

**FY 2006-07**

**Utilization of minority,  
women and emerging small  
businesses at Metro**



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M E M O R A N D U M

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1626 | FAX 503 797 1796



DATE: Nov. 15, 2007

TO: David Bragdon, Council President  
Rod Park, Deputy Council President  
Carlotta Collette, Councilor  
Carl Hosticka, Councilor  
Kathryn Harrington, Councilor  
Rex Burkholder, Councilor  
Robert Liberty, Councilor

FROM: Angela Watkins, MWESB Coordinator  
Darin Matthews, CPPO, C.P.M., Procurement Officer

SUBJECT: MWESB REPORT FOR FY 2006-07

This report summarizes the utilization of minority, women, and emerging small businesses (MWESB) in Metro's contracting process for FY 2006-07. The following information is contained in this report:

- Program overview
- Summary of results
- Departmental utilization
- Utilization trends
- Program improvements

In accordance with Metro Code 2.04.170, this annual report is being provided to the Metro Council.

Please feel free to contact either of us if we can provide additional information.



Darin Matthews, CPPO, C.P.M.  
Procurement Officer  
503-797-1626



Angela Watkins  
MWESB Coordinator  
503-797-1816



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# Program overview

## HISTORY

Metro's minority-owned, women-owned, and emerging small business (MWESB) program is a result of the Oregon Regional Consortium Disparity Study of 1996. Along with other local public agencies, Metro established contracting programs that provide opportunities to minority, women and emerging small businesses. These programs sought to "level the playing field" for these businesses, as well as boost the local business economy.

The Metro Council determined that:

- Full participation in our free enterprise system by MWESB firms is essential;
- Greater economic opportunity for MWESB firms is essential;
- Historical patterns of exclusion have resulted in inequities for MWESB firms;
- Promoting the use of MWESB firms provides for a stronger local economy.

## METRO'S PROGRAM

The MWESB program is administered by Metro Procurement Services on behalf of the Chief Operating Officer. Like other local programs, Metro's MWESB policies are race and gender neutral. All contractors are welcome to compete in our contracting processes regardless of race or gender, as long as they are certified by the State of Oregon as a minority-owned business enterprise (MBE), women-owned business enterprise (WBE), or emerging small business (ESB). Metro does not certify contracts, but rather relies on the State certifications below:

- MBE: 51% minority-owned, operated
- WBE: 51% women-owned, operated
- ESB: \$3 million gross receipts for construction, \$1 million for non-construction, 30 or fewer employees, 6 year limit on certification

The program activities that promote the use of MWESB firms at Metro include:

- Focusing on outreach to local MWESB firms to ensure their participation.
- Providing technical assistance on bidding, bonding, insurance, etc.
- Structuring contract size to allow the use of MWESB firms.
- Provide ongoing education to Metro staff.
- Ensuring MWESB plan centers receive Metro bids and requests for proposals and advertising in minority business publications.

Additionally, Metro policies establish the following requirements in the purchasing and contracting process to ensure opportunities are provided to MWESB firms.

### Informal purchasing opportunities

Purchases under \$25,000 are open to all bidders, but do require that at least one MBE, WBE, and ESB are given the opportunity to bid. This requirement can be waived only when no MWESB firms are available.

### Informal sheltered market

Construction opportunities under \$25,000 are bid only among qualified MWESB contractors. Competitive bidding requirements still apply, but it is within the sheltered market of MWESB firms. This requirement may be waived only when no qualified MWESB bidders respond.

### Good faith effort

On all major construction projects, prime bidders are required to demonstrate a good faith effort in inviting MWESB firms to bid on sub-contracts. The intent is to promote communication with local MWESB firms, so that they can compete for work within their area of expertise.

## Summary of results

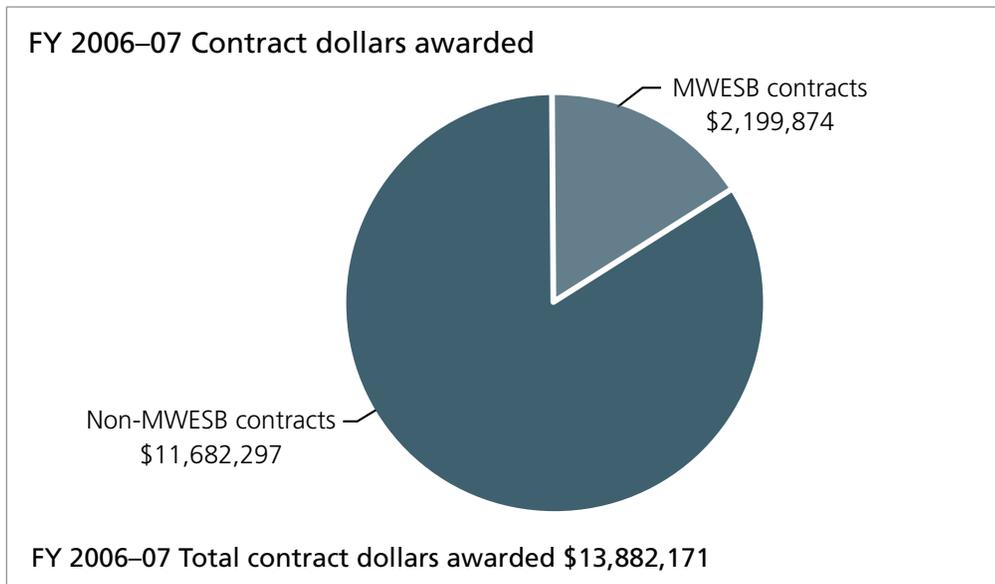
### NUMBER OF CONTRACTS DURING FY 2006–07

During FY 2006-07 a total of 478 contracts were awarded through the competitive bidding process. Of the total contracts awarded, 115 went MWESB firms. This represents 24 percent of the total contracts available, an increase of 4% from the previous year.



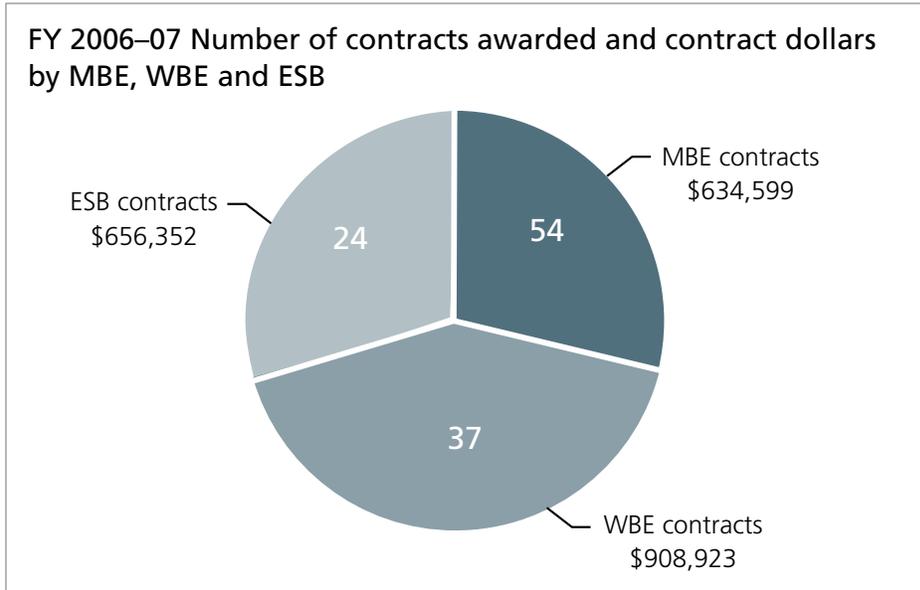
### CONTRACT DOLLARS AWARDED DURING FISCAL YEAR 2006-07

Measured in dollar value, Metro awarded a total of \$13,882,171. MWESB firms received contracts totaling \$2,199,874, representing 16 percent utilization.



## CONTRACT DOLLARS AWARDED BY MBE, WBE AND ESB

A total of \$2,199,874 in contracts were awarded to certified MWESB firms. The breakdown of contract dollars to MBE, WBE and ESB firms are identified in the chart below.



When comparing the ratio of dollars per contract between MBE, WBE and ESB firms there are a significant disparities. WBE firms averaged \$24,565 per contract, ESB firms averaged \$27,348, and MBE firms averaged \$11,751, less than half the contract value of WBE or ESB firms.

## FY 2006–07 Minority-owned, women-owned, and emerging small business program utilization by department

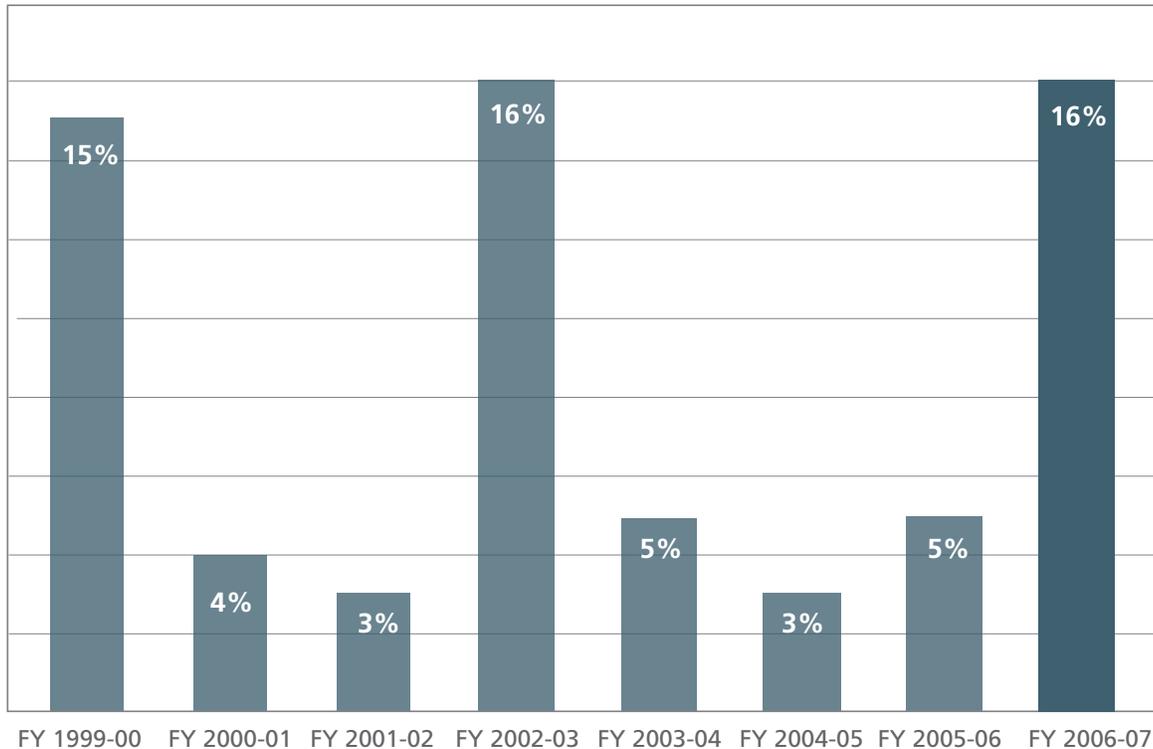
	Number of contracts	Number of MWESB contracts	MWESB percentage	Total contract dollars	Non-MWESB	MWESB	MWESB percentage
Finance and Administrative Services	31	15	48%	\$674,517	\$524,248	\$150,269	22%
Human Resources	3	0	0%	48,815	48,815	0	0%
Council Office	6	1	17%	46,954	36,954	10,000	21%
Office of the Auditor	5	0	0%	62,866	62,866	0	0%
Office of Metro Attorney	14	2	14%	42,498	32,750	9,748	23%
Public Affairs and Government Relations	10	0	0%	101,436	101,436	0	0%
Oregon Zoo	85	10	12%	2,115,648	1,982,778	132,870	6%
Regional Parks and Greenspaces	200	71	36%	7,641,736	6,026,574	1,615,162	21%
Planning	26	1	4%	1,349,179	1,341,179	8,000	1%
Solid Waste and Recycling	98	15	15%	1,798,522	1,524,697	273,825	15%
<b>TOTAL</b>	<b>478</b>	<b>115</b>	<b>24%</b>	<b>\$13,882,171</b>	<b>\$11,682,297</b>	<b>\$2,199,874</b>	<b>16%</b>

# Utilization trends

## UTILIZATION HISTORY AT METRO

The following data represents Metro’s MWESB utilization during the past 8 years. During FY 1999-00 and FY 2002-03, Metro experienced significant utilization numbers, while FY 2004-05 represented an all-time low 2.9 percent. FY 2006-07 showed a significant increase in utilization from the prior 3 years.

Minority-owned, Women-owned, and Emerging Small Business program utilization  
FY 1999–00 through FY 2006–07, percentage of dollars awarded



## MWESB USE BY OTHER LOCAL AGENCIES

The Oregon Department of Transportation has finished conducting a disparity study and the results are scheduled to be released in November 2007. The Port of Portland is also preparing to do a disparity study. These studies will review agency contracting activities to determine whether disparities exist for MWESB firms.

In July 2007, local agencies came together at a regional forum to re-establish a consortium and discuss best practices for MWESB coordinators. This group will meet quarterly with representatives from Metro, City of Portland, TriMet, Multnomah County, the Housing Authority of Portland, Clackamas County, and the Port of Portland.

In 2008 the City of Portland will launch a Professional Services and Outreach program designed to increase opportunities for minority, women, and emerging small businesses in obtaining contracts with the City of Portland. The parameters for this sheltered market program will be contracts between \$5,000 and \$50,000 and will include professional services of all types.

## PROGRAM BENCHMARKS

Procurement Services has established a number of benchmarks as part of the annual budget process. MWESB utilization is one of those benchmarks, with 16 percent targeted in FY 2006-07 and 17 percent in FY 2007-08. Because the FY 2006-07 benchmark was met, we feel the targeted benchmarks established are reasonable.

## Program enhancements

For several years, Metro has made a concentrated effort to maximize the use of MWESB firms in its contracting process. As shown by the data included in this report, some years have produced less than favorable results, while other years have been very successful. We are pleased with the utilization numbers for FY 2006-07. Based on what has worked well at Metro, and in consideration of what other public agencies are doing, Procurement Services has identified the following as enhancements to Metro's MWESB program:

The FY 2005-06 MWESB report made several recommendations to the MWESB program, some of which required changes to the Metro Code. These changes and program enhancements are currently underway.

### **TRAINING PROGRAM**

Procurement Services has developed a training program in which departments and managers are provided education and training on Metro's MWESB program. The training provides an overview of the history of MWESB programs, definition of MWESB firms, and Metro's program requirements. The training is offered periodically to all departments, as well as upon request.

### **SUBCONTRACTOR OPEN HOUSES**

Due to continuing requests from contractors, Procurement Services intends to host open houses to give opportunity to MWESB firms to market their businesses and form partnerships with prime contractors. These open houses will serve as a "meet and greet" opportunity, and will help MWESB firms broaden their business contacts and learn how to successfully submit bids to primes.

### **PARTICIPATION IN GOVERNOR'S MARKETPLACE**

Procurement Services believes that community outreach can be increased within current resources. While we are currently involved in a number of minority business groups, we plan for Metro to also participate in the Governor's Marketplace. The Governor's Marketplace was designed to educate women, minorities and small business owners on how to expand business opportunities and how to gain access to the contract and bid process with state and local governments. This statewide event is held annually and we feel it would be beneficial for Metro to participate.

### **INCREASED VISIBILITY**

Metro's outreach is not only expanding on a local level, but also nationally. Metro is partnering with other local agencies to host the 2008 national convention of the American Contract Compliance Association at the Oregon Convention Center. This convention is expected to bring about 300 people to Portland and is considered by public agencies and chambers of commerce to be the premier event of its kind. This conference will educate other contract administrators, MWESB coordinators, and DBE program administrators from around the world. Participants will receive continuing education credits from an accredited university. Metro will play a key role in the strategic planning of this conference.

### **MWESB DIRECTORIES**

Procurement Services is working on developing directories of certified MWESB firms for use by Metro departments. Currently, the State or Oregon's database of MWESB firms is used, but we feel that a printed list of firms by category of work could prove valuable. Depending on resources available, Metro may utilize existing lists from other public agencies, or create our own that could be periodically updated.





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

A regional approach simply makes sense when it comes to protecting open space, caring for parks, planning for the best use of land, managing garbage disposal and increasing recycling. Metro oversees world-class facilities such as the Oregon Zoo, which contributes to conservation and education, and the Oregon Convention Center, which benefits the region’s economy.

**Your Metro representatives**

- Council President David Bragdon
- District 1– Rod Park
- District 2– Carlotta Collette
- District 3– Carl Hosticka
- District 4– Kathryn Harrington
- District 5– Rex Burkholder
- District 6– Robert Liberty
- Auditor– Suzanne Flynn

Metro’s web site:  
[www.metro-region.org](http://www.metro-region.org)