



## PORTLAND PUBLIC SCHOOLS OFFICE OF PURCHASING & CONTRACTING

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**Date:** October 1, 2021  
**To:** Members of the Board of Education  
**From:** Emily Courtnage, Director, Purchasing & Contracting  
**Subject:** Fiscal Year 2020-21 Equity in Public Purchasing and Contracting Update

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The Board adopted the Equity in Public Purchasing and Contracting Policy, 8.50.095-P, on July 16, 2012. The Policy includes three distinct objectives:

1. **Business Equity:** Providing contracting opportunities to small businesses that have been historically under-utilized, including businesses owned by people of color and women.
2. **Contractor Workforce Equity:** Ensuring apprenticeship opportunities in the construction trades and promoting construction employment opportunities for people of color and women.
3. **Career Learning Equity:** Leveraging our contracting activities to provide career learning opportunities to PPS students.

### I. Business Equity

#### 1. Business Equity Goals and Requirements

The Business Equity Administrative Directive 8.50.096-AD was approved by the Superintendent on September 23, 2013. Key provisions of the Business Equity AD include:

- An aspirational goal of 18% for the participation of Minority-Owned Businesses (MBE), Women-Owned Businesses (WBE), Emerging Small Businesses (ESB), and/or Service-Disabled Veteran Businesses (SDV) (“Certified Businesses”)<sup>1</sup> in construction, architecture, engineering, and related services. This means that we’d like to see 18% or more of our construction, architecture, and engineering dollars going to Certified Businesses, whether they are prime contractors or subcontractors.

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<sup>1</sup> A Certified Business is one certified as such by the State of Oregon Certification Office for Business Inclusion and Diversity (COBID). Businesses graduate out of Certified status if and when they exceed certain revenue thresholds: Three-year average gross annual receipts equal to or greater than \$26.29 million for MBEs and WBEs and equal to or greater than \$3.95 million for construction ESBs or \$1.32 million for non-construction ESBs.

- Inclusion of Certified Business subcontractor utilization history and plans as part of the scored evaluation criteria in Requests for Proposals (RFPs), including those used to solicit our Construction Manager/ General Contractors (CMGCs) on our major modernization projects.
- For construction services between \$5,000 and \$100,000, the District must seek one or more of the required three quotes from Certified Businesses.

## 2. Business Equity Outcomes:

Number of Certified Businesses participating in the District's construction, architecture, engineering, and related services projects since 2013:

- **Number of prime contracts with Certified Businesses:** 455 (35% of all prime contracts)
- **Number of subcontracts with Certified Businesses:** 464 (30% of all subcontracts)

Percentage of the District's spend on construction, architecture, engineering, and related services that went to Certified Businesses:

- **Fiscal Year 20-21: 14.67%** (equal to \$36,870,688)
- **Cumulative since 2013: 16.5%** (equal to \$108,164,138)

The Fiscal Year 2020-21 Certified Business spend can be disaggregated in a number of ways:

- **Certification Type**
  - Minority-Owned Businesses: 3.58% (\$8,986,178)
  - Women-Owned Businesses: 7.22% (\$18,128,809)
  - Emerging Small Businesses: 3.70% (\$9,297,833)
- **Bond vs. Non-Bond Projects**
  - Bond Projects: 14.25% (\$34,173,712)
  - Non-Bond (Facilities Project Management) Projects: 23.46% (\$2,696,976)
- **Contract Type**
  - Construction: 13.98% (\$31,309,431)
  - Architecture, Engineering, and Related Services: 20.39% (\$5,561,257)
- **Procurement Method**
  - No Competition (direct negotiation, emergency, or exempt): 29.63% (\$1,114,465)
  - Competitive Low Bid (quotes or Invitation to Bid): 30.38% (\$10,258,929)
  - Competitive Evaluation (Request for Proposals): 11.93% (\$25,497,294)

### Key Business Equity Takeaways:

- Approximately 1/3 of all contracts for District construction, architecture, engineering, and related services projects are with Certified Businesses.
- We are consistently meeting the District's 18% aspirational goal in the architecture, engineering, and related services areas but we are below goal in construction.
- However, we have exceeded the District's aspirational goal on smaller construction contracts (those not Bond funded and managed by the Facilities Project Management team). For Fiscal Year 2020-21, 27.77% of the District's spend on these smaller construction projects went to Certified Businesses.
- We have fallen short of the District's 18% aspirational goal in the category of very large (\$40 million+) Bond-funded school modernization projects procured via an alternative procurement and contracting methods such as Request for Proposals and Construction Manager/General Contractor. These projects involve very large scopes that, even when

broken into smaller pieces, can be challenging for many Certified Businesses to take on or compete for.<sup>2</sup>

## II. Contractor Workforce Equity

### 1. Workforce Equity Goals and Requirements

The Contractor Workforce Equity Administrative Directive 8.50.097-AD was approved by the Superintendent on September 23, 2013. Key provisions of the Workforce Equity AD include:

- For construction contracts greater than \$200,000, the prime contractor and any subcontractor with a contract greater than \$100,000 must ensure that at least 20% of all labor hours in apprenticeable trades is performed by state-registered apprentices.
- Pursuant to an October 2019 amendment to the Administrative Directive, such contractors must strive to achieve an aspirational goal of a minimum of 25% minority and 14% female labor hours on each eligible project. These goals match those recommended by the Construction Career Pathways Regional Framework (C2P2), of which PPS is a signatory.

### 2. Workforce Equity Outcomes

**Apprentice Participation:** Percentage of labor hours worked by state certified apprentices on eligible District construction projects:

- **Current projects:** 22%
- **Cumulative since 2014:** 24%

**Workforce Diversity:** Percentage of total labor hours (journey + apprentice) worked by minorities or women on eligible District construction projects:

- **Current projects:**
  - Minority hours: 33%
  - Female hours: 5%
- **Cumulative since 2014:**
  - Minority hours: 27%
  - Female hours: 5%

#### Key Workforce Equity Takeaways:

- We have consistently met and exceeded the District's 20% goal for apprentice hours on eligible construction projects since program inception.
- We have consistently met and exceeded the District' 25% goal for minority hours (journey and apprentice level) on eligible construction projects since program inception.
- We fall short of meeting the District's 14% goal for female hours (journey and apprentice level) on eligible construction projects. Our results are consistent with other regional public agencies and likely reflect a relative shortage of female workers in the construction fields, which is one of the issues the C2P2 Regional Framework was created to address over time.

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<sup>2</sup> As noted in Footnote 1, Certified Businesses graduate out of certification when they reach certain revenue thresholds.

### **III. Career Learning Equity**

#### **1. Career Learning Requirements**

The Career Learning Administrative Directive 8.50.098-AD (“Career Learning AD”) was approved by the Superintendent on October 23, 2013. Key provisions of the Career Learning AD provide:

- Construction, architecture, engineering, and related services contracts \$100,000 or greater require District contractors to register on the District’s approved Career Learning database tool (currently PPS Partner Connect, managed by the College and Career Readiness department) and offer to provide two or more career learning opportunities to District students.
- Career learning opportunities include guest speakers, worksite visits, job shadows, informational interviews, career fairs, mock interviews, externships, and project-based learning activities.

#### **2. Career Learning Outcomes**

Since the implementation of the PPS Partner Connect tool in April 2018, 111 unique contractors registered to provide career learning activities to PPS students. These contractors represent 200 separate construction, architecture, engineering, and related services contracts.