



## Business Opportunities

### Disparity Study Action Plan June 10, 2009

#### **Recommendation:**

**10 - 1 Emerging Small Business (ESB) Program** - The Port should consider expanding its ESB program. First, broadening the definition of a small business to include other certified small businesses. Second, other initiatives on small business programs can be found in features of other small business programs around the United States, including: Modifying prequalification requirements for small contracts. Lowering bid bonds to a specific amount, rather than a percentage. Setting department goals for small businesses. Access to low cost insurance on small contracts. Making small business utilization a part of department performance review.

#### **Action:**

- The Port will expand our small business definition to include firms certified as small businesses in Oregon and in Washington states.
- The Port will expand our small business effort on informal procurements (between \$5000 - \$100,000) by requiring that at least two of the three required quotes be from certified small businesses if the small businesses are available. Availability will be based on registration in the Port supplier catalog or listing on the state certification website.

The Port does not have prequalification requirements for small contracts. Bid bond amounts are required by state law to be a percentage of the contract. The Port has Port-wide small business goals rather than department small business goals. The Port does not have formal department performance reviews but small business can be included in employee performance reviews when applicable to specific job descriptions.

#### **Impact:**

- Action will have a positive impact for small business contractors because more small contractors will be included in small business definition. Action will have a positive impact for prime contractors and for the Port because the recognized pool of small businesses available for Port business opportunities will expand from only Oregon state certified emerging small businesses to also Oregon and Washington state certified minority and women owned businesses. Increased availability will strengthen competition through expansion of the available pool and should increase utilization of certified minority and women owned businesses.
- The effort for staff to solicit at least two small business quotes for informal solicitations will not be a negative impact because staff will use one supplier catalog query to identify contractors registered to provide required good or service. In some cases staff may be contacting one additional contractor for a quote.
- A Port communication regarding the small business definition change and the process change for informal solicitations will need to be sent out to appropriate staff in July, 2009.
- Language in solicitation documents and purchasing manual will need to be updated.
- These actions can be included in the normal staff project planning and solicitation activities.

#### **Timeline:**

Effective July 1, 2009

**Disparity Study Action Plan**  
**June 10, 2009**

**Recommendation:**

**10 - 2 Bidder Rotation** - Consider implementing a bidder rotation process to limit "habit" purchases from majority firms and to ensure that MW/DBEs have an opportunity to bid along with majority firms.

**Action:**

The Port will research and develop a **Contractor Rotation** process with the objective of fair usage of on- call contractors and to provide more opportunity to compete for Port business opportunities to all interested contractors. The Port will review how on-call or requirements contracts are designed, solicited and administered. This will include defining when it is appropriate to include the contractor rotation process. The contractor rotation process will be defined and documented. The on call process may include limiting task order amounts to keep the task orders focused on what work was included in the contract and may include limited terms.

**Impact:**

Port staff time will need to be allocated to research and develop a contractor rotation process and to define, document and implement the agreed upon process. Contracts and Procurement will take the lead on this action item.

**Timeline:**

January 31, 2010

**Disparity Study Action Plan**  
**June 10, 2009**

**Recommendation:**

**10 - 3 Mentor Protégé Program** - The Port should consider a DBE mentor protégé program where the DBE's serve as mentors for other DBE subcontractors. The Port should consider the use of a supportive services contract with the scope of work of advising and informing certified firms of the opportunities, follow-up with these firms when they are listed on bids, and working with primes to ensure they utilize a broader base of certified DBEs.

**Action:**

- The Port Mentor Protégé Program does include graduated protégés (some are DBEs) providing mentoring to other protégés which may be DBE's and Port subcontractors.
- The Port will research pros and cons of adding a supportive services contract to the Mentor Protégé Program for the selected contractor to assist Mentor Protégé Program active protégés in the search for bidding/proposing leads and the important follow-up after the bid/proposal solicitation is completed. Modifications to the Mentor Protégé Program will be made if needed based on the research.

**Impact:**

Supportive services expenses for the Mentor Protégé Program will increase. This expense will need to be managed by designating that the new service is not to exceed a determined percent of the supportive services budget for the program.

**Timeline:**

Supportive services contract research and subsequent action will be in complete by September 30, 2009

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**June 10, 2009**

**Recommendation:**

**10-4 Bonding & Insurance** - There are financial and bonding assistance programs in the Portland area. The Port should consider owner controlled insurance programs where feasible.

**Action:**

- The Port will do an updated review of bonding and insurance requirements in Port solicitations and contracts to insure that our requirements are commensurate with the risk to the Port and are not unneeded hurdles to small business participation.
- The Port will research financial and bonding assistance programs in the Portland area. When identified, it will be determined how best to make this information available to potential Port contractors.
- The Port does consider owner controlled insurance programs (OCIP) and implements OCIP on projects where it is feasible.

**Impact:**

A small Port team will need to review bonding and insurance requirements and make recommendations of changes if needed.

The Small Business Development Program Manager will work with the Risk Manager to research financial and bonding assistance programs in the Portland area.

**Timeline:**

The review of bonding and insurance requirements and the research of financial and bonding assistance programs in the Portland area will be complete by December 31, 2009.

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**June 10, 2009**

**Recommendation:**

**10 - 5 DBE Goal Setting for Subcontracting** There is evidence to support the re-establishment of DBE project goals in federally funded construction subcontracting and in A&E. Port DBE goals should be linked to certified DBE availability. Port DBE goals should not be a rigid quota placed on every project. The limited use of DBE goals means that the Port should continue to let out some opportunities without specific DBE goals and closely monitor DBE utilization on these projects. The objective should be to steadily increase the number of DBE dollars achieved without using race and gender conscious DBE goals.

**Action:**

The Port will re-establish DBE project goals on federally funded construction and A&E projects for subcontracting. Goals will be established based on project scope and availability of DBE's to compete for applicable work scope. Port DBE goals will not be rigid quotas that are placed on every project. Good Faith Effort process will be in place.

**Impact:**

Certified DBE subcontractor participation in Port federally funded construction and A&E projects should increase.

A Port communication regarding definition change will need to be sent out in July, 2009

These actions can be included in the normal staff project planning and solicitation activities.

**Timeline:**

Effective July 1, 2009

**Disparity Study Action Plan  
June 10, 2009**

**Recommendation:**

**10-6 ACDBE Goal Setting for Concessions** - There is evidence that provides a reason for the use of DBE goals for concessions for all DBE ethnic/gender groups. The Port should continue to seek opportunities for under-utilized ACDBE groups through direct contracting, or where feasible, as sub concessionaires.

**Action:**

- Continue the direct leasing method for development of the terminal concessions program
- Continue the packaging of concession opportunities in a manner so that small businesses have a realistic opportunity to propose and secure agreements
- Concession solicitation evaluation processes will follow Port protocol and consider if proposers are ACDBE certified themselves and also if proposers purchase of goods and services from identified DBE contractors
- Review options for increasing small business/DBE participation through use of retail carts in the airport terminal
- Research strategies to incent terminal concession operators to purchase goods and services to support their concession operations from MWDBE's
- Finalize a strategy to set a specific goal for rental car tenants to purchase goods and services from MWDBE's in the agreements included in the 2011 Bid process

**Impact:**

These actions can be included in the normal staff planning and leasing efforts for the concessions program at PDX.

**Timeline:**

Both the retail cart opportunities and rental car bid process should be scheduled after the current economic climate has stabilized so is not likely to occur for 12 to 24 months.

The remaining actions can be implemented as part of the current on-going development processes.

**Recommendation:**

**10 - 7 Staffing and Reporting** - The Port must insure that the DBE Liaison Officer has "direct, independent access to (the Port's) Chief Executive Officer concerning DBE program matters" per the DBE federal regulations.

**Action:**

The Port DBE Liaison Officer has "direct and independent" access to the Port Executive Director when needed regarding DBE and other small business matters.

**Impact:** None

**Timeline:** Not Applicable