

# PDC

## PORTLAND DEVELOPMENT COMMISSION

**DATE:** April 28, 2010  
**TO:** Board of Commissioners  
**FROM:** Bruce A. Warner, Executive Director  
**SUBJECT:** Report Number 10-38  
Amending the Business and Workforce Equity Policy

### EXECUTIVE SUMMARY

#### BOARD ACTION REQUESTED

Adopt Resolution No. 6787

#### ACTION SUMMARY

This action will update the Business and Workforce Equity Policy (Policy) adopted by the Board of Commissioners (Board) on February 27, 2008 (Resolution No. 6561), and amended on January 29, 2009 (Resolution No. 6667) by making the following changes:

- Add language to apply the Workforce Equity Program to Intergovernmental Agreements (IGAs) and add a definition for IGAs;
- Add language in the Business and Equity Program and the Workforce Equity Program under the Intergovernmental Agreement sections that allows the Executive Director or the Executive Director's designee to defer to the other agency if the programs are similar with monthly reporting provided to PDC;
- Add a "Prompt Payment" statement similar to the City of Portland language for the contractor or developer to make payments to subcontractors within ten calendar days after being paid by PDC; and
- Remove the Project Apprenticeship and Equity Agreement (PAEA) requirement.

#### PUBLIC BENEFIT

**This action will support the following PDC goals:**

- Sustainability and Social Equity
- Healthy Neighborhoods
- A Vibrant Central City
- Strong Economic Growth and Competitive Region
- Effective Stewardship over our Resources and Operations, and Employee Investment

#### PUBLIC PARTICIPATION AND FEEDBACK

The changes to the Policy are administrative in nature and public participation and feedback was not solicited.

## **COMPLIANCE WITH ADOPTED PLANS AND POLICIES**

This Policy as amended complies with the Solicitation and Purchasing Policy, the Local Contract Review Board Administrative Rules and the Development Disposition Policy.

## **FINANCIAL IMPACT**

There is no additional financial impact with the amendment to the Policy.

## **RISK ASSESSMENT**

It is anticipated that amending the Policy creates no risk for PDC. The Policy has been in place since February 2008, no risk to date has been identified and it is now necessary to refine the Policy for efficiency and effectiveness.

## **WORK LOAD IMPACT**

It is anticipated that there will be no staff impact with the changes to the Policy.

## **ALTERNATIVE ACTIONS**

If the Board chooses not to amend the Business and Workforce Equity Policy, staff would continue to administer the Policy under the current guidelines.

## **CONCURRENCE**

The Policy amendment language has been reviewed by the PDC Operations Steering Committee and Urban Development Department staff.

## **BACKGROUND**

The Board adopted the Workforce Equity Policy on February 27, 2008 (Resolution No. 6561), with the objective of ensuring fair and equitable opportunities for Portland's diverse populations to participate in PDC-funded projects, promoting prosperity in all segments of Portland's diverse communities, fostering economic growth, and expanding competition in the market.

The Policy was amended on January 29, 2009 (Resolution No. 6667) to incorporate sections from the Construction Wage Policy, add workforce goals recommended by the Workforce Diversity Strategies Committee similar to those established for the South Waterfront project, and to add language that applies the Policy to commercial projects based on certified MWESB subcontracting on availability in the various trade areas.

This second amendment to the Policy will add language to apply the Workforce Equity Program to Intergovernmental Agreements (IGAs) and add a definition for IGAs. This language was inadvertently left out of the previous amendment. The amendment clarifies the IGA language, authorizes the Executive Director to defer to another agency's programs if the programs are similar, and adds monthly reporting requirements if a project is covered under another agency's programs.

A “Prompt Payment” requirement similar to the City of Portland requirement has been included in the Policy. Lastly, the requirement for the Project Apprenticeship and Equity Agreement (PAEA) is being removed.

The PAEA was originally established in the Construction Wage Policy to require an agreement be signed by both the Developer and the Contractor to memorialize the actions that would be taken to promote workforce diversity on PDC sponsored construction projects. The PAEA language was moved to the Business and Workforce Equity Policy through an amendment on January 29, 2009. Since the time the PAEA requirement was put in place, a Workforce Diversity Strategies Committee (“Committee”) was established. One of the products from this Committee was a recommendation of workforce diversity goals for all PDC sponsored construction projects similar to those implemented on the South Waterfront project. These goals were adopted by the PDC Board in the January 29, 2009 Policy amendment. With the addition of the new workforce goals and other activities and recommendations of the Committee, it has been determined that the PAEA is no longer beneficial and should be removed from the Policy.

Staff believes that the changes to the Policy through this amendment will facilitate easier administration and improve clarity of the Policy.