



# PCDP



## City of Portland, Oregon

### PRIME CONTRACTOR DEVELOPMENT PROGRAM (PCDP)

Prepared by the  
Office of Management and Finance,  
Bureau of Revenue and Financial Services  
Procurement Services

**Stacey Drake Edwards**

**2019**





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## **BACKGROUND:**

On June 22, 2011 City Council adopted Resolution No. 36868 directing Procurement Services to work with the Fair Contracting Forum (FCF), interested organizations, City bureaus, and the Portland Development Commission, now Prosper Portland (Prosper) to review the guidance provided by the 2009 Disparity Study. This group was tasked with bringing forward recommendations to expand and strengthen the City's equity programs.

Phase 1 of the Disparity Study Implementation Project began in August 2011 and continued through January 2012. This effort brought together various community stakeholders including contractors, consultants, and representatives from interested organizations as well as City and Prosper staff. This group became a small business program workgroup that developed program-specific recommendations on four programmatic areas: workforce training and hiring; good faith efforts; prequalification; and new small business programs for construction.

## **AUTHORITY:**

ORS §279A.100 (permitting contracting practices designed to promote affirmative action goals, policies or programs for disadvantaged or minority groups); Portland City Council Resolution No. 36944 (passed on June 28, 2012; authorizing the adoption of rules and procedures to implement the Social Equity Contracting Strategy including the Prime Contractor Development Program).

## **PROGRAM OVERVIEW:**

The work to be provided by the City will be within four distinct work categories: sewer and water construction, street improvements, park improvements, and building alteration.

The program includes personalized education, business coaching, technical assistance, and training to better equip the Contractors in their work as Prime Contractors with the City of Portland. Contractors participate in a number of different training classes, some are mandatory while others may be optional.

By applying to be a Prime Contractor in this Program, the applicant is making the commitment to abide by the policies and procedures governing the operation of this Program and to operate in accordance with State law and City Code-

Participants of the Prime Contractor Development Program are expected to bid on other governmental agency and private industry projects. The program is not intended to financially sustain Prime Contractors' businesses.



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## GOALS AND OBJECTIVES:

### Goals:

- Increase Minority and Disadvantaged prime contractor's participation in the City's public works and improvement projects
- Address and correct the historical underutilization of minority prime contractors on City projects
- Advance OMF's Citywide Equity Goals

### Objectives:

- Develop capacity of Contractors to successfully complete City of Portland and other government agency projects
- Eliminate barriers that exist for Disadvantaged, Minority-owned, Women-owned, Emerging Small and Service-disabled Veteran Business Enterprises (D/M/W/ESB/SDVBE) to work on City of Portland public works and improvement projects.

## PROGRAM PERFORMANCE MEASURES:

The following performance measures will be tracked in the Prime Contractor Development Program:

1. Number of projects per bureau
2. Contracts by Scope of Work
3. Number of contractors by certification
4. Number of projects placed into the program compared to projects of the same dollar value placed in the open market
5. Percentage of minority and women contractors obtaining contracts that they bid on in the PCDP
6. Number/percentage of contractors successfully completing the Business Development Program

7. Number of contracts obtained by Program Prime Contractors from other sources, government agencies, or private industry

## EQUITY LENS:

In conjunction with the City's focus on Social Equity in Contracting, an equity Lens will be utilized to evaluate the Prime Contractor Development Program and ensure that equity in contracting is accomplished. The City will review and report its progress and mitigate any equity challenges that arise as the program progresses. The following is the Equity Lens:

1. Does the Program expand opportunity for minority and women contractors?
2. Does the Program effect systemic change?
3. Does the Program have any unintended consequences for certain populations and/or communities?



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## STANDARDS AND PROCESSES

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## GENERAL APPLICATION REQUIREMENTS:

To be eligible for the Prime Contractor Development Program, all applicants shall be:

- ✓ Certified with the State Certification Office for Business Inclusion and Diversity (COBID). COBID firms include Disadvantaged Business, Minority, Women, Emerging, and Service-disabled Veteran Enterprise.
- ✓ Identified by the State as a Contractor within one of the City's five (5) specific categories:
  - Sewer construction
  - Water construction
  - Street improvements
  - Building alteration/construction
  - Park improvements
- ✓ Be able to demonstrate good standing following an Operational and Financial Assessment.
- ✓ Not Listed on the BOLI Debarment List.
- ✓ Able to bond at \$250,000.00.

## APPLICATION PROCESS:

The City's multi-step application process is designed to provide information for tier placement, mandatory training and construction experience.

- A. Submit Online PCDP Application
- B. Information requested includes:
  - List of Construction Equipment
  - Experience of Principals
  - Bonding and Insurance
  - Financial: Banks, Equipment and Materials Suppliers
  - Class of work
  - Project History
  - Licensing and Certifications
  - Business Entity Information
  - Performance and Integrity
  - Ownership and Control
- C. PCDP Assessment:
  - a. The Assessment will be performed by Third Party Consultants
  - b. An on-site review will be conducted
  - c. Operational and Financial review will be conducted

Note:

- No financial documents will be received, nor retained, by the City
- Failure to pass the Third-party Review will render the contractor ineligible for participation in the PCDP



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## GENERAL PROGRAM REQUIREMENTS:

Prime Contractors must remain in good standing throughout their involvement in the Prime Contractor Development Program.

The following are the general requirements that must be followed:

- a. Must adhere to Oregon Administrative Rules (OAR); Section 445-050-0020 and maintain COBID certification.
- b. Must maintain Oregon State licensed, i.e. CCB License and the City's Business Certificate of Compliance.
- c. Prime Contractor company or owner cannot be on the BOLI Debarment List.
- d. Must meet the business requirements and Terms and Conditions of all City of Portland contracts; and comply with all state and local contracting laws, policies, and procedures.
- e. Must solicit subcontracting opportunities from PCDP and COBID contractors and meet the City's subcontracting equity requirements.
- f. Participate in annual contractor assessment/audit, project lesson learned meetings and requested commercially useful function (CUF) reviews. Program Coordinator can request a review at any time.
- g. Must participate in mandatory training and any one-on-one technical assistance requested by the Program Coordinator.

h. Contractor must participate in the Business Development Program sponsored by the City of Portland.

i. Contractor term in the program is no more than 10 years.

## A. REMOVAL FROM PROGRAM:

At the sole discretion of the City, a Prime Contractor may be permanently removed from the Prime Contractor Development Program.

Following are, but not limited to, examples for removal:

- a. Does not meet program requirements as identified above
- b. Violation of state and/or local contracting laws
- c. Subcontracting work to others in excess of the allowable limit
- d. Establishing a pattern of poor work performance and failure to maintain a safe worksite
- e. Failure to pass an Audit/Assessment at any time in the program
- f. Failure, in the City's sole good faith judgment, to remain an appropriate or viable participant in the Program

Prior to the Prime Contractor's firm being permanently removed from the Prime Contractor Development Program, the Prime Contractor will be counseled, and Probation may be offered. If both parties agree, the Contractor submit to a 6-month probation with mandatory technical and project management assistance, as assigned by the Program Coordinator.



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## PROGRAM BY TIER:

- The goal of the Program is to provide increasing levels of work experience for the Prime Contractors through successful progression in four (3) programmatic tiers.
- Prime Contractors in Tier 1 are required to mentor identified contractors in the program. This includes but is not limited to teaming.
- Work and activities for this Program will be determined by the tier and skill level to which each Prime Contractor is assessed.
- City projects will be incorporated into the tiers based upon the estimated construction value of each project.
- Prime Contractors will be evaluated annually for their eligibility and capacity to progress to the next higher tier. This includes increasing prequalification levels.

The following tier structure shall apply to the Prime Contractor Development Program:

### Tier 1

- Contractor in program more than 3 years.
- Contractor in business more than 3 years.
- Assessment acknowledges ability to perform work up to \$1 million dollars, in identified class of work.
- Participate in Mentor/Alumni program

### Tier 2

- In program for more than 3 years but assessed to perform work at \$500k or less
- New Contractors with a business under 3 years old
- Must perform at least 41% of the work
- Attend mandatory Classes

### Tier 3

- Single Trade Contractors
- Projects identified in Services Division
- Vetted Roster for the PCDP Prime Contractors and Bureaus

Contractor must be listed by COBID as a licensed contractor within one or more of the identified categories below (but not limited to):

- Utilities – Water and Sewer Line and Related Structures
- Construction, Utility and Underground Projects
- Excavation Services
- Concrete
- Paving/Asphalt Paving
- Construction Highway and Road
- Site Improvements and Preparation
- Building Alterations
- Carpentry Maintenance and Repair Services
- Finished Carpentry
- Electrical
- Plumbing





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**BUSINESS DEVELOPMENT, TRAINING  
AND TECHNICAL ASSISTANCE**

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## **TRAINING AND EDUCATIONAL OPPORTUNITIES:**

Training and education can be valuable to Prime Contractors to better facilitate successful project awards and completion. The mandatory coursework listing is designed to further Prime Contractors' knowledge and understanding of the City of Portland's contracting processes and procedures.

The City provides training and educational opportunities to help contractors grow their capacity to take on larger projects.

The following classes are part of the required/mandatory classes or meetings throughout the duration of a Prime Contractor's participation in the Program.

These are not listed in any particular order.

- How to work with the City (workshop)
- Quarterly Lessons Learned
- Business Development Program
- City of Portland required Safety Certifications
- State and City Certifications
- City of Portland Compliance and Project Management Software Training
- Equipment Training and Certification
- Safety

Course offerings are subject to change and availability.

## **TECHNICAL ASSISTANCE:**

In addition to the mandatory training, the City may also provide the following unique assistance in the form of one-on-one training and consulting, to provide an intensified training in one specific area where the Prime Contractor is challenged.

The training may be provided as the need arises, but may be limited by time, budgetary constraints, etc. Such training may include, but is not limited to:

- Job Costing/Accounting/Bookkeeping
- Operational and Project Management assistance
- Bidding and Estimating assistance
- Back Office Administration
- Other assistance/training deemed necessary



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## BUSINESS DEVELOPMENT PROGRAM (BDP)

The BDP supports the growth of the contractors by providing an MBA program to contractors to prepare them for their program exit.

Alumni participation is **mandatory** for all past and present Contractors in the PCDP Business Development Program.

The course focuses on:

- Business development strategies
- Strategic planning
- Budgeting and financial management
- Marketing and sales
- Human resources
- Accessing capital
- Government contracts
- Transition plans



The City of Portland also partners with other government municipalities and non-profit organizations. This partnership provides a component of professional service providers, creating a diverse mix of the construction community, including architects, engineers, technicians, and outreach/diversity practitioners.

This partnership creates networking opportunities for greater project opportunities.



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## Partnerships!

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## Partnerships

The Prime Contractor Development Program successfully partners with other agencies to support the Prime Contractors in the Program, to build capacity through training and networking. Partnerships also increase their ability to build relationships with other agencies, general contractors, subcontractors; and to build a diverse workforce.

Prime Contractors in the Program have access to our partners for membership and access to training and advocacy. Contact the Program Coordinator.

## Partners:

National Association of Minority Contractors – Oregon (NAMC-O) provides advocacy for COBID contractors and provides access to networking and training opportunities.

Northwest College of Construction (NWCOC) provides training to our contractors that include Certifications, Project management and trade instruction.

Northwest Utilities Contractors Association (NWUCA) provides access to training, advocacy and opportunities for subcontracting on larger ODOT, City and Municipality projects.

Portland Business Development Group (PBDG) provides networking, training and a plan center for contractors to access City projects, have access to instructors for bidding and estimating and provide advocacy resources.

Portland Community Reinvestment Initiatives, Inc. (PCRI) advocates for economic development in their housing communities and the program provides resources for jobs in construction thru the many partnerships.

Portland Opportunities Industrialization Center (POIC) provides access to education and training for the underserved communities and increases the number of apprentices, developing a larger pool of qualified D/MWESB/DV construction trade labor force.



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## **Bureau Partnership**

All City bureaus, departments and offices, procuring construction services are a partner to the Prime Contractor Development Program. Our relationship with the bureaus is instrumental to the success of the program. Bureau project personnel work with and support contractors within the PCDP to assist their success on the City's public improvement projects.

The Advisory Board consists of a member from each of the infrastructure bureaus, the Office of Equity and Human Rights and Procurement. The Board performs an annual program review, reviews new applications, reviews contractor issues and makes recommendations to increase the success of the program.

## **Roles and Responsibilities:**

Bureau project staff are required to attend classes in the Project Coordinator Training Program to provide mentoring and support within the Program.

Bureau project staff are responsible for contacting the Program Coordinator to help facilitate any bureau project difficulties with a Contractor in the PCDP. Such issues may include but are not limited to: project completion, project sequencing, change order completion and updating, payment disagreements, subcontractor payments, default, etc.

Bureau project staff will invite the Program Coordinator to all project meetings. The Program Coordinator or a PCDP Consultant, will make every attempt to attend, if needed, or to assist with facilitating discussion between City staff and contractors. Any pertinent issues should be brought to the Program Coordinator's attention in advance of the meeting.

Bureau project staff will be required to complete a post project evaluation. If there were issues with a project, the Program Coordinator will facilitate a debrief meeting with Contractor and Bureau. Documentation will be retained in the Procurement Services files.

Throughout the course of the project, it shall be the bureau's responsibility to assure twice-monthly payments are processed and sent in accordance with the City Code and Contract Specifications. Late payments must be brought to the PCDP Coordinator's attention.



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## Procurement Partnership

The Prime Contractor Development Program is housed in the Bureau of Revenue and Financial Services, Procurement Services Division. The PCDP coordinator works with the different programs in procurement to increase opportunities for the Contractor. This includes:

### Sustainability Program

The City's Sustainable Procurement Program develops and maintains the policy, guidance, and technical resources needed to harness the City's purchasing power to transform markets to support a more equitable, healthier, and sustainable society. This includes working with City bureaus, suppliers/contractors, and community organizations on how specific project, material, or process decisions can contribute to supporting healthier people, healthier communities, and a healthier planet.

Some of the key sustainability initiatives tied to City construction include:

- The City's Green Building Policy
- Deconstruction (in lieu of demolition)
- Reducing Diesel Emissions from City Construction Sites
- Energy Efficiency
- Waste Minimization and Material Reuse
- Toxics Reduction

The Sustainable Procurement Program works with PCDP to provide educational and other resources related to the above initiatives.

### Supplier Diversity

The City's Supplier Diversity Officer Supports the goals of the PCDP as a

resource for recruitment and increasing opportunities for COBID contractors in the City using the PCDP as a viable tool to increase the success of the COBID contractors.

### Training Program

The City's Training Program supports the PCDP by developing and delivering training topics in support of contractor's ability to work successfully on City projects. Training is crucial to ensure the success of the PCDP participants. Feedback by PCDP participants and the PCDP Coordinator, on topics that are the most beneficial, are encouraged to ensure contractors are provided the most current and pertinent information. Most training sessions will be held conveniently during the non-peak season.

### Procurement

**Buyers** are knowledgeable experts on various governmental regulations including the State and Federal statutes, techniques, laws, regulations and guidelines of governmental purchasing and contracting. Procurement staff work with the PCDP coordinator and Bureaus to manage the solicitation process through the City's Procurement software, Buyspeed, including creating bids, notifying procurement related questions and issues, and provide training on the bidding process in Buyspeed.

**Compliance Specialists** are knowledgeable on the city's Subcontractor Equity Program and Workforce Training and Hiring Program and ensure compliance and program requirements are met. Training is provided to contractors, staff and bureau employees on compliance software and reporting requirements with LCP Tracker and B2GNow, which monitor projects. Also, the Compliance Specialists support the PCDP by conducting CUFs, monitoring payments, ensuring BOLI requirements are met and mediate conversations with the bureau and contractors.



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## CLARIFICATIONS, APPEALS AND PUBLIC RECORDS REQUESTS

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## **CLARIFICATIONS AND/OR APPEAL PROCESS:**

### ***Questions and clarifications:***

Questions and clarifications may be sought by a Prime Contractor involved within the Program at any time. A Prime Contractor may also seek additional clarification or debriefing, request an opportunity to review their work within the Program or review bidding procedures with City staff at any time. To request additional clarification or information, the Prime Contractor should contact the City's Program Coordinator.

### ***Appeals for Application Decision:***

If a Prime Contractor's application is denied at any stage of the application process, the denial may be appealed. The applicant must submit a written appeal to the City within seven (7) calendar days after issuance of the City's notification denying the applicant. Appeals must include the basis for the appeal and be addressed and delivered to the Chief Procurement Officer. The Chief Procurement Officer will review all appeals and issue a written decision. The decision of the Chief Procurement Officer is final and concludes any further administrative remedy.

### ***Appeals for Permanent Removal:***

Following receipt of the City's Notice to Cure, a Prime Contractor shall have seven (7) calendar days in which to file an appeal if they feel adversely affected or aggrieved by the action. The appeal must be submitted to the Chief Procurement Officer in writing and must specifically address all of the issues identified within the Notice to Cure, and it shall include any additional information that may be pertinent to the appeal. The Chief Procurement Officer shall review all appeals and issue a written determination. Alternatively, the Chief Procurement Officer may forward the appeal to the Purchasing Board of Appeals. The decision of either the Chief Procurement Officer or the Purchasing Board of Appeals is final and concludes any further administrative remedy.

### ***Board of Appeals:***

In accordance with Portland City Charter Section 2-103, City Council created the Purchasing Board of Appeals to provide for the prompt, effective, and efficient resolution of appeals and protests of affected persons in regard to City decisions. The City Council delegates its authority to conduct a hearing to the Chief Procurement Officer.

### ***PUBLIC RECORDS:***

The Prime Contractor's personal information may be made available to at any time, however the personal records of other contractors will not be immediately open to inspection and will be subject to the Oregon Public Records Act and may be opened in a manner to avoid disclosure of contents to competing contractors. The City is entitled to withhold from disclosure any materials defined as exempt or conditionally exempt from disclosure pursuant to the Oregon Public Records Act.

Prime contractors involved with the Prime Contractor Development Program shall designate the information they consider exempt or conditionally exempt from disclosure by stamping the word "Confidential" on such documents or by otherwise indicating the documents are considered to be confidential. Materials so designated and meeting the requirements for exempt or conditionally exempt information will not be disclosed unless the Multnomah County District Attorney determines that disclosure is required after appeal. However, the City reserves the right to disclose materials inappropriately marked as exempt or conditionally exempt and to withhold from disclosure materials that meet standards, but which were inadvertently not marked as confidential.

Any information provided to the City shall be subject to the Oregon public records laws ORS §192.410 to 192.505 and, except as provided above, shall be subject to public disclosure. See also PCC §5.33.470.



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## Staff

### Prime Contractor Development Program

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Mary Kapelczak, Program Administrator

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### Procurement

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### Compliance Specialist

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### Social Equity Programs

Tiffani Penson,

Supplier Diversity Officer and Minority Evaluator Program  
Coordinator

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Stacey Foreman, Sustainable Procurement Coordinator

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### Training Program

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## Prime Contractor Development Program Letter of Understanding

I have read the PCDP Manual and understand that I am required to follow the **Program Requirements**, throughout my time in the program, current and/or as revised by the PCDP Coordinator and PCDP Advisory Committee.

I understand that I can be removed from the program if I do not adhere to the Program Requirements and/or meet Criteria for Removal.

I agree to work with the program to build the capacity of my company and be prepared to move into the next tier, per the program's requirements, schedule, and recommendation.

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I have read the manual and agree with the Letter of Understanding to participate in the Prime Contractor Development Program.

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Name (Printed)

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Signature

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Date

*Please keep a copy for your records.*

If you have any questions regarding the Memorandum of Understanding, please feel free to reach me at [stacey.edwards@portlandoregon.gov](mailto:stacey.edwards@portlandoregon.gov) or 503.823.9166.

Thank you.



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Comments: