average annual salary of \$57,600.

APPLICATION OF AN EQUITY LENS

By clear intent in prioritizing equitable opportunities for Contractors and their workforces, the leadership at Metro communicated the understanding that to use an Equity Lens authentically, those most vulnerable to inequity must be centered. This is apparent in the core principles of Metro's Strategic Plan to advance racial equity, diversity, and inclusion in which they have committed to the following actions:

- Lead initiatives and programs with a racial Equity Lens
- Generate support to create real and lasting cultural change
- Partner with communities of color
- Commit to measuring progress

Consequently, Metro partnered with NAMC-OR to gain intersectional expertise- insights that derive from technical expertise (e.g., procurement policy knowledge), combined with lived experience (e.g., working in the industry as, and with, historically marginalized community members).

Although Metro did not formally apply the Multnomah County Equity and Empowerment Lens, their partnership with NAMC-OR when envisioning an intentional process attended to each domain of the Lens: Purpose, People, Place, Process, and Power, (also known as the 5Ps). Specifically, NAMC-OR contributed:

- A historic perspective of impact on Black residents of Albina (People, Place, and Purpose)
- Industry data showing how past planning and development processes left out Minority Contractors (People and Process)
- On-the-ground evidence of systemic inequities and blind spots that maintain power and privilege for Contractors who identify as White and are of the dominant majority (Process and Power)

In addition, NAMC-OR collaborated with Metro to implement four high-impact strategies for identifying and redressing historic and impending impacts of systemic discrimination. (Figure 7)

1) Develop Authentic Community Relationships

Early engagement with community members is vital to learning the ways in which a particular project can be detrimental, neutral, or beneficial to the cultural significance of a place. Direct insights from community members help discover ways that the planning and development process could heal past wounds. The relationship-building process takes time; consequently, collaboration with trusted community representatives, like NAMC-OR, is common practice.

2) Perform an Equity Review of Policies and Procedures Policy and procedural analysis that includes members of impacted communities provide an opportunity for the examination of impact data, language, and process from multicultural perspectives. The practice is a high-impact alternative to collaborative equity audits, which are undermined by the blind spots of a single decision-maker.



Figure 7: High-Impact Strategies for Centering Equity in Planning and Development

In contrast, when the inclusive equity review process is comprehensive, the final policy decisions are more likely to be equitable and inclusive. NAMC-OR consulted with Metro to review the RFP language with the intention to level the playing field for Minority-owned (MBE) firms by modifying requirements that were impaired by a focus on <u>years of experience and figures</u> over <u>qualifications and drive</u> to exceed expectations. NAMC-OR assisted with the addition of opportunities to allow contractors to demonstrate their capacity through descriptions of daily operations.

The RFP for the Oregon Convention Center Renovation Project sought to ensure that the procurement process and contracting goals had an economic impact on the community through inclusion strategies. In addition, Metro committed to being inclusive in their selection of a bid review panel. The bidding process that resulted led to the successful award of the prime contract to Colas Construction, the first MBE General Contractor to secure a large scale renovation of the iconic 30-year-old convention center including numerous upgrades to its public spaces and ballrooms, as well as a reconstruction of the exterior plaza on the Northeast corner.

3) Empower MBE General Contractors

Leaders of MBE General Contracting companies are typically industry experts that have built businesses by exceeding expectations. These firms often struggle with securing large contracts due to the risk-driven experience-over-qualifications rubric that is often used to award contracts. If MBE General Contractors are afforded the opportunity to perform, they are able to add unique value by furthering equity goals, while fulfilling the contract. Specifically, MBE General Contractors have lived experience that makes them adept at recruitment and retention of MBE Subcontractors, thereby increasing MBE participation in projects.

In the process of fulfilling the OCCRP contract, Colas Construction took the opportunity to show that MBE firms have the capacity and competence to exceed expectations on large projects. Not only did Colas Construction, in collaboration with Raimore Construction, complete the project on schedule and on budget, but they did so during peak booking season for the Oregon Convention Center. Despite high use of the space, the Colas team kept disruptions minimal and their performance further establishes the recommended shift

from experience-based to qualifications-based procurement. When the field is level, MBE firms are more than able to be competitive. Colas Construction exemplified that as an MBE General Contractor, they had the commitment and ability to recruit and retain MBE Subcontractors, as demonstrated in the high portion of subcontract dollars at 47% awarded to MBE businesses. Their success serves as further evidence from their decision to lead with equity, Metro met the commitment to their strategic plan. The level of participation by MBE Subcontractors also demonstrates that diversity among leadership matters with respect to supporting diversity throughout the sector.

4) Support Diverse Workforce Development

In addition to the challenge of diversity, the construction industry suffers from a shortage of skilled labor. Developers can assist with both the diversity and labor shortages by including mechanisms to support workforce development programs that attend to underrepresented populations. Site visits, job shadowing, mentoring, and offsite hands-on training are each valid for decision-makers to support career pathways into the field of construction. Participation by MBE firms and community partners who provide culturally competent mentorship is vital to the successful execution of this strategy.

For the OCCRP, NAMC-OR and Colas Construction utilized two longstanding partnerships with culturally specific workforce organizations. The Portland Opportunities Industrialization Center (POIC) and the Blueprint Foundation (Blueprint) are both nonprofits that offer career training to youth of color interested in the construction sector. Both POIC and Blueprint coordinated with Colas Construction to visit the OCCRP site and learn about careers in construction from industry professionals with identity concordance. Project Managers provided mentoring to Blueprint youth during affinity groups at Benson High School over lunch and discussions of youth-driven green infrastructure projects (e.g., construction of a bioswale) in the community.





Portland Opportunities Industrialization Center





Youth from Portland Opportunites Industrialization Center (POIC) and the Blueprint Foundation touring the Oregon Convention Center Renovation Project worksite, 2019

MOVING FORWARD

Policy and Practice Recommendations for Centering on Equity

The Oregon Convention Center Renovation Project had a direct impact on existing Disadvantaged, Minority, and Women-owned (DMWBE) firms while contributing to positive systemic change related to equitable procurement policy and practices. This section of the report describes interrelated practices that if combined and used, will generate equitable outcomes in the sector. The strategies are adaptable to other markets across the United States with the help of culturally proficient organizations equivalent to NAMC-OR.

Colas Construction implemented a project procurement process that integrated the above recommendations to achieve a successful inclusion of over 50 percent of businesses registered with Oregon's Certification Office for Business Inclusion and Diversity as Minority-owned or Women-owned businesses for the OCCRP.

The following are key strategies Metro, the Owner, and Colas Construction, the Prime General Contractor, used to meet their equity goals.

1. Equitable Procurement Strategies

Support Increased Access to Opportunities

- Commit to aspirational yet achievable target goals for DMWBE contributions to the project. Monitor the
 performance and outcomes of these firms to gain a fuller understanding of their capacity and barriers to
 accessing contract work. Strategies for increasing access should be revisited if target goals are not met.
- Inform the DMWBE support community about projects at least two weeks prior to bidding. This provides
 DMWBE Contractors the opportunity to put the project on their schedule and be available to bid. Similarly,
 allow a minimum of two weeks for the project to bid. DMWBE and construction workforce organizations can
 then host informational sessions with project managers, so they are aware of resources intended to help
 them successfully bid.
- Allocate time for targeted pre-outreach meetings (minimum of one month) before pre-bid meetings are held.
- Market and highlight project opportunity forecasting in the community early and often.
- Use project monitoring and evaluation data to assess and verify DMWBE capacity and matching for project opportunities.

Use Inclusive Bid Language

• Rely on community partners to assist with review and modification of RFP/ RFI/ RFQ and/ or "Community Benefit" language that avoids bias and unintentional barriers or restrictions for DMWBE engagement.

Expand Existing Opportunities

- Provide lending opportunities for DMWBE firms to capitalize and/or establish relationships with banks and equipment companies for advantageous pricing (scaffolding, large lifts, construction materials, etc.).
- Use a variety of procurement methods such as soliciting bids from certified firms on certain bid scopes and using a request for proposal for specialized work. Also, continue soliciting more CM/GC proposals for projects.

Use Strategic Partnerships

Select a member of the project team to work closely with DMWBE firms. This individual should possess
cultural expertise, intercultural communication skills, a strong interest in assuring equal opportunities for
DMWBE firms and have knowledge of procurement strategies to help firms better understand the project
opportunities.

Support Workforce Development Programming

- Coordinate with (pre)apprentice organizations to provide ample time for workforce recruitment and apprenticeship engagement on upcoming projects.
- Identify ready and capable firms to bid on smaller informal projects to solicit bids/ proposals with a small group of DMWBE firms. Allow at least one week prior to bid for NAMC-OR (or similar organization) to identify ready and capable firms to bid on the project.

2. Transparent Project Monitoring & Evaluation

Gather and Disseminate Data that Assists in DMWBE Growth and Industry-wide Change

- Track and report project outcomes in a timely manner with a focus on ensuring transparency and accountability.
- Examine root cause(s) of shortfalls in performance or equity goals with trusted industry and community partners who can add cultural expertise to the investigation.

Self-Evaluation and Goal Setting

A project's success begins with the Owner. There are steps each Project Owner should take to ensure they are in the best position to perform adequate oversight and offer sufficient technical assistance support for the Contractors working on the project. Owners should complete an *internal needs assessment* to determine their capabilities and take stock of available resources. The Project Team must then commit to the certified firm's aspirational goals for the project and establish a consistent and transparent performance review process for the selected General Contractor. Owners should also determine who the point of contact will be for the Contractor through the duration of the project.

- **3. Employer Partnerships:** Potential employers are essential partners to inclusive programs. Ideally, they would be:
- a) involved in aligning curriculum with their entry-level requirements
- b) working closely with inclusive programs to match and place graduates in available positions
- c) committed to being intentional about building and maintain an inclusive workplace culture including working toward equitable policies and practices both in-house and industry-wide
- d) partnered with inclusive programs to align in-house mentoring and retention programs with workforce development curriculum

4. Inclusive Workforce Development

There is a plethora of workforce development programs able to assist with inclusive workforce development. For example, the Portland Opportunities Industrialization Center (POIC) is a nonprofit that has been offering

at-risk youth educational support and career training opportunities since 1968. It recently launched a preapprenticeship program designed to prepare young adults for careers in construction and the trades. The Portland City Council supported an expansion of the program in August 2019 with a \$100,000 grant. Organizations like POIC follow best practices for equitable workforce development. The following are high impact components of successful programs.

5. Supporting Minority-owned Firms

Existing General Contractors who are willing to hire motivated graduates of pre-apprenticeship programs are essential to the workforce diversification process. General and Subcontracting firms with Minority Business Enterprise (MBE) certification are particularly necessary given that they are more likely than their White peers to hire and retain minority workers. Unfortunately, MBE firms are susceptible to inequitable practices that have resulted in drastically lower rates of contract procurement.

In 2010, Minority Contractors represented 22.95 percent of the workforce, yet the state government awarded less than one percent of its contracts to minority contractors. Without a steady pipeline of work, MBE firms are unable to build the capacity and business infrastructure to take on larger projects and hire additional workers. Consequently, Developers like Metro that dictate the distribution of construction contracts across the pool of available firms are vital partners in the equity in construction movement. We need Developers to lead for equity by being intentionally inclusive in their procurement process. After committing to being an equity partner, Metro's new approach to procurement led to eight percent of its contracts going to MBE firms in the fiscal year 2017-18, according to their 2018 Equity in Contracting Annual Report.

6. Early Engagement with Community

Once the Owner has performed their due diligence internally, there should be a *market assessment* for available Contractors who can perform on the project. From the evaluation phase, the Project Team should be aware of their ability to meet or exceed the aspirational target goals for the project. The availability assessment will help to determine how outreach is performed and to what extent. As Owners prepare for Contractor outreach, engagement must happen at the earliest stage possible in the procurement process. Smaller firms with limited or no staff need more time to gather information to prepare their bids and would benefit from early engagement with multiple touchpoints allowing them to learn how to deliver a competitive bid, thereby increasing participation of certified firms in the bidding process.



NAMC-OR Building Bridges Panel of Industry Leaders at the National Mid-Winter Conference, 2018

Inclusive Outreach & Marketing

- 1. Initiate communication with NAMC-OR and the DMWBE contracting community to inform of the bid opportunity 30-45 days before proposed bidding or funding approval. Early awareness allows the contracting community to better prepare for bidding and workforce opportunities and minimize barriers.
- 2. The Project Owner or the General Contractor should allow an adequate bid period in which DMWBE Contractors have time to properly review and respond to the opportunity.
- 3. Provide flyers and marketing materials for individuals interested in careers in the construction workforce.
- 4. In the form of a project marketing schedule, the Owner should inform DMWBE Contractors on established key project dates.
- 5. The Project Team should host a project pre-bid meeting or technical workshop. The Project Manager should collaborate and partner with NAMC-OR (or similar organization) and the DMWBE contracting community to ensure involvement and establish best practices.
- 6. Develop an *Equity Implementation and Review Schedule*, which should include:

Determine Bid Approach

Project Team should determine the best bid approach to maximize utilization of DMWBE firms.

Project Inquiry Stage

- Project Team should determine and review estimated construction costs and estimated construction start and completion dates.
- Identify type of building construction and procurement process to hire a General Contractor.
 NAMC-OR (or similar organization) should identify sub-contracting trades that may bid on projects and provide preliminary information to the project team to develop a schedule.

Build Partnerships with DMWBE Support Organizations

- Work with organizations that work directly with DMWBE businesses to continue to identify Contractors and businesses that can bid on projects.
- Build relationships with pre-apprenticeship organizations that train the workforce in the trades to assist meeting diversity goals.
- Provide training and technical assistance to DMWBE Contractors. Collaborate with community organizations, DMWBE firms and construction workforce organizations through networking opportunities.
- 7. The project team should host quarterly events to link DMWBE Primes, Subcontractors, and Apprentice organizations to establish relationships with individuals seeking job opportunities.

Many agencies prioritize outreach in three main areas: phone communication, Contractor outreach meetings, and electronic bid notifications. Although outreach can typically be generalized in these three areas, specific methods will vary depending on the capabilities of the agency involved and the size of the project. Hosting an outreach event on location tends to result in higher attendance and interest. However, all outreach events should be scheduled prior to the release of the bid solicitation. In addition, there should be a minimum of one outreach event held during the bid solicitation period. Geographically, the outreach events should be held in

different locations to be more accessible and cast a wider net to provide opportunities for more Contractors to attend. Foreign language interpreters should be present at each event to assist with communication for those whose first language was not English.

Marketing materials such as bid or outreach announcements for upcoming contracting opportunities should be culturally-specific and can be obtained in multiple languages. Every aspect from the written information to the imagery found on these documents should appeal to a diverse audience. Marketing materials should be released no later than one month prior to the bid due date. Earlier engagement increases interest and participation throughout the bid process.

7. Accessible Support Services <u>During Pre-construction</u>

- 1. NAMCO (or similar organization) should provide General Contractors with a resource list of organizations that can assist with industry barriers on projects (i.e. lending institutions, workforce organization, etc.).
- 2. The DMWBE Contractors should have time and opportunities to build relationships with the Project Team making the selections. This encourages them to bid the project.
- 3. Debrief on bidding processes and results after the bidding is complete.

During Construction and Post-construction

- 1. Maximize opportunities for prompt payment to DMWBE Contractors within 30 days of invoicing.
- 2. Monitoring and mitigating constructionrelated issues on projects.
- 3. Assisting Contractors with technical support on projects as needed.
- 4. Debrief as a team on project outcomes and challenges on a project-by-project basis.



Figure 8: Nine strategic solutions to foster positive systemic change for an equitable and inclusive procurement process in the construction sector

8. Culturally Responsive & Relevant Curriculum

The curriculum used by inclusive programs speaks to the cultural experiences of its participants, helping them connect their career to its impact on the health and wellbeing of their community. Studies suggest employees of color who recognize links between their personal goals and career activities are more likely to be retained (Hurtado, et al., 2010). The curriculum is also constantly being altered to meet the changing cultures and needs of participants, as well as those of potential employers.

Income: Many new workers will not have the means to be full-time students for an extended period of time. Inclusive programs address this major access issue by providing stipends to trainees during their pre-apprenticeship program. Receiving income for participating in a training program relieves the need for participants to have additional full-time employment or savings to expend during the period of the program. Further, graduates who transition into entry-level work or apprenticeship programs would continue to earn a salary immediately following the pre-apprenticeship program.

Wraparound Services: Inclusive programs increase access by providing trainees with the materials (e.g., helmets) necessary to participate. Additionally, they either provide in-house or through community partners services that attend to personal needs that can become barriers to participation (e.g., transportation assistance, childcare, meals, healthcare, counseling, etc.).

Technical Assistance: Assistance providers should be contacted prior to the release of the bid solicitation. These organizations can advise Contractors on how to secure necessary certifications and registrations, proposal preparation, and contractual performance obligations among other things. Technical assistance providers allocate space for plan reading and estimating projects, workshops, training, and networking opportunities to boost business visibility. They can also coach Contractors throughout the construction process in areas such as construction management, contract review, Request for Proposal (RFP), Request for Information (RFI), Request for Qualifications (RFQ), submittals, invoicing, change orders and short-term records management. Providers can also be a resource for project Owners to identify Contractors, administer outreach, and dispense relevant project document information.

9. Robust Forecasting Project Pipeline <u>Develop Essential Resources</u>

- Develop an annual project schedule to determine upcoming projects and which projects will either be approved for funding or bid in the quarter
- Meet with the Project Team quarterly to review upcoming projects

Owners that provide an annual ongoing *project forecasting pipeline* allows Contractors to understand which projects are coming up to bid, how to prepare for them, and decide which projects are the best fit for their business. Project forecasting can also be used to coordinate with community-based organizations, pre-apprenticeship programs, apprenticeship programs, and technical assistance providers to organize well-rounded preparation for those Contractors interested in public works. Owners should contract with community-based organizations to assess procurement language and assist in the removal of unintended barriers. Invitations to bid on occasion still include language that is inequitable or requests for information that smaller firms would not be in a position to provide based on the history of their work.

EQUITY ANALYSIS

To evaluate the degree to which the OCCRP met defined goals for inclusion and equity, the following equity analysis focuses on the value of the construction contracts, the Contractors those contracts were awarded to, and the workforce that was engaged to perform the work as of March 2020. (See appendix for details on data collection and analysis methods)

Contracts and Contractors

The contract values presented here represent the actual dollar amounts paid to each Contractor. Any adjustments from the initial bid to completion of the project are incorporated. The total value of all contract dollars spent on the OCCRP was \$33,516,167. Of those dollars, 51 percent or \$17,150,510 were awarded to Subcontractors registered with Oregon's Certification Office for Business Inclusion and Diversity. (Figure 9)

If a business had multiple ownership certifications, the "Primary Ownership Certification" was selected in the following order: Minority-owned Business, Womenowned Business, Service-Disabled Veteran-owned Business, Emerging Small Business.

Forty-seven percent of all subcontract dollars were awarded to businesses registered as Minority-owned Businesses, which indicates that the majority Owner of the business is a member of a racial minority. An additional four percent were awarded to Womenowned Businesses, and 33 percent to Uncertified Businesses.

The remaining 16 percent of the total project dollars were paid for suppliers and other services, including Project Management by Colas Construction, a registered Minority-owned Business.

Subcontractors registered as majority-owned by African Americans were awarded 53% of all subcontracted dollars. Hispanic-owned Businesses received three percent and the remaining 39 percent of subcontract dollars were awarded to businesses owned by non-certified businesses. (Figure 10)

Figure 9
Percentage of Total Contract Dollars Paid
by Ownership Certification

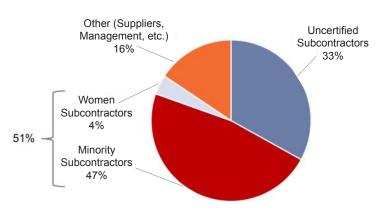
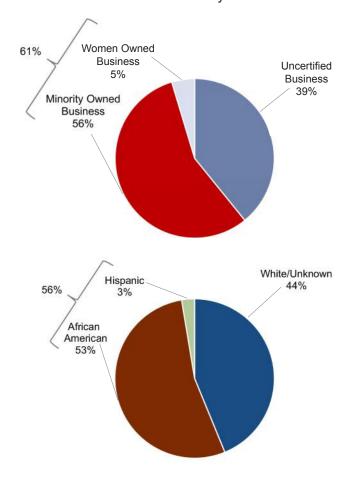


Figure 10
Percentage of Subcontract Contract Dollars
Paid to Subcontractors by
Certification and Primary Owner Race



Subcontracts

The average dollar value of subcontracts awarded to Minority-owned Businesses was more than twice the average value of uncertified businesses (\$2,646,695 v. \$1,229,433). (Figure 11)

by Ownership Certification 3,000,000 Average for all 2,646,695 subcontracts: \$1,766,506 2,500,000 2,000,000 1,500,000 1.319.034 1,229,433 1,000,000 500,000 0 0 Emerging Small Minority Owned Woman Owned Uncertified Service Business Business Business **Business** Disabled Vet n=0n=6 n=9 n=1 Business n=0

Figure 11
Distribution of Contract Amounts (\$)
by Ownership Certification

WORKFORCE

Workforce data was collected directly from payroll forms submitted to the Prime Contractor. For this analysis, gender, race, zip code of residence, trade, job level, number of hours worked, and gross wages paid, were collected from each payroll entry. There were no unique employee identifiers utilized, nor were there counts of individual employees. (See the appendix for more details on data collection and analysis methods)

It is important to note that "gross wages" does not include benefits, which can vary greatly from employer to employer.

Workforce Wages

The Survey of Consumer Finances found that as of 2016 in the United States, the median wealth for Heads of Households identifying as Black was \$16,000, while the median wealth for Heads of Households identifying of White was \$163,000, or 10 times greater (Bricker et al., 2017). While the sources of the staggering racial wealth gap in this country are innumerable and have complex inter-relationships, a recent analysis by the Federal Reserve Bank of Cleveland found that difference in income is the primary driver behind the wealth gap and that it is sufficient to explain the persistent difference in wealth accumulation (Alipranits & Carroll, 2019).

Due to the profound impact, that income disparities have had on individuals, households, and communities, and the ways in which the impacts of these inequalities are compounded over time and over generations, the present analysis evaluated the relative earnings, both in total and as a function of the number of hours worked for various groups of workers.

Gross Earnings

Overall, men were paid 92.3 percent of all dollars earned on the OCCRP. Women were paid 6.1 percent and the remaining 1.6 percent of dollars went to those where binary gender options did not apply or were not indicated on the corresponding payroll entry. (Figure 12)

From historical and current standards of industry practice in the Multnomah region, figures for a diverse workforce and relative earnings have been maintained with low numbers. The total workforce earnings by race and gender for the OCCRP reflect a significant contrast to the result of 34 percent of hours worked by People of Color. (Figure 13)

Figure 12
Total Workforce Earnings (\$)
by Gender

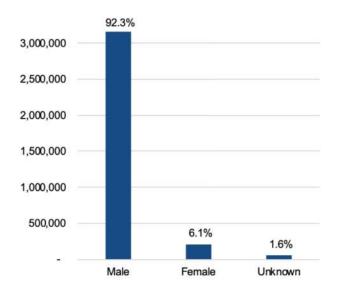
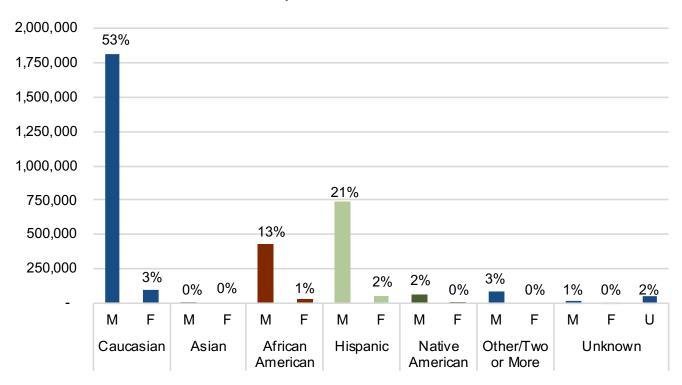


Figure 13
Total Workforce Earnings (\$)
by Race and Gender



Evaluation of the distribution of gross wages by region of worker residence revealed that 93 percent of all dollars were earned by workers from the Portland Metro Area (Multnomah, Clackamas, Clark, and Washington Counties) and the Salem Metro Area and that 41 percent of all dollars paid to workers from the Portland Metro Area were earned by People of Color. (Figure 14)

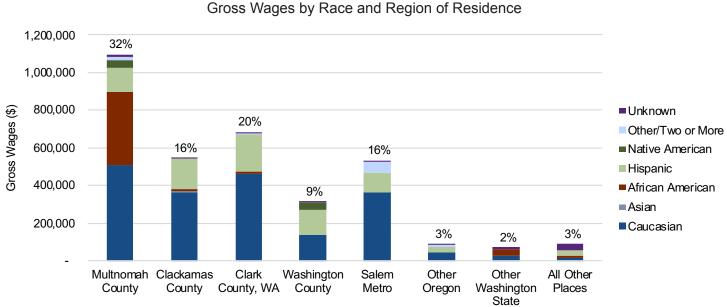


Figure 14
Gross Wages by Race and Region of Residence

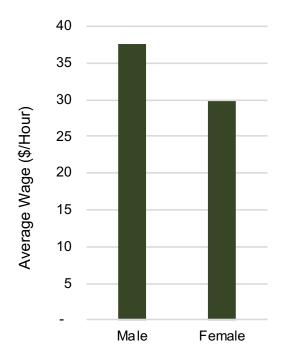
Average Wages

For this analysis, average wages are calculated in aggregate, by dividing the gross wages earned by all workers in a given category by the number of hours recorded worked by those workers on submitted payroll forms. This includes both overtime and regular hours, and so is only reflective of the overall return (in dollars) that an average hour of work produced.

This data reflects both Trade Union scale wages and those of Subcontractors based on independent employer to employee relationships. This serves as a baseline to advance earning potential with transparency from hiring and employment practices in relation to factors of race, gender in the Pacific Northwest region.

By this metric, women earned an average of \$30/ hour and men earned an average of \$38/hour on the OCCRP. This difference is statistically significant (p<.001). (Figure 15)

Figure 15
Average Wage by Gender



Overall, the highest average hourly rate (\$41/hour) was earned by workers for whom no race was indicated, followed by workers with "Other" or "Two or More" indicated for race (\$39/hour), White workers (\$38/hour) and African American workers (\$37/hour). Native American (\$34/hour), Asian (\$34/hour), and Hispanic (\$35/hour) workers earned the lowest average hourly rates. Statistical analysis reveals the significant difference between the average wage for White workers and the other groups is the difference between White and Hispanic wages. (p<.01) (Figure 16)

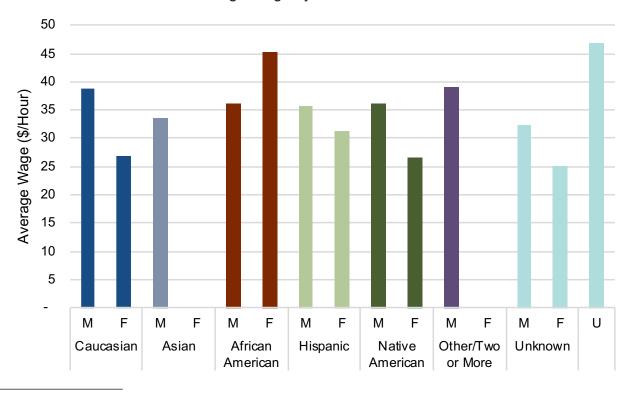
Figure 16

Average Wage by Race 40 35 Average Wage (\$/Hour) 30 25 20 15 10 5 African Caucasian Asian Hispanic **Native** Other/Two Unknown American American or More

an African Hispanic Native C American American

Figure 17

Average Wage by Race and Gender



Within each race category, women consistently earned less per hour, on average, than men (\$12 less for White workers, \$5 less for Hispanic workers, \$9 less for Native American workers, and \$7 less for workers for which no race was indicated), with the exception of African American women, who earned an average \$9 more per hour than African American men. Interestingly, workers for whom no gender was indicated earned the highest hourly rate on average, at \$47/hour, while women for whom no race was indicated earned the lowest, at \$25/hour. (Figure 17)

The average hourly wage difference between genders for each race group was statistically significant for White, African American, Hispanic, and Native American workers (p<.001 for each). (Figure 18)

While male and female Apprentices earned the same average wage (\$28/hour), Apprentices for whom no gender was indicated earned slightly more (\$31/hour). There are no statistically significant differences between gender categories for Apprentices.

Average Wage by Job Level and Gender

40
35
30
25
20
Apprentice

Apprentice

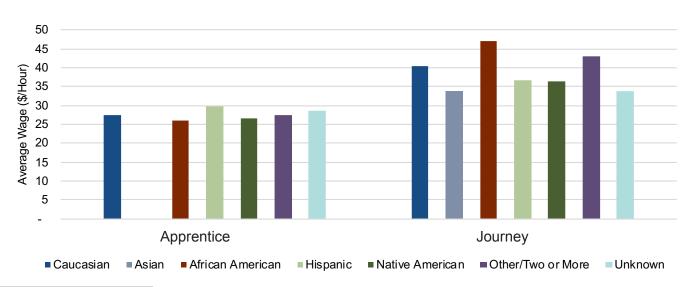
Journey

■ Male ■ Female ■ Unknown

For Journey-level workers, men earned an average of \$41/hour, \$6 more per hour (on average) than Journey-level women. This difference between male and female wages is statistically significant (p<.01)

For the OCCRP, African American workers earned the lowest average wage among Apprentices (\$26/hour) and the highest rate among Journey-level workers (\$47/hour). Differences between wages for each racial group were significantly different when considered by job level grouping (Apprentice p>.01, Journey p>.001). The only statistically significant difference between the average wage for White workers and the other groups is the difference of Journey wages between White and African American workers and that found between White and Hispanic workers. (p<.01) (Figure 19)

Figure 19
Average Wage by Job Level and Race



Interestingly, while many racial groups showed disparities between genders for workers in the same job level category (e.g. White male Journey workers earned an average \$11 more per hour than White female Journey workers), this was not seen for African American Journey workers, where both men and women earned an average \$47/hour. (Figure 20)

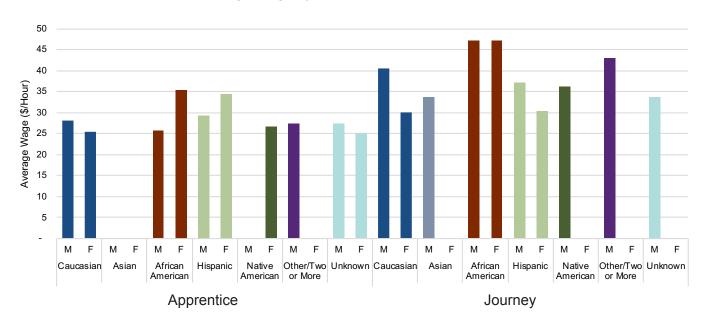
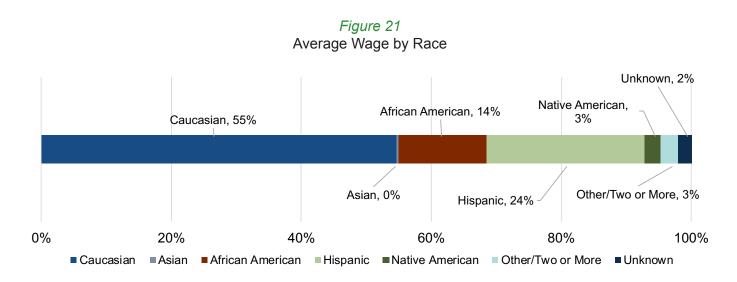


Figure 20
Average Wage by Race, Gender, and Job Level

Workforce Hours

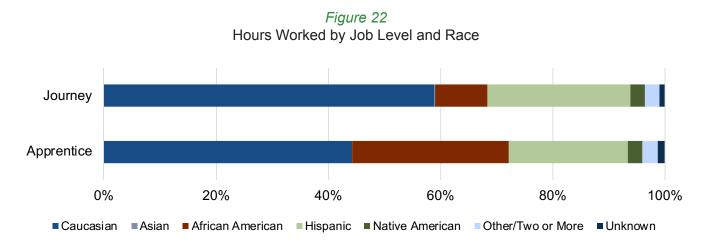
Of all hours worked on the OCCRP, 55 percent of those hours were worked by White workers. Hispanic workers had the next largest portion of hours worked, at 24 percent of all hours. African American workers worked 14 percent, Native American workers worked three percent, and Asian American workers worked less than 0.5 percent of all hours. (Figure 21) Overall, women worked seven percent of all hours on the OCCRP.



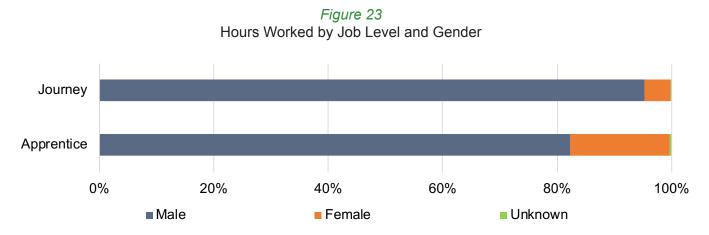
NAMC Oregon | Equity Report

Workforce Hours by Job Level

Racial minorities worked 55 percent of all Apprentice-level hours and 40 percent of all Journey-level hours on the OCCRP. There were no Asian Apprentice level workers, and very few at the Journey level, where Asian workers earned less than 0.5 percent of all dollars. African American workers worked 28 percent of all hours worked at the Apprentice-level and nine percent of all Journey-level hours. Twenty-one percent of all hours at the Apprentice-level and 26 percent of all Journey-level hours were worked by Hispanic workers, while Native American, Multiracial, and workers who identified as Other had three percent of all hours in each category. The hours worked by workers for whom race was not entered accounted for one percent of hours in each job level category. (Figure 22)



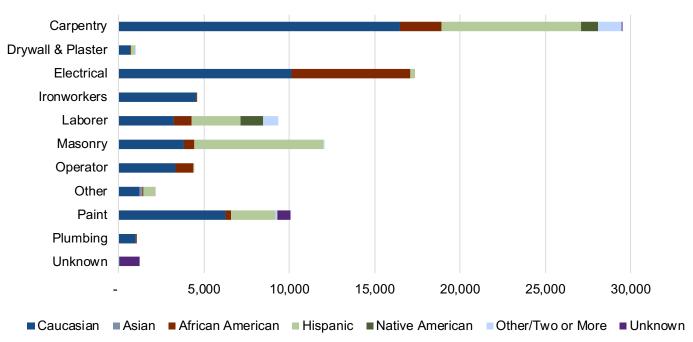
Women accounted for 17 percent of all Apprentice-level hours and five percent of all Journey-level hours. (Figure 23)



Workforce Hours by Craft

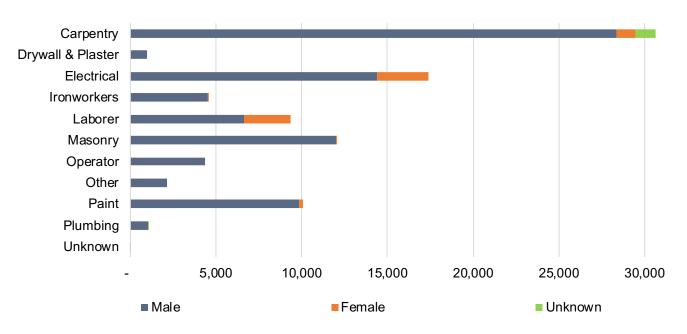
The payroll forms utilized in this analysis requested that employers indicate the job craft or trade for the work performed. These craft and trade options were grouped into several categories, based on the kinds of work performed on the OCCRP and the relative numbers of hours. Similar to the results found for job level, the distribution of worker hours by race and gender also varies by job craft. While some crafts have demonstrated greater diversity in worker hour distribution (e.g. Laborers), others are decidedly less diverse (e.g. Ironworkers). (Figure 24)

Figure 24
Hours Worked by Craft and Race



The highest proportion of hours worked by female workers was found in the Laborer category, at 29 percent of all hours, followed by 17 percent of all Electrical hours. While some craft categories had small portions of hours worked by women (Carpentry: four percent, Painting: two percent), the remainder had less than 0.5 percent or none at all. (Figure 25)

Figure 25 Hours Worked by Craft and Gender



CONCLUSION

The Oregon Convention Center for many, represents the exploitation, displacement, and exclusion of Black Portlanders, a history that has long-lasting implications for the greater Portland area. To build the Oregon Convention Center, Black Portlanders were impeded from creating wealth, restricted to live in blighted neighborhoods until they were claimed for another purpose, and forced out of homes and businesses with great potential for adding value resulting in gains reserved for non-Black community members.

Recognizing this history, Metro sought to approach the Oregon Convention Center Renovation Project differently. They implemented a partnership with community organizations that have expertise in supporting People of Color and identified the best practices for project procurement to create direct benefits for historically marginalized communities.

Equitable and inclusive urban development is a commitment to providing policies and processes where community members most impacted by development decisions have equal access to the benefits of land-use development. In the construction sector, this is achieved by increasing the participation of Minority-owned firms for construction projects. To succeed we must be intentional in our workforce development and procurement practices. With the OCCRP, Metro modeled this intentionality by following evidence-based practices for equitable procurement. Namely, they looked at the history of the area to be developed through the lens of those impacted by land-use changes, utilized an equity lens to examine existing policies and processes, relied on community partnerships to assist with recruitment and retention of Minority Contractors.

Metro in partnership with culturally specific industry partners co-created and implemented evidence-based strategies for equitable and inclusive contract procurement. This report is intended to give both Developers and General Contractors, strategies they can use on future projects to further support the growing movement to diversify the construction sector.

The OCCRP marked the largest public improvement contract awarded to a certified Minority-owned (MBE) firm as the Prime Contractor in Oregon history at the time. Colas Construction, the largest Black-owned firm in Portland, served as the Construction Manager and General Contractor (CM/GC), with Raimore Construction, also an MBE certified firm, to perform civil work.

With the Oregon Convention Center Renovation Project, Metro added a new chapter to this center for culture and commerce by demonstrating that acting on goals set out in their Diversity Action Plan and Strategic Plan to advance racial equity, diversity, and inclusion, resulted in an award-winning renovation that was on time, on budget, and contributed directly to the economic, structural, and cultural vibrancy for the City of Portland. The OCCRP demonstrated that target goals for contracts awarded to Minority-owned firms are not just met but exceeded with commitment and engagement.











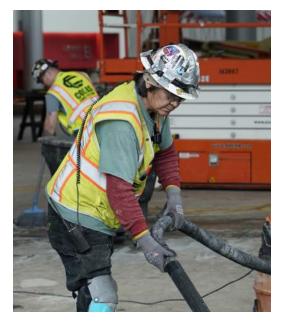












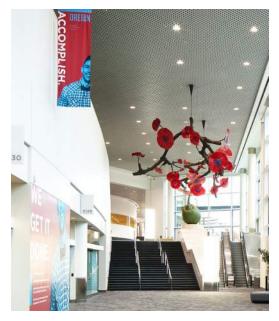








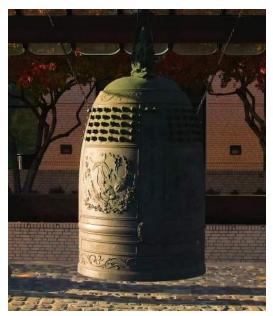


















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Abbreviations

Oregon Convention Center Renovation Project
Oregon Convention Center
Certification Office for Business of Inclusion and Diversity
Minority Business Enterprise
Women Business Enterprise
Minority and Woman Business Enterprise
Request for Proposals
Monthly Employment Report
Request for Information
Invitations to Bid
Equity, Diversity, and Inclusion
Bureau of Labor and Industry

Notes on Data Analysis Methods

Original data was provided to Performance Analytics, LLC by Alex Colas of Colas Construction in November 2019.

Contract values and Subcontractor names were provided by Colas Construction.

Workforce hour and wage data was collected directly from payroll forms submitted to the Prime Contractor. In total, 3,052 individual payroll entries were present in the payroll forms analyzed, with a total of 92,545 worker hours. Twenty of those payroll forms either indicated zero-hours or were missing an entry for the number of hours (the missing values were interpreted as zero-hours for this analysis). 103 or three percent of payroll entries did not indicate a race, 68 or two percent did not indicate gender, and 76 did not indicate a zip code of residence for the employee. For job level, 98 percent of all payroll entries indicated a job level of either apprentice or journey. The remaining two percent of payroll sheets submitted either did not have a job level recorded, indicated an undefined value (e.g. "H"), or a legitimate value that was too rarely used to be a separate category (e.g. "F", which was indicated on 5 of 3,052 payroll entries).

A note about the variables: the data presented here is collected from forms and other materials with binary variables for gender (male, female), and five non-overlapping values for the race variable (White/Caucasian, Asian American, African American, Hispanic, Native American), along with "unknown" or missing data in some fields, these. Based on the method of Oregon's Certification Office for Business Inclusion and Diversity (COBID) where *Hispanic* is represented as a racial category, we have reproduced those labels here. We recognize that gender, race, ethnicity, and other identity-related categories are deeply personal and are not fully represented by this short list of categories. We wish to state clearly that we have no intention to exclude, minimize, or misrepresent the identities of any individual who identifies with terms that are different than these.

Workforce Gender

The values were M for male and F for female and did not include a non-binary option. All other values, including blanks, were re-coded as "unknown."

Workforce Race

The allowed values (and provided definitions) were:

- AA: African American: having origins in any of the black racial groups of Africa
- A: Asian: having origins in any of the original people of the Far East, Southeast Asia, the Indian subcontinent
- C: Caucasian/White: having origins in any of the white racial groups of Europe or Northern and Western Asia.
- H: Hispanic: having Mexican, Puerto Rican, Cuban, Central or South American or other Spanish or Portuguese culture or origins
- NA: Native American: American Indian or Alaskan Native, having origins in any of the original people of North America.
- PI: Native Hawaiian or Other Pacific Islander: having origins in any of the original people of Hawaii, Guam,
 Samoa, or other Pacific Islands.
- O: Other/ Two or More Races

A large number of entries had values of "W" and "B". These were re-coded as Caucasian and African American, respectively. Due to low occurrence rates, the category (PI) was recoded as "Other/Two or More Races" to protect confidentiality. All other values, including blanks, were re-coded as "unknown."

Workforce Job Levels

The values for job levels present in payroll form data included J, A, H, F, and blank.

J is understood to represent Journey, and A is Apprentice. H was not a defined category and so these entries were recoded to "unknown."

Although some payroll entries were recorded as "F" for Foreman, these were only recorded in two job categories (Electrical and Unknown), and in two gender categories (male and unknown). These payroll entries accounted for only 0.2 percent of all hours worked and dollars earned. This suggests that Foreman hours are not being collected inconsistently and are not reliable or meaningful in this data set.

Workforce Job Categories

Job categories were defined as:

Trade	Trade Name	Trade Recode
1002	CARPENTERS	Carpentry
1004	CONCRETE & TERRAZZO FINISHERS	Other
1022	TRUCK DRIVERS	Other
1006	DRYWALL INSTALLERS	Drywall & Plaster
1013	PLASTERERS	Drywall & Plaster
1007	ELECTRICIANS	Electrical
1008	GLAZIERS, GLASSWORKERS	Other
1009	INSULATION WORKERS	Other
1017	STRUCTURAL METAL WORKERS	Ironworkers
1010	LABORERS	Laborer
1001	BRICK MASONS, STONE MASONS	Masonry
1016	SHEET METAL WORKERS	Masonry
1011	OPERATING ENGINEERS	Operator
1003	CARPET INSTALLERS	Other
1005	OTHER CONSTRUCTION TRADES NEC	Other
2010	?	Unknown
1012	PAINTERS, TAPERS	Paint
1014	PLUMBERS, PIPEFITTERS	Plumbing
1015	ROOFERS	Other
1018	SUPERVISORS, CONSTRUCTION	Other
1019	SUPERVISORS, MAT'L MOVEMENT & OPS	Other
1020	SUPERVISORS, MECHS & REPAIRERS	Other
1021	TILE SETTERS	Other
1023	WELDERS, CUTTERS	Welding
[blank]	UNKNOWN	Unknown

Contractor COBID Certification Status, Race, and Gender

Contractor COBID Certification Status, Race, and Gender were determined by publicly available COBID directory information on November 14, 2019.

Contract Values

The total contract dollars paid as of November 13, 2019, were used as the Contract Value amount.

Statistical Analyses

In comparisons between two categories of interval data and continuous data, independent t-tests were used.

In comparisons between more than two categories of interval data and continuous data, ANOVA tests were used.

Within ANOVAs, within group comparisons were performed using Turkey's tests.





