

INTERSTATE MAX

DBE & Workforce Story

Overcoming Barriers to Inclusion



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Overcoming Barriers to Inclusion

Published by:
Tri-County Transportation District of Oregon (TriMet)

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Transportation District of Oregon

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Design by: Inside Source Inc

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Foreword

Having a solid disadvantaged business enterprise (DBE) program and workforce diversity makes good business sense, and has helped TriMet deliver a high-quality light rail project at the best price, ahead of schedule and millions under budget. When TriMet launched its 5.8-mile, \$350 million Interstate MAX Yellow Line light rail extension in 1999, we committed to having it built by people from the community.

Our fourth rail extension was to be constructed in the most diverse community and with one of the highest poverty rates in the city of Portland. The North and Northeast community along the new rail alignment has a 44 percent minority population and a 22 percent poverty rate, compared to 21 percent minority and 13 percent poverty rate citywide.

The Interstate MAX project was an opportunity to go beyond traditional efforts on past projects and provide more opportunities for minority and women-owned firms and workers, especially those that live in the North/Northeast Portland neighborhoods along the new alignment.

To create these innovative programs

TriMet hired Bruce Watts, former Executive Director of the Coalition of Black Men. Watts was hired to implement a two-fold goal: a true commitment to the DBE community AND a focus on building capacity for these small businesses to be competitive for other large public works contracts in the future.

TriMet set an ambitious goal of 16 percent of construction contract dollars to go to DBE firms, and we wanted to focus on local businesses in the community most directly affected by project construction. To meet this goal, the agency had to remove barriers and incorporate changes to engage these small firms. Those changes included:

- *Holding “Lessons Learned” sessions to find out what specific challenges minority and emerging firms faced on past public work projects and incorporating solutions into the new Interstate project.*

- *Providing technical and business assistance to DBE’s and other small firms to help them build capacity to deliver on the work, including bonding, insurance and timely invoicing to help*

meet cash flow needs.

- *Dividing large contracts into smaller scopes of work so historically under-utilized DBE firms and small contractors could compete for the work.*

These efforts resulted in 18 percent of contract dollars going to local DBE firms, totaling \$35 million, which included \$8.1 million going to DBE’s located in North and Northeast Portland. But, having a commitment to engaging DBE’s and workplace diversity isn’t enough.

The Interstate MAX contractors embraced the goals and provided opportunities for DBE subcontractors. One of the prime contractors, Stacy and Witbeck, held monthly classes for DBE firms on finance, payroll, invoicing and other subjects that assisted small businesses working on a major federal project, some for the first time.

Contracting Innovations

It’s rare, if not impossible, for small trucking firms to handle millions of dollars in trucking contracts. But 17 local trucking firms took the

bold step of partnering to create the NE Urban Truckers Consortium, allowing them to successfully bid on the Interstate MAX contract. The consortium idea had been presented to other agencies for years, but to no avail. TriMet embraced the innovative approach, and the consortium handled \$2.3 million of trucking work. The experience on Interstate MAX provided these truckers with the ability to competitively bid on other large contracts that before were out of reach.

Branching Out

Before Interstate MAX, Gail Schmidt's largest contract totaled \$16,000. Her metal fabrication company, AccessAbility, had one employee and the business focused on building modular wheelchair ramps. Schmidt bid on the Interstate project to build railings, gates, fences, ornamental iron and architectural steel. Her \$200,000 bid was selected, and with expansion in scope, it increased to nearly \$400,000. But she still faced hurdles with insurance and bonding. Our DBE coordinator found bonding assistance through the U.S. Dept. of Transportation, and the prime contractor structured her work in smaller seg-

ments to stay within her bonding capacity. As a result of her experience, her company has grown to a six-person shop, moved to a larger facility and continues to work with Stacy and Witbeck on other rail projects. These are just two examples of the dozens of DBE and emerging firms that expanded their business and capacity by working on a major capital project. This is simply a sound business practice, expands experience and ensures a larger pool of businesses and workers available for future work. Through our efforts, TriMet created a national model for DBE involvement, and greatly expanded apprenticeship opportunities and workforce diversity.

Before I came to TriMet in 1998, the agency fulfilled its DBE commitments, but often with out-of-state firms. Our commitment to the local DBE community has increased the expertise of emerging firms, women and minority workers, and helped deliver the Interstate MAX project ahead of schedule and millions under budget. It also demonstrated to other public agencies that a commitment to diversity makes good financial sense as well as good community service.

by Fred Hansen



*Fred Hansen
General Manager
TriMet*

Acknowledgement

For decades many large public works projects constructed in Portland, Oregon had almost no minority participation. In 1989, an advocacy organization, the Coalition of Black Men, staged a civil disobedience to garner the attention of local policy makers to address this inadequacy.

I spent 12 years as Executive Director of the Coalition of Black Men, managing outreach programs and developing avenues to further social and economic justice for African Americans and diverse communities. I also had a two-year stint in former Mayor Bud Clark's administration working to increase women and minority participation in the construction industry. Having been an advocate on the outside, I pushed the powers to be to affect social change.

When I first heard about the Interstate MAX light rail project, I was skeptical at best. As a community activist, I knew the construction industry was a viable way for African Americans to obtain family wage jobs, but getting those jobs proved difficult. At every turn, however, I've been surprised. When offered the position to work as DBE/Workforce Manager, General Manager Fred Hansen said, "You have always been an advocate, now you have an opportunity to be a real

agent of change on the inside of a major organization."

I must say, "This is the best job I've never wanted." This publication gives us glimpses into the process that has made the Interstate MAX DBE program a success and a model for the nation to follow. We have included narratives by local contractors and community leaders to capture the flavor of the community and culture of the local industry. In the creation of this publication, along with the program, we are committed to remain true to the essence of the communities' stories. Pursuit of this honesty has led us to unexpected places.

The purpose of this publication is to share the lessons learned in developing the DBE program with others interested in creating similar programs. There are a number of people and organizations we wish to thank for ensuring the success of this program. We are especially thankful for our regional partners at the City of Portland, Metro, and the Portland Development Commission. Our ace prime contracting team of Stacy and Witbeck, Inc., FE Ward and their DBE coordinator and her team, who embraced the goals we've set. Heartfelt thanks to the TriMet Capital Projects staff who helped strategize



*Bruce M. Watts
Senior Director
Diversity and Transit Equity*

and support ways to make our DBE program a success. Many thanks to the community and some individuals within the contracting industry for speaking out against what was wrong with past efforts and working with and trusting a government agency to overcome past barriers to achieve success. Finally and most importantly, special thanks to TriMet General Manager Fred Hansen who has demonstrated his leadership and commitment to addressing civil rights and environmental justice issues.

by Bruce M. Watts

Introduction

The Tri-County Metropolitan Transportation District of Oregon (TriMet) requires sound business practices when creating programs to manage construction of new light rail projects. Having significant levels of DBE participation and workforce diversity is just one example of the practices that enabled TriMet to deliver the Interstate MAX project at the best price, ahead of schedule and millions under budget. This was the experience of TriMet, in Portland, Oregon, while building

its Interstate MAX light rail line. The purpose of this publication is to detail methods used by one public works agency to engage local disadvantaged business enterprises, particularly those that were minority and women-owned, and a diverse workforce on the Interstate MAX light rail project.

The paper attempts to condense three years of work into five sections describing the:

a) demographic makeup of the local

and contracting community and issues encountered from past public works projects;

b) cultural shifts within TriMet that encouraged employee creativity;

c) unique methods used to fold community input into procurement processes;

d) strategies used to support and build businesses capacity; and

e) results of these initiatives.



Before outlining the agency, community and the project, it is worth noting the aspirational goals established by TriMet to ensure compliance with its workforce diversity and DBE goals. The following policies guided TriMet's workforce and DBE initiatives:

- Directing 16 percent of the project's capital spending to certified DBEs;*
- Ensuring 17 percent of labor hours in each apprenticeable trade on the project performed by registered apprentices;*
- Ensuring the workforce reflects the diverse ethnic makeup of the community.*



THE AGENCY and the PROJECT the COMMUNITY



TriMet is a municipal corporation providing public transportation for much of the three counties in the Portland metro area. The state's largest public transit agency, TriMet's service covers 575-square miles. TriMet operates a comprehensive transit network including a 44-mile, 64-station Metropolitan Area Express (MAX) light rail system, along with 93 bus lines, as well as service for seniors and people with disabilities. During fiscal year 2003, riders took 89.9 million trips using TriMet service, with daily boarding averaging 286,200 trips.

About 52 percent of TriMet's revenue comes from payroll taxes, while passenger revenues cover about 20 percent. TriMet's operating budget for fiscal year 2003 was \$258 million.

The Community

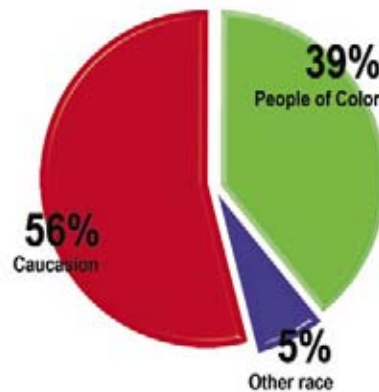
Though Portland is a city with limited diversity, the Interstate MAX corridor is located in the heart of a racially and ethnically diverse community, North and Northeast Portland.

In 2000, according to the U.S. Census Bureau, Caucasians comprised 56 percent of North and Northeast Portland's population, and persons of color—those who are African American, Asian and Pacific Islander, American Indian and Native Alaskan, and Latino—comprised 39 percent. The remainder was comprised of persons of some other race or of two or more races. In contrast, Caucasians and persons of color comprised 75 percent and 21 percent of the entire Portland population, respectively.

Although portions of the area have experienced revitalization during the last decade, many in North and Northeast Portland are poor. In 2000, the City of Portland's poverty rate was 13 percent; while North and Northeast had a 22 percent poverty rate, with certain sections reaching poverty levels of up to 34 percent.



Community Demographics



- In the City of Portland, Caucasians comprise of 56 percent of North and Northeast Portland's population.
- The 39 percent are persons of color consisting of African American, Asian and Pacific Islander, American Indian and Native Alaskan, and Latino.
- While, the remaining 5 percent was comprised of persons of some other race or of two or more races.

The Project: The Interstate MAX Line

TriMet began construction on the \$350 million Interstate MAX (IMAX) light rail line in November 2000, and finished in April 2004, four months ahead of schedule and \$25 million under budget.

The Interstate MAX project, also known as the Yellow Line, is a 5.8-mile extension that begins at the Rose Quarter district, at a junction with TriMet's Blue and Red Lines. The line runs along Interstate Avenue, climbing to a 6 percent grade between the Albina and Overlook Park stations. The line continues along Denver Avenue, crossing the Vanport Bridge, and terminating at the Portland Exposition Center located just south of the Columbia River. The line includes 10 transit stations, with two park-and-ride facilities.

The entire project was constructed in three segments: Section 10A/B (valued at \$100 million) was from the Rose Quarter to Denver Avenue, built by Stacy and Witbeck Inc. the prime contractor; Section 10C (valued at \$30 million) was from Denver Avenue to the Expo Center, including the Vanport Bridge; with F E Ward Inc. as that section's prime contractor; and Section 10R, the Ruby Junction expansion (valued at over \$14 million), also built by Stacy and Witbeck as the prime contractor.

The Interstate MAX construction project consisted of three major elements:

Section 10A/B and 10R were bid through a Construction Manager/General Contractor (CM/GC) process, while segment 10C was a Design/Build award. The civil and system engineering contracts were also bid via an RFP, and were awarded to Parsons Brinkerhoff Quade, & Douglas Inc., and LTK Engineering Services, respectively. Other contracts were issued for systems work, landscaping, signage, graphics, and light rail vehicles.

The Interstate MAX project was funded largely with federal dollars (\$257.5 million), with the remainder (\$92.5 million) from regional transportation, urban renewal, and TriMet funds.



• The 1,000-foot Vanport Bridge (above), spanning the Columbia Slough.



• A 5.8-mile light rail line (right).

• An expansion of Ruby Junction, (below) TriMet's light rail maintenance shop and storage yard.



History of the Project

Fred Hansen, TriMet General Manager, refers to the Interstate line as the “phoenix line,” rising from the ashes of an earlier and more extensive light rail project. In November 1998, Portland residents defeated a ballot measure that would have borrowed a maximum of \$475 million through bonds to build a South-North light rail line from the southern most portion of the Portland metro area to North Portland.

After the election, TriMet surveyed the North and Northeast area where the South-North line would have run, and discovered that a majority of those residents had voted in favor of the line. The area, long in need of revitalization, would benefit substantially from the presence of light rail.

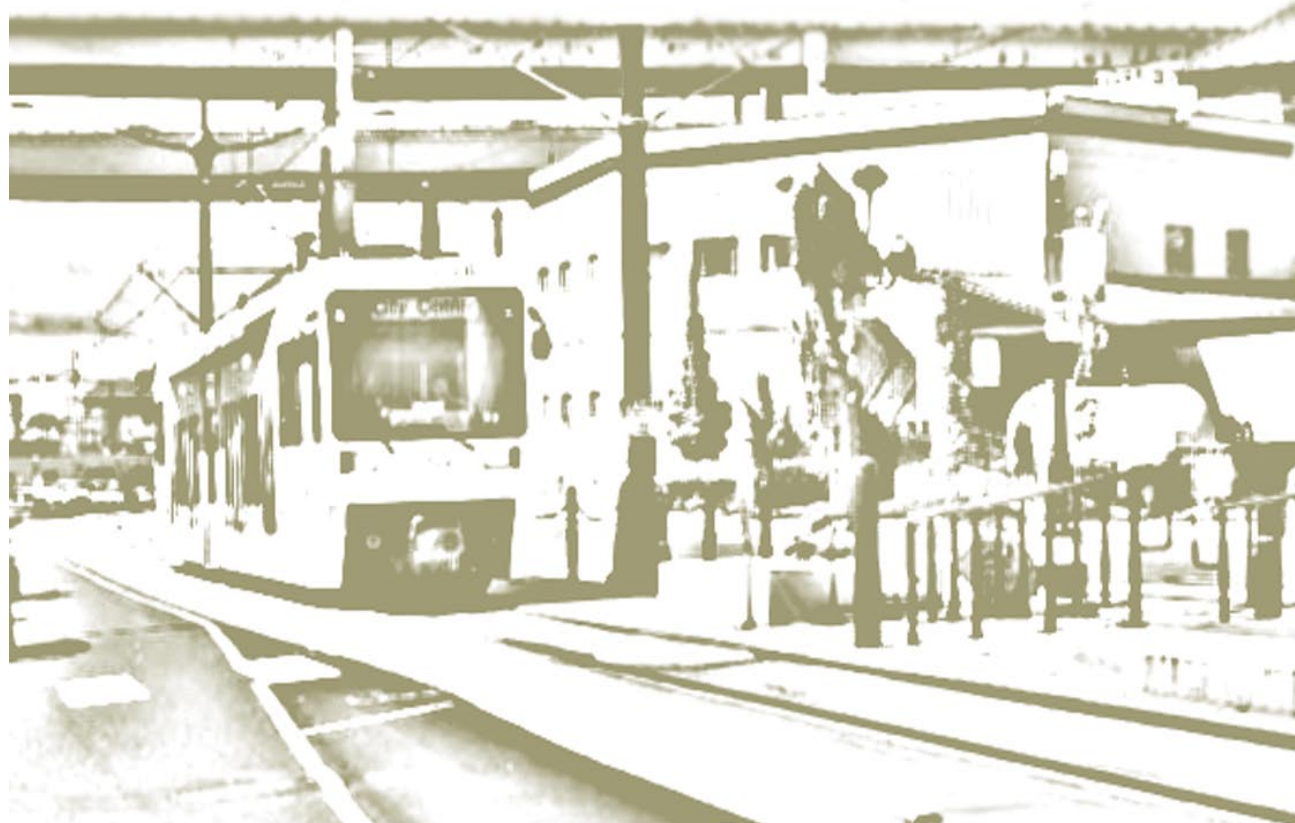
There were some individuals from the North and Northeast community that viewed TriMet’s project with skepticism. One reason was the lack of involvement from the area businesses and the residents on numerous public works projects previously constructed in Portland. Promises made about inclusion on multi-million dollar public sector projects too seldom had become a reality, leading to frustration and

cynicism among many in North and Northeast Portland, especially African Americans and other people of color.

TriMet’s own Westside MAX project was an example of a public works project that could have, but did not, benefit many North and Northeast local minority or DBE businesses. The \$688 million, 18-mile light rail project was completed in 1998, and provides light rail

service between Portland and Hillsboro. Approximately 16 percent of the contractors and subcontractors on the project were DBE’s, but few were from North and Northeast Portland, let alone the region.

Charles Cason, owner of a Northeast Portland DBE firm that provides security services, was critical of non-local contractors receiving the bulk of the work on the Westside light



rail project and similar public works activities. “A lot of these contractors come in here to get all they can and then they take off and leave us high and dry. They don’t hire within the community,” exclaimed Cason. Another reason for the community’s reticence was the project’s use of \$30 million dollars from the Interstate Corridor Urban Renewal Area, resources that could

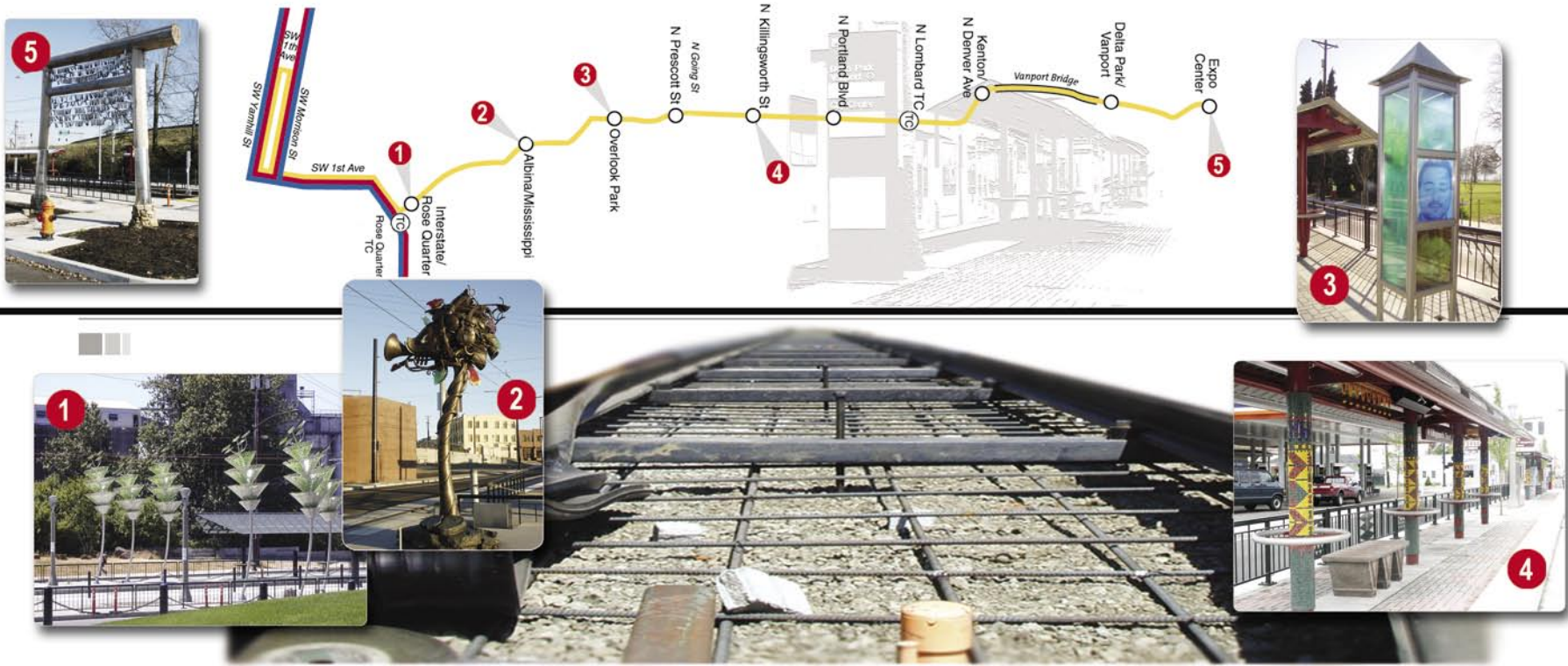
have been used on a variety of other revitalization projects. Sheila Holden, a community economic development activist said, “TriMet understood that they were behold[en] to a community, [because of] 30 million of money, for one thing,” she said.

Holden was also candid in her assessment of the attitude among North and North-

east residents toward TriMet. “I think initially the community was angry and skeptical of TriMet’s ability to pull this project off on time, on budget, [while giving] real consideration to addressing the needs the community raised, the expectations of the community.”

With the community’s cautious backing, TriMet decided to build the Interstate MAX line.

Station Art





EXPECTATIONS

from the **TOP**



Board of Directors President, George Passadore (l), along with General Manager Fred Hansen and Jenna Dorn (r), FTA Administrator.

Talk to people about successes with DBE involvement and the diverse workforce of the Interstate MAX project and you will hear repeatedly: ‘commitment from the agency’s leadership led to the project’s accomplishments.’

James Posey, local contractor, small business owner, and advocate believes, “you have to have someone who is a public owner of the project to make sure that [the commitment to DBE’s and workforce diversity] are mandated, not encouraged, not assumed.” Added Sheila Holden, “The model started with management agreeing to a philosophy, and then empowering the team to go out and make it happen, and not look for excuses for it not to happen.”



The man at the top was Fred Hansen, TriMet’s general manager. When Hansen joined the agency as general manager in 1998, he stated that one of his primary goals was... “to make sure that TriMet was really of the

community we served, and that we looked like the community we served.”

He was also committed to making sure the Interstate MAX effort had a positive, lasting influence on the community, unlike previous

Said Hansen “ I wanted to make sure that people in North and Northeast Portland work on the project, and that local businesses would participate in and benefit from the project.”

public works projects in the area. “My belief is that the major public work projects that have occurred in the North, Northeast neighborhoods did more damage than good,” Hansen said candidly, referring to the 1960s expansion of Interstate 5 that had split the community in half, as well as other projects. His vision for the Interstate MAX included engagement of the North and Northeast businesses and workforce, and the betterment of the community and its environment.

Said Hansen, “I wanted to make sure that people in North and Northeast Portland would work on the project, and that local businesses would participate in and benefit from the project.”

Hansen’s commitment led to innovative outreach methods by he and the Interstate MAX team to engage the local communities. He kicked off this effort by visiting several local African-American churches during services to talk about the proposed light rail project. He also met with local community newspapers to inform readers about his commitment to significant level of DBE participation

Sheila Holden (r) felt it was pivotal to maintain a relationship with the community in the building process.



and workforce diversity.

To ensure progress, Hansen set aspirational goals for the Interstate project that he acknowledged were ‘stretch’ goals for the organization. “I think we always ought to be stretching for things that we care about. And in this case, this was a very important issue, to me personally as well as to TriMet,” Hansen

reflected.

These three aspirational goals on the Interstate MAX project were: to direct 16 percent of capital spending to certified DBE’s; to ensure that 17 percent of labor hours in each apprentice trade was performed by state-registered apprentices; and that the workforce would reflect the ethnic makeup of the Portland Metropolitan area. Sheila Holden recalled the assurances about workforce and DBE involvement the community received from TriMet’s management. “We had a strong [commitment] that when the light rail was built this time around that it would not have the problems and issues that had occurred when the West Side line was built,” she recalled. “TriMet basically said, ‘we want to do business with the folks in this community and we want to make a strong effort to build capacity among the minority businesses and the DBE businesses in North and Northeast Portland,’” remembered Holden.

Hansen required all of the participants involved in the Interstate MAX project to embrace TriMet’s workforce diversity and aspirational DBE goals.

The prime contractors were informed early on that they would have a vital role in carrying out the agency's goals. Said Bruce Watts, TriMet's Senior Director of Diversity and Transit Equity, "We told them that we understood the way they have been doing business. This is going to be different. We're going to make sure that this workforce and these contractors have every opportunity to be successful. We did all kinds of things to push on [the primes], and they responded extremely well."

TriMet's commitment to workforce diversity and use of certified Disadvantaged Business Enterprises on the Interstate MAX project were clear to others outside the agency. "There was this tremendous enthusiasm [at TriMet] for community involvement, building capacity within underutilized, local contractors in the area, and achieving workforce diversity," said Bill Bruce, project manager for Stacy and Witbeck, the prime contractor responsible for most of the light rail line construction. "It was different because the owner, TriMet, was just totally committed and focused on it."

TriMet and its prime contractors em-



TriMet Board Member Robert Williams (l), Congressman Earl Blumenauer, Pastor Robin Wisner and Bishop A.A. Wells attending the Interstate MAX grand opening.

ployed a variety of methods to meet its aspirational goals. Said Hansen, "We really went about making sure that we had new tools, tools that have never been used before to be able to deliver on those goals." The techniques used by TriMet were all race-neutral.

One such tool was hiring someone from the Northeast community to serve as the agency's DBE manager on the Interstate MAX project.

Don Irwin, TriMet's director of project implementation said, "The leadership of our organization made it a principle to encourage

diversity in participation through contracts, and backed up that commitment with a position to help coordinate and carry out that mission."

In order to expectively oversee the DBE/Workforce effort TriMet hired Bruce Watts.

Watts who was well known in the Northeast community for his involvement with the Mayor's Fair Contracting and Employment Forum, and for his work with the Coalition of Black Men, a local activist group. "TriMet basically said, 'We want to do business with the folks in this community and we want to make a strong effort to build capacity among the minority and DBE businesses. With that in mind, we are going to hire someone to make that happen,'" Sheila Holden remembered. "I said, [Bruce Watts] would be great for the job."

Said Watts, "TriMet's decision to go into the community and hire people who lived and worked and had credibility within the community was a very good start."

The Lessons Learned workshops were another important tool used by the agency to insure high local DBE participation.



The LESSONS LEARNED WORKSHOPS

TriMet held a series of four Lessons Learned workshops before construction on the Interstate project began. The sessions were held to accomplish several goals. Primarily, they served as an excellent means for TriMet to collaborate with the community around the light rail project and to ensure the community considered itself an active partner on the project. It also allowed TriMet to hear which DBE and workforce efforts were successful. Session participants were given the opportunity to let go of frustrations related to earlier projects, and focus their attention on creating a more positive experience in the community with the Interstate light rail project.

*The **agency** listened to participants about what worked—and what hadn't—on previous public projects...*





“We felt it was very important to include the community as a partner...”

Watts remembered, “the Lessons Learned sessions served to foster a partnership with the community because we felt there was a lot of anger, a lot of frustration, a lot of angst about the project out there. And a lot of

misinformation, too.”

TriMet invited workforce providers, prime contractors, subcontractors, DBE’s, community activists, representatives from other agencies, and community members to the Lessons Learned sessions.

“We felt it was very important to include the community as a partner and involve [residents] in such a way that they felt connected to the project, from the standpoint of having input early on, especially with the DBE and the workforce pieces,” said Watts.

At the first session held in November 1999, the agency listened to participants about what worked—and what hadn’t—on previous public projects, as well as what TriMet could do to increase local DBE involvement and have a more diverse workforce on the Interstate project. Participants at the meeting also had a chance to vent their disappointments about previous public works projects, Watts remembered adamantly. “We provided the opportunity to talk about past frustrations and what they would like to see in this new process.”

Watts facilitated the meeting and assembled the attendees into two groups. One

focused on disadvantaged business enterprises, and the other on workforce diversity issues. Each group utilized a note taker to capture issues. TriMet came away from that meeting with a long list of recommendations for the Interstate project.

The agency then went through the recommendations and categorized the public’s suggestions into three areas: those TriMet would incorporate into the project, those TriMet would consider, and those Bruce Watts said had a “snowball’s chance in hell” of being incorporated into the project. At the second Lessons Learned session, TriMet reported the recommendations to the community. TriMet also began educating participants about the advantages of using a RFP procurement method, the Construction Manager/General Contractor (CM/GC) process, and TriMet’s plans to provide technical assistance to contractors and subcontractors, including those in the civil engineering and system design services.

At the third session, held on May 16, 2000, attendees generated questions to be asked of contractors at the prime contractor DBE/workforce interviews scheduled for the fi-

nal Lessons Learned session. TriMet then took the many questions generated and reduced them into five questions to be presented to the prime contractor finalists.

The final Lessons Learned session consisted of community members interviewing four teams of prime contractors that had made the competitive cut for the 5.8-mile light rail section.

The questions focused on DBE and workforce diversity issues. This last session represented another example of TriMet's commitment to community involvement in the Interstate MAX project. "We asked, 'what questions they would like to have asked of those contractors to be able to meet their needs?'" recalled Fred Hansen, general manager. "We then posed those questions to our contractors

DBE and workforce plans, which they had already provided in their written proposals. Next, each team was given 15 minutes to respond to the five questions created at the third Lessons Learned session. Audience members were then allowed to ask questions of the finalists, who had a total of 10 minutes to reply. The contracting teams were not allowed to hear one another's presentations and responses.

There were four primary reasons for holding the community interview session, Watts noted. First, the contractors were being provided an opportunity to demonstrate who they were and how they saw the community involvement portion of the project. Secondly, it served to send a message to the contracting teams that the community was an integral player in the Interstate MAX project. And it educated the

commitment was to community involvement." Watts said, "the term 'community' includes local residents, and those interested in DBE and workforce issues in North and Northeast Portland. In the past, we did projects [in which] the community wasn't as valued as in this project," Watts recalled. "On this project, the community was valued as a partner."

Members of the TriMet Selection Evaluation Committee (SEC) were in the audience, but remained anonymous. The Committee, responsible for the final selection of the contracting team, could not use the community forum experience as part of their contractor selection process. Watts believed, however, that watching the finalists interact with the audience would be helpful to the Committee members. "It gave them a chance to see how the community

"In the past, we did projects [in which] the community wasn't as valued as in this project,"

and expected them to be able to respond."

The timeline for each finalist's presentation and response to audience questions was tightly scripted. Each of the four contracting teams had 20 minutes to verbally present their

four competing teams, successful or not, about TriMet's bar set for participation on this project and all future TriMet projects. Furthermore, "the finalists and the community got an opportunity to see how strong [TriMet's]

reacted to the different groups, to see that contractor-community link. Plus it gave the Selection Evaluation Committee an opportunity to see the community and be part of that community setting," Watts said.

DBE and Workforce Recommendations from the Lessons Learned Sessions

The Lessons Learned sessions

produced a number of recommendations for business and workforce utilization on TriMet's Interstate project. Two of them—working with local businesses, and capturing detailed information about workforce utilization—were extremely important to community residents.

“One of the things we clearly knew we wanted to do [was] encourage TriMet to do business with local businesses in the area,” said Sheila Holden. Residents encouraged TriMet to find ways to have as many local businesses participate as possible. One solution, creating small bid packages, was essential to engaging a variety of DBE firms. Rotating contracting opportunities among small firms was another.

Unlike their experience on previous public works projects, community participants encouraged the agency to better identify racial and ethnic participation on the project. “We wanted to see real numbers [on workforce diversity] and we didn't want the women included in with the disadvantaged [businesses],” the minority numbers,” Holden said. “Historically we found people were saying that they'd met their

“Historically we found people were saying that they'd met their minority goal, but when you break those numbers out, what they were really doing was just using women” to reach those minority goals. On the Interstate MAX project, “we wanted to make sure that didn't happen.”

minority goal, but when you break those numbers out, what they were really doing was just using women to reach those minority goals.” On the Interstate MAX project, “we wanted to make sure that didn't happen.”

Other recommendations for TriMet included:

- *Using an RFP process instead of a low-bid process*
- *Determining the capacity of local DBE's*
- *Providing technical assistance early on to DBE's, covering such issues as estimating, bidding, record keeping, and project tracking*
- *Developing a database of prequalified DBE's*
- *Keeping prompt payment schedules*

- *Encouraging trade unions to select North and Northeast Portland residents to work on the project*
- *Making uniform requirements for the number of apprenticeships across crafts*
- *Creating requirements for apprenticeships, where viable.*

TriMet incorporated a number of these suggestions throughout the Interstate MAX process. “We used a number of things we heard from the community as a springboard into creating a better contracting plan for Interstate,” said Don Irwin, TriMet's director of product project implementation. The agency used the RFP process as a primary method of making many of those recommendations a reality.



BUILDING the VISION



TriMet was able to obtain significant DBE participation on the project for a variety of reasons, the most important, however was the RFP process and the ability of the agency to incorporate its DBE and workforce requirements into the RFP documents. TriMet decided to use a Request for Proposal solicitation process versus a competitive low bid on the majority of the Interstate MAX project. RFP's are generally used when price is not the only factor in determining the award of contract. While cost was not the only factor, however it remained an important one. Thus, enabling the project to not only remain on time, but millions under budget.

Evaluation criteria can include the experience of a firm or the firm’s personnel, the approach to the project, and the ability of the proposer to meet an agency’s needs. The RFP process was ideal for TriMet’s DBE purposes. It allowed the agency to include language specific to local DBE engagement and workforce diversity. The RFP’s required proposers to describe their historical DBE participation, and requested information on promoting DBE participation as contractors, consultants, or suppliers on previous projects. Proposers also had to identify historical relationships with firms from the Portland metropolitan area and the Portland Enterprise Zone, which covers most of North and North-east Portland.



In addition to historical information, proposers would also be judged on a DBE program plan they were required to submit with their proposal. The plan covered how the proposer would comply with TriMet’s DBE program requirements, and required proposers to detail outreach, mentoring, technical and other business development assistance the proposer planned to offer DBE businesses.

Don Irwin recalled, “One of the things we heard was [that] often the prime contractor employs perhaps one or two very large DBE firms that get most of the work.”

“We wanted to create opportunities for smaller contractors on a very large project.” The agency,

for example, specified that on certain large construction packages proposers break down

the contact work into smaller package sizes (e.g., \$10,000-\$50,000; \$50,000-\$100,000; \$100,000-\$250,000).

TriMet also required each proposer to have a DBE coordinator as part of the proposed project team. “We put in the RFP language that each contractor who was vying for this role [had] to bring with them someone who was going to be a DBE coordinator,” added Bruce Watts. The position was not going to be filled with an ancillary person, he said, but someone who “first, had an understanding of contracting, and an understanding of the [Portland area] DBE community.”

According to Irwin, TriMet used the RFP process from the design phase of the project forward. “We got some participation from diverse DBE firms in civil engineering, electrical engineering, geotechnical work, and survey work,” he noted. “In a variety of fields, we were able to create some opportunities because we drove it with the RFP process.” He added, “It started with us writing into the RFP that part of the evaluation criteria was based on participation of DBE firms and workforce [diversity]. We just carried that through to construction.”

Procurement Methods and the Interstate MAX project

The transit agency used a variety of procurement or contracting methods on the Interstate MAX project. In 1999, Irwin began writing the contracting plan for Interstate MAX, including the objectives for the major portions of the project. “Once we did that we asked ourselves, ‘what contracting method is most likely to help us meet our objectives for success?’”

The method chosen, Irwin said, “depends on the nature of the project and what the owner’s objectives are.” He noted as an example, the first 4.4 miles of the Interstate light rail line from the Rose Quarter to Argyle, used a CM/GC process. From Argyle to the Expo Center, TriMet used a Design/Build process, and Ruby Junction used the CM/GC method.

“In the northern end of Interstate (Argyle to Expo) we have a long bridge, whereas from Argyle all the way down to the Rose Quarter, it’s all in-street work, which are two different kinds of construction,” Irwin said, and therefore warranted different procurement methods.

Using Design/Build, an owner hands off the design and all of the construction ele-

ments to one entity to build the project under a single contract. On the 4.4-mile light rail segment, however, the agency opted for the CM/GC method. As a member of the team from the beginning of a project, a CM/GC provides valuable services to the owner, such as reviewing the constructability of a project, when changes to the design are the least costly and have the lowest impact on the construction cycle.

“What it lets us do, as the design evolves, is bring in a construction contractor who can also look at that design and help us with lots of things, such as value engineering, budgeting, scheduling, diversity participation, DBE programs, and a subcontracting plan,” explained Irwin. Value engineering resulted in a savings of approximately \$10 million during the design review phase of the project, and saved another \$2 million after construction began.

According to Irwin the CM/GC greatly assists an owner pursuing DBE and workforce diversity goals. “The method of contracting is a huge factor in the ability of the owner to ensure levels of diverse participation that the owner



wants to promote,” he said. Utilizing other methods like low-bid contracting “means that the owner is not in the same position of creating a team, nor creating a collaboration up front where so many of the critical decisions

are made, such as creating a contracting plan and how to package the work.”

Bill Bruce, the Stacy and Witbeck project manager, agreed. “Utilizing the CM/GC procurement method, [an owner] has a much better opportunity for achieving desired results than in conventional bidding arrangements for the purpose of community involvement.”

This is true for several reasons, Bill Bruce asserted. First, the project owner is choosing a contractor “based on [the contractor’s] resume and their commitment to do whatever you have asked them to do in your [RFP] document,” allowing the achievement of intangibles that would normally not be accessible using other procurement methods. For example, on a typical low-bid job the contractor goes out and gets subcontracts that are based solely on price. Although the owner can write specifications for elements like workforce diversity and the use of local contractors, the low-bid contractor’s obligations are a good faith effort, which means that the owner may not get the type of DBE participation and workforce di-

versity the owner was looking for. Bruce Watts explained, “the low bid process does not take into consideration things other than money. The other pieces, the DBE piece, the community involvement, all those other pieces are not taken into consideration.”

Because of the CM/GC contracting method, TriMet began to put in place tools to create significant DBE and diversified workforce utilization before the contractor was chosen, something that would be difficult under a low-bid scenario.

“The owner is taking a huge active role, unprecedented,” by using the CM/GC method, Bill Bruce said. At the same time, the general contractor has been greatly involved in the design and contracting plan process, that the owner’s needs and requirements are clear, says Bruce. What makes this effort unique is the CM/GC method coupled by efforts from TriMet to create opportunities.

The Interstate light rail line was the first federally funded light rail project in the United States to feature the CM/GC delivery method.



P Bill Bruce

Commitment to Basic Principles of Fairness Leads to Project Success

Implementing an aggressive plan to engage local businesses, DBEs, and having a diverse workforce on a \$100 million alignment is all in a day’s work for Bill Bruce...

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PRE-BID ASSISTANCE for DBE's



Before subcontractor bidding on the Interstate MAX project began, TriMet used several methods to create as many opportunities for small local businesses as possible. Much of that work focused on providing assistance to small firms with DBE certification, providing pre-bid technical assistance, and creating and disseminating a DBE directory to primes and first tier subcontractors.

Not being certified as a DBE was a major challenge faced by many of the local small businesses interested in the Interstate project. “They had no reason to, because they had never worked on a federal project,” explained Bruce Watts. A DBE is a business owned and operated by one or more socially and/or economically disadvantaged individuals including African Americans, Asian-Pacific Islander Americans, Hispanic Americans, and Native Americans. However, membership in a minority group does not guarantee DBE status. Socially disadvantaged owners must not have a net worth in excess of \$750,000, according to Federal Transit Administration (FTA) regulations. FTA recipients, like TriMet, that receive

\$250,000 in a fiscal year in FTA assistance must have a DBE plan, which details how the recipient is going to direct a portion of its dollars to DBE's.

To participate in the DBE programs created by recipients of federally funded transportation programs, a small firm must apply for and be certified as a DBE. The State of Oregon has a unified certification program housed at the



TriMet provided small local businesses with technical assistance.

Office of Minority, Women and Emerging Small Business (OMWESB).

Traditionally contractors receive certification by contacting OMWESB and submitting the necessary documentation. Watts arranged for staff from the OMWESB office to educate and provide technical assistance to small

businesses interested in working on the Interstate project. He also encouraged the state office to quickly process the certifications so that the firms would be able to participate on the project.

OMWESB, in turn, was very supportive of the project. OMWESB staff attended TriMet's DBE outreach sessions, and prioritized the certification of businesses working on the Interstate light rail project. TriMet also provided small local businesses with technical assis-



■ *DBE (Disadvantage Business Enterprise), is a business owned or operated by one or more socially and/or economically disadvantaged individuals:*

- African Americans
- Asian-Pacific Islander Americans
- Hispanic Americans
- Native Americans
- Women

tance before they submitted a bid, as a way of encouraging participation on a federal project. “Normally technical assistance is designed so that once you get a contract, you are then eligible for technical assistance, recalled Bruce Watts, ‘we did it a little bit differently.’”

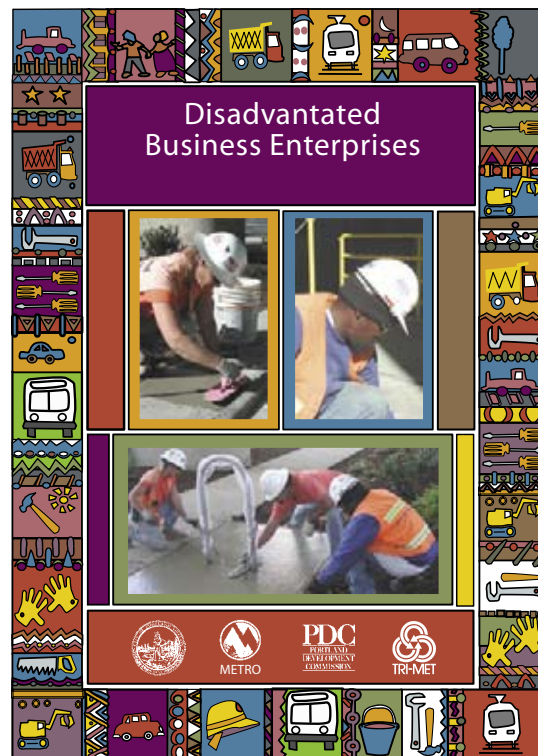
“We recognized that a lot of these folks had never put a bid together on a light rail project, so we made the technical assistance available to them early on.” By doing so, TriMet eliminated the problem of excluding businesses that were able to perform work on the project but were unable to successfully bid on it. “Businesses were able to get assistance on how to put their bids together, how to do their estimates, how to structure their paperwork, and how to put their financial systems together,” he added.

Getting the names and capacities of the DBE subcontractors in front of the primes and the first tier subcontractors was one way of insuring greater utilization of the DBE's. With that goal in mind, TriMet assembled a DBE directory to boost prime contractors' utilization of local businesses. The directory also served to identify the local community capacity for con-

struction-related work.

Watts and his staff approached prime contractors not involved with the light rail project to find out what kind of information they would want to know about a subcontractor who was not familiar to them. TriMet then put a form together for subcontractors interested in being in the directory. Even those whose DBE status was pending were included in the directory (in the certification pending category).

The directory, released in June 2000, included information from each DBE on the details and capacity of the business, a work history with references, safety record, and other information useful to contractors.



The DBE Directory Cover

“Under Watts’ leadership, we created a directory of firms that had capacity to do work, got their names out and shared that directory with the prime contractor and others,” said Don Irwin, “so that when they looked for a particular service, they could see there were opportunities there to involve diverse participants.”

The directory, which was organized by scopes of work, was beneficial to contractors

and subcontractors looking for services, or to collaborate with local firms. “It’s much better than just a state’s list which just gives the clas-

sification in which they're certified," said Watts. "We figured it was a very worthwhile marketing tool." One which would engender relationships between formerly unfamiliar prime contractors, larger subcontractors, and smaller DBE subcontractors. "It's a resume, in a sense."

Bill Bruce, project manager for construction prime Stacy and Witbeck, found the directory exceedingly helpful. "We used it the entire project," he said. The project's construc-

tion manager used it extensively as well. "His goal was having a contractor from the Northeast community perform out of each section of this book," Bruce recalled. "One contractor minimum out of each section."

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TriMet's DBE directory is now available online at www.trimet.org



P Faye Burch

Providing Stepping Stones to DBE Success

Helping subcontractors succeed is the goal of Faye Burch, principal of F.M. Burch & Associates. "Once a contractor is working with [me], my role is to help them be successful," Burch said...

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DBE Coordinator Contributes to Success of Interstate MAX project

Another method TriMet used to increase DBE participation on the project was providing technical assistance through the DBE coordinator, which each prime contractor was required to have. Faye Burch, owner of F M Burch & Associates, was the selected DBE coordinator for each of the primes along with team members Jaki Walker and Andre Baugh. They provided and monitored mentorship opportunities, supported the truckers consortium efforts, workforce development opportunities and all other projects needed by both TriMet and the prime contractor, as well as assisting the DBE subs in acquiring insurance, bonding, identifying costs and profitable areas, invoicing, negotiating work, gaining additional training needs, safety planning preparation and reporting and a host of other technical and business-related needs. “One person might need some assistance in certified payrolls,” explained Faye Burch. “Another person might need to review a better way to perform a scope of work with better equipment or a much more effective method.”

The DBE coordinator was seen as an important contribution to engaging a large

“One person might need some assistance in certified payrolls,” Faye Burch, F M Burch & Associates’ principal, explained. “Another person might **need to review a better way to perform a scope of work** with better equipment or a much more effective method.”

number of DBE subcontractors on the project. “We felt that role was intricately linked to the success of the project,” Watts said. “The question wasn’t whether the DBE’s had technical skills”, he added, “but whether they were able to participate fully in the bidding process and able to present themselves to the primes.”

Watts continued, “We wanted someone

on [the primes’ teams] who could say, ‘Here’s the scope of work. Here are the contractors that have applied for this scope of work and yeah, this guy’s dollar amount may be a little off, but let’s see if we can work with them to get them in line because they would be good.’” Watts said the DBE coordinator understood contracting and the DBE community.





CAPACITY DEVELOPMENT

Capacity development was an important element of the TriMet Interstate MAX project. TriMet was not only interested in getting a contract into the hands of DBE's; the agency also wanted to provide tools that enabled a DBE to move to the next level in business development. TriMet believes building a businesses capacity is simply a sound business practice. A practice that enables TriMet to expand a small businesses experience and capacity to ensure a larger pool of businesses are available for future work. Unlike mere business utilization, capacity development is focused on business growth. "The charge [from TriMet] wasn't just to utilize the existing local and minority, women, and disad-

vantaged business entities. It was also to build capacity within the community," said Stacy and Witbeck's, Bill Bruce.

Identifying the current level and types of capacity in a community is key. Before construction began, TriMet determined that the best subcontracting opportunities for local construction-related businesses were in the areas of trucking, excavating, traffic control, painting,

paving, electrical, and concrete, and masonry.

Capacity can be developed through the support of existing businesses and through the establishment of new ones. "Capacity building could be one of two things," explained Bill Bruce. "It could be taking an existing small business and [assisting] them to do larger scopes of work. Or it could mean developing businesses where there are no businesses today." TriMet, he noted, used both approaches on the Interstate project. Don Irwin recalled, "We were able to take that to a whole other level, and if the capacity wasn't there, we asked ourselves, "how do we create it, or what can we do to package things differently so that, where there is capacity, we can tap it?"



Gale Schmidt's contract grew from \$71k to \$495k. More in profiles.

Capacity Development Through Support of **Existing Businesses**

Stacy and Witbeck's mentoring program was one example of capacity development of existing small businesses working on the Interstate MAX project. One of the many success stories of the program was the mentoring relationship between Tice Electric, responsible for the installation of traffic signals and other electrical work, and that of Ampere Electric, a local African American-owned DBE firm.

Bill Bruce, was responsible for getting the large electrical company to mentor a DBE. Bruce went to Tice, and encouraged them to share the contract with a community-based subcontractor. "I said [to Tice] 'If you guys want this job, you've got to get creative with the community.'"

That led to Tice working with Ampere. "The work relationship we had with Tice was extremely positive," said Ed Wilson, Ampere's owner. "They knew we were a small company, and they were willing to work with us. They wanted to see us succeed." Although Ampere lacked certain equipment, such as line trucks, that was not an impediment in their work with the larger electrical company. Tice's response,

Wilson said, was to say, "Let's see what areas of the project we can break out for you," and that's what they did. You couldn't ask for any more than that."

Wilson says that work on the Interstate project significantly increased his company's capacity to do larger projects. Before Interstate MAX, "We were probably three or four electricians on a regular basis. Now we're between six and eight



Ed Wilson, owner of Ampere Electric.



electricians on a regular basis. Business is based on growth,” Wilson reported. “If you have a large project like this over a two year period, it’s going to give your company a growth that you carry on.”

Ampere’s increased capacity is evident



in the size of jobs on which the company will now bid. “Prior to Interstate MAX, the average project we would be looking at would be \$10,000 to \$15,000. Now, if we’re looking at a \$15,000 job, we call that real small. Now we’re comfortable bidding on a job for a quarter of a million dollars.

Prior to this project, we wouldn’t even go after a contract that size.”

FE Ward, the prime contractor on alignment C, also helped to develop the capacity of DBE’s working on the TriMet Interstate project. For example, the Design/Build contractor maintained a safety manager on the project full time to assist subcontractors with safety programs, often a weak area of compliance for DBE’s.

FE Ward also contributed to the capacity development of a local business. The firm supported and mentored CEC Security, owned by Charles Cason, a Northeast DBE. CEC provided security on Ward’s section of the Interstate project, the 1,000-foot Vanport Bridge that spans the Columbia Slough taking the Interstate MAX train into Delta Park.

There were numerous other capacity development efforts provided by TriMet and its primes. One was rotation of the work opportunities assuring the project utilized as many DBE’s as possible. Explained Don Irwin, “Concrete’s an example. Usually there is the ability to get diverse participation [in that scope of work] from small contractors, but you can also not give it to just one contractor, you can give it to several.”



P Charles Cason

Seizing the Prospect for Growth

One good opportunity, Charles Cason has found, leads to others. Cason, the owner of CEC Services, Inc., started out performing inspections with just five employees, but is now the owner...

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Building Businesses

Often the best way to build capacity is to go beyond the improvement of existing businesses to supporting the creation of new business, which TriMet and its prime contractors succeeded in doing on the Interstate MAX project. The Northeast Urban Trucking Consortium is a perfect example of this practice.

James Posey, owner of Workhorse Construction, a trucking and asphalt paving company, was the catalyst behind the Northeast Urban Trucking Consortium. Posey had presented the idea of a truckers' consortium to city officials and others for a number of years, but TriMet was the first entity interested in the consortium idea.

Posey believed that a consortium would provide numerous benefits to truckers, and to the Northeast community. "It would be a way", he said, "to genuinely empower minority businesses to work together and to empower themselves to be more efficient so that they could be competitive in the market."

Posey explained that normally a general contractor hires one, possibly two trucking companies to handle all of a project's

hauling, or subcontracts trucking to an excavator, or calls and dispatches an array of independent operators to do the trucking. Under those circumstances, DBE's, minority- and women-owned firms are frequently not included except as extras when there is too much work for the lead subcontractors. "We're basically called at the will of people who are three or four tiers down from the prime contractor," Posey explained.

TriMet and Stacy and Witbeck both supported the creation of a trucking consortium as a way to give smaller, underutilized independent truckers access to a sizeable amount of work on the project. The idea of a trucking consortium, however, was a rather radical one, Bill Bruce clarified. "I've been in front of a bunch of large



transit agency owners, and no other owner would do something as bold as that."

The trucking consortium concept however, was not a difficult one to embrace as TriMet was committed to capacity development of businesses in North and Northeast Portland.

Bruce Watts recalled that when the consortium idea was brought to him by James Posey, it “was a viable option for including smaller truckers on this project,” Watts explained. “I loved it.” Stacy and Witbeck also embraced the idea. “By the time we walked into the situation, all we had to do was put our arms around” the concept, said Bill Bruce.

Bill Bruce recalled that Bruce Watts “pick[ed] out areas where he could have the biggest successes for involvement of people

most minority communities,” Bruce added.

Historically, smaller minority truckers had not had an opportunity to be utilized because of many factors, including size and limited capacity. All that would change in Portland with the creation of the Northeast Urban Trucking Consortium. “It was all within the name of building capacity where there was not organized capacity before,” noted Bruce.

The Trucking Consortium began with three African American-owned trucking firms:

“...genuinely **empower minority businesses** to work together and to empower themselves to be **more efficient** so that they could be **competitive in the market.**”

from the workforce, from the Northeast community,” he said. “The thing that is amazing to me is [that] here is a guy who doesn’t have any real construction experience [but understands that] trucking and flagging [are] scopes where there is a large capacity.”

“Driving trucks and traffic control are two of the largest areas of capacity in this minority community, and, quite frankly, within

Workhorse Construction, Rock and Road Construction, and J and R Trucking. Later, other DBE truckers were brought in as participants, Posey recalled. “We controlled basically the policy and the administration but we allowed those guys to participate in other aspects of the Consortium.”

TriMet provided support to a technical services provider to assist the launching of the



P James Posey

A Dream No Longer Deferred

After more than 20 years of advocating for African American owned trucking companies, James Posey, executive director of National Association of Minority Contractors of Oregon (NAMCO), has seen a long-held idea come to fruition...

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Consortium. For example, the consultant made sure that all of the truckers had the appropriate insurance, and the Consortium was structured in a fashion to be a viable legal entity.

Here's how the Consortium worked. Each work day James Posey or Alvin Hall, another Consortium trucker owner-operator, talked with the Stacy and Witbeck truck boss to find out how many trucks were needed the next day, and where. Then Posey or Hall dispatched the Consortium trucks.

The Consortium was the prime trucking operation on the water relocation elements of the project, and received more work on the overall project. In fact, they got so much work that additional truckers, many of them Caucasian, were brought on to complete the work. Said Posey, "The beauty of it is for the first time we as Black truckers were doing to the White folks what they typically do to us...historically black truckers have been given last priority in the white male dominated industry. However on this project black truckers were able to run the organization, structure the call list. We were also able to offer better treatment to white truckers than we receive from our white truck-

ing bosses. Now that is something to talk about," he explained.

The Trucking Consortium was a radical departure from business as usual. The purpose of the Consortium," noted Tony Jones, director of a community-based contractor support program that provided technical assistance to Consortium members, "was to bring as many small, independent trucking companies on the job to give them the opportunity to do work versus the larger companies that had 20, 30 trucks that could do it all." He added, "The goal was to give first, minority, women [-owned] companies that opportunity, and second small businesses that opportunity. We really tried to focus on minority and women [owned] businesses who had historically not done the work."

The number one criteria for joining the Consortium was that the trucker had less than \$50,000 in gross receipts per year for each of the past two years, "Which for a trucker means



that they probably were putting \$10,000 in their pocket at the end of the year. That is not enough to rise above the poverty level, quite frankly," said Bill Bruce.

Next, to be a partner, the trucking businesses had to be minority or woman-owned, and a certified DBE. *(These requirements were for partners only; others could participate in the Consortium as members.)* Lastly,

to be given a priority in the rotation, a trucking firm also needed to be a local Northeast business as well. “We really wanted to focus on local businesses and smaller businesses, and not just businesses that were certified,” explained Tony Jones, technical consultant to the Consortium.

Each Consortium member paid a few dollars from each trucking job to fund the Consortium. “Each of us took two dollars off of the top [of the trucker’s payment] and put it in a kitty used to administer the operation of the Consortium, the marketing, the whole piece,” said Posey. Funds were also used for truck maintenance, fuel costs, and supervision.

“Essentially, it was a cooperative,” Posey said. “We put together a legal entity which was paid for by the proceeds out of the funds that were generated through the life of this project.” At its peak, the Consortium had about 40 member businesses working on the Interstate MAX project. Jones, director of the Contractor Support Program of the Housing

Development Center, a Portland nonprofit consulting firm, provided the business infrastructure and technical assistance during the Consortium’s first year of operation. The Housing Center’s program, developed in 1995, trains minority and women-owned construction businesses in management, including estimating, bidding, scheduling, and marketing.

Jones worked with Stacy and Witbeck, the prime contractor, to determine the prime’s

invoice and coding requirements, and also made sure that the truckers were paid every two weeks, instead of once monthly. “We talked to Stacy and Witbeck and TriMet to get an understanding of their procurement processes, and then set up an invoicing process,” Jones explained. “We set up criteria and information for the truckers so they knew when we needed to see the invoice [and] how the invoice needed to be sent in.” Jones helped the truckers standardize their trip tickets, and provided

business management for the Consortium. “We had a prime responsibility of setting up a system and processing the invoices for the trucking companies,” Jones recalled.

Some of the truckers needed to be educated about the level of detail necessary on invoices. “Part of the reason why small businesses don’t get paid on time”, Jones continued, “is not just [because] the public owner is not paying. Many times what happens is that

the subcontractor is not providing the owner with enough information so that [the owner] can compensate the subcontractor.”

Jones and his staff assisted the truckers in providing needed detail on their invoices, enabling the truckers to be paid in a timely manner. Jones maintained the paperwork on all the trucking firms in the Consortium, arranged for a certified accountant to keep the Consortium’s books, and kept a record of insurance qualifications and licensing and safety plans.

Jones strongly supports TriMet’s business capacity development efforts. As he interjected, “Fred Hansen gets it. He gets it that as

“The key element to this Consortium” ... “was we had to designate dollars to give back to the community.”

an owner—I'm going to be blunt—you've got to put your foot in the backside of your staff and say, 'we will do this; we will have participation on this project, period.' And you have a qualified staff like Bruce Watts that makes sure that it happens.”

Although truckers' benefited from the Consortium, one goal of the group was to provide resources to Northeast Portland's African American community. “The key element to this Consortium,” continued Posey,” was to designate dollars to give back to the community.” The Consortium provided funding to various nonprofit organizations, including the I Have a Dream Foundation, The Coalition of Black Men, and a variety of other causes. “Our primary objective was to make sure that [we] contributed to the empowerment of the community along economic lines,” Posey added. And there were other community benefits generated by the Consortium. “Our young people saw us working in our community, which they traditionally don't see,” said Posey. “And we were in charge.”

The initial Interstate MAX contract for the Consortium was \$407,000. By the end of

The criteria to joining the Trucking Consortium were:

- **Less than \$50,000 in gross receipts per year for each of the past two years.**
- **Minority or woman owned.**
- **Certified DBE.**



the project, Consortium members had earned \$2.36 million. Capacity development was one of the many benefits of the Consortium's participation in the Interstate MAX light rail project. “Every one of us working that project upgraded our equipment, upgraded our capacity. We had the opportunity to put a little money in the bank,” said Posey. “It allowed us to pay our taxes, our fuel bills, [and] improve our credit.”

Jones interjected, “Getting local, minority- and women-owned DBE's involved in a project takes creativity and a willingness to do things differently,” says Tony Jones,

something TriMet, and its partner Stacy and Witbeck, were willing to do. “It was nice, for once, for someone to say, 'here's a group of minority trucking companies that have a certain level of capacity.'” The Consortium had to bid at competitive prices, as any other contractor would, and was expected to meet the normally requirements. Instead of business as usual, however,” Jones added, “TriMet and the general contractor decided to take a risk and do something that's a little bit different, a little bit innovative, and have the support of the minority community.”

New Flagging Company **Developed**



Stacy and Witbeck were also instrumental in getting another business entity off the ground, a traffic control company that was one of two used by the prime contractor.

The idea, explained Bill Bruce, was to “utilize an existing business to pool together the flagging resources for the project.”

“Flagging, like trucking is one of the two scopes of work that are easiest to cultivate,” Bruce said. James Posey, whose work had been instrumental in the creation of the Trucking Consortium, launched Workhorse Flagging.

“I took a risk in developing a flagging company. I had done flagging before but took a risk and hired some Black people, got them certified in flagging techniques, and created a company,” said Posey.

The union flagging company used by Stacy & Witbeck had an overwhelmingly Caucasian workforce. Workhorse Flagging primarily employed people of color, and mostly women.

Stacy and Witbeck generally requires most, but not all, of its subcontractors to be affiliated with a union. On the Interstate MAX project, the flagging scope was split between a union contractor and Workhorse, a nonunion

operation.

The flagging company served to provide an entry point for employment in the construction trades. “Flagging is a very good entry-level position to bring people into the construction industry, so there is a connection.”

“To employing people from the community as well.” Said Posey, “I wanted to make sure we were of the community we served and looked like the community we served.”

Unfortunately, Posey had challenges in administering the flagging company, and had to shut it down.

“It was just too much of a burden for me as an individual contractor to administer the flagging company and to be intimately involved with the Trucking Consortium,” he recalled. Bill Bruce of Stacy and Witbeck arranged for many of Workhorse flaggers to be accepted into the union and work for the other Interstate project flagging outfit.

Ultimately, the creation of the flagging company increased the capacity in the Northeast and North Portland community for access to a construction-related trade, one of its major goals.



PARTICIPATION ^{of} LOCAL SUBCONTRACTORS

TriMet's efforts to support, engage, and develop local subcontractors was a resounding success, and met the goals established by the agency's general manager. The project engaged 249 subcontractors, of which 17 percent (45) were from North or Northeast Portland, and eight percent (22) were DBE subs from those communities.

Of the \$200 million of the project received by subcontractors, DBEs received 18 percent (or \$35 million), while 12 percent (or \$23 million) of total subcontracting dollars went to subcontractors from North and Northeast Portland, with \$8.1 million to North and Northeast DBE's.

Although a number of the DBE's were

small businesses, many of the 86 DBE's were sizeable firms, several of which were minority-owned. Bill Bruce says the project needed both large and small DBE's to be successful. "My philosophy was that we needed big fish and little fish. In many cases, the [large firms] are minority-owned businesses aside from being disadvantaged businesses through the federal government's program," he continued, pointing to \$6 million and \$2.5 million contracts awarded to two minority-owned DBE's. "But at the same time, we had to pour more resources into the small fish column." Bruce estimated that 5 percent of the DBE's received about 90 percent of his technical assistance and capacity development efforts.



Subcontractor, Vicqui Guevara, owner of Valley Growers Nursery & Landscaping, Inc., supplied plants for the Interstate Max Project.

Boosting Apprenticeships and Workforce Inclusion of Racial Minorities and Women

Companies were required to be training agents, and have 17 percent of project work performed by apprentices.

TriMet's capacity building activities on the Interstate light rail project included efforts to engage construction trade apprentices and develop construction industry workforce diversity. As Bruce Watts observes, "Jobs create wealth, and wealth creates stability. Stability is what we're looking for in our community." Employment in the construction field, he asserted, is one path to family-wage jobs.

The Workforce Training & Hiring Program

TriMet contracted with the City of Portland's Workforce Training & Hiring Program (WTHP) to monitor the success of the primes and subcontractors in meeting TriMet's apprenticeship hour goal and have a workforce on the Interstate MAX project reflective of the Portland metropolitan community. The program

promotes apprenticeship training and inclusive hiring practices. Housed in the City's Bureau of Purchases, WTHP was created in 1994 to address the underutilization of women and minorities in the state's construction trades, and supports long-term training of the region's future workforce.

The WTHP monitored all prime contracts on the Interstate light rail project worth \$200,000 or more and sub contracts over \$100,000. The program had several requirements for monitored companies. Companies were required to be training agents, and have 17 percent of their project work performed by apprentices. In addition, businesses were required to provide monthly compliance reports to WTHP staff.

Angela Pack, a contract compliance specialist with the City of Portland's Bureau of

Purchases, was assigned to the Interstate light rail project from the WTHP. Pack was responsible for the implementation of several WTHP elements on the Interstate MAX project.

Pack operated out of Stacy and Witbeck's field office. "I was able to monitor and do my work in their presence," Pack said. "I'd hear things that were going on, I'd see things going on, and if it meant something that involved me, I would step up to the plate."

Bill Bruce welcomed Pack's presence. "I wanted her in my office. The Bureau of Purchases is compliance. I'd rather have them be part of a team even if they ultimately have to judge me." He added, "That's a better way to go if you're serious about achieving the end result."

Pack's work contributed to the apprenticeship diversity in a number of ways. She

worked closely with contractors and subcontractors to assist them in meeting TriMet's goal of 17 percent apprentices on the project. "What that entailed is the use of apprenticeships per trade, per contractor [and subcontractor] for the different job sections comprising the Interstate MAX project," she explained. The primes were responsible for making sure the subcontractors were in compliance.

Pack's work included frequent site visits, many of which were unannounced. "You catch a lot of stuff when it's not known when you are going to show up. That's why I like drop-in site visits." Pack would interview the apprentices, the contractors, and subcontractors on a site. "I ensure[d] there were no issues involved with the prime or the employee," she explained. "I ensured the employee [was] being paid the correct wages, and if I [saw] them working out of trade, I ensured they got paid that trade's wage."

Pack provided individual training for contractors and subcontractors to understand the requirements of the apprenticeship element, how to reach the aspirational goals, and how to maintain them. She proudly points to her efforts to ensure compliance with the agency's aspirational goals. "I don't push for the minimum," she said firmly. "I always push for the maximum." She said that the majority of the Interstate MAX contractors exceeded 25 percent or above for apprenticeship hours worked.

Pack also worked with contractors to

improve their utilization of DBE subcontractors. For formal contracts over \$200,000, TriMet required prime contractors to engage in a good-faith effort to utilize certified DBE's on the project. Primes were provided with a list of certified DBE firms, and were required to contact these subcontractors and document the results of the contact. In addition, primes were required to receive approval for the substitution or elimination of a certified DBE.

Finally, Pack encouraged the primes and the subcontractors to make reasonable and necessary efforts to employ a diverse

workforce. Although neither the City nor TriMet required racial and gender diversity in a contractor's work force, TriMet and the WTHP worked with contractors to assist them in this effort. "The City cannot legally tell them they have percentages for diversity," Pack explained. "We can only press the percentages for apprentices."



Said Bruce Watts, “We met with the prime contractors on a monthly basis, [examined] each of the subcontractors, and looked at their percentages and what have you.” He added, “We also tracked workforce diversity, which allowed us to weigh in on those contractors who didn’t have a reasonable ethnic balance.”

Getting the subcontractors to increase their workforce diversity took several forms. Bill Bruce devoted part of a weekly meeting with major subcontractors to the topic. “I wanted everyone to understand that this wasn’t a normal project. You weren’t just being judged on efficiency, productivity. You were being judged

issues with subcontractors who had not met TriMet’s goal, and worked with the subcontractors to move forward.

“I structured it so that I had Bruce Watts, Angela Pack, Faye [Burch] and Andre [Baugh] at the meeting, so you couldn’t walk into that room without knowing that you were there for a reason. I think it was effective,” he said simply.

Bruce also used a carrot-and-stick approach with subcontractors. “At the end of the day, we said, ‘you’re gonna do this. And if you’re not, we’re going to do it for you.’ And then when they did it, we said, ‘Way to go. Was it really that bad?’” Added Angela Pack, “with

Stacy sitting there and TriMet, they met those goals.”

Much of the effort to increase the percentages of apprentices and create a diverse workforce involved meeting with the trade unions. Pack, Bruce Watts, and Bill Bruce of Stacy and Witbeck would sit down with a contractor and assist the contractor in identifying ways of meeting with the unions and getting minorities and females dispatched to the project. The contractors, in turn, would train their subcontractors on working with the unions. Bruce also took the initiative of placing workers with subcontractors. “I always had a list of people in my back pocket that I was trying to

“We met with the prime contractors on a monthly basis - and looked at their percentages...”

on your ability to train people, to mentor people, and to produce a more diverse workforce with better relations to the community,” He added, “I think it worked.”

In addition he also held monthly meetings to review workforce



place, usually non-union folks,” he recalled. “That was a way for me, at any given point during anyone of these weekly meetings or monthly meetings, to be able to tell anyone who was giving me the usual excuses to say, ‘let me make a couple of calls and I’ll call you right after this meeting. We’ll get

you a person.”

The combined workforce diversity efforts paid off. Although contractors had to show only good-faith efforts to improve workforce diversity, over 30 percent of the Interstate MAX workforce was comprised of women, and racial and ethnic minorities.

Bill Bruce, who worked with Pack on a previous project, acknowledged her contribution to the workforce diversity efforts. “Angela Pack is capable and determined to play a role on these projects as well. She was very instrumental in that role.”

Oregon Tradeswomen Inc., a non-profit organization that promotes the success of women in the trades through education, leadership and mentorship, helped TriMet and the prime contractors find women apprentices for the project. “Our main focus,” said Connie

“You weren’t just being judged on efficiency, productivity. You were being judged on your ability to train people, to mentor people, and to produce a more diverse workforce with better relations to the community,”

Ashbrook, the organization’s executive director, “was to make sure that the women we worked with successfully became apprentices so that they would be available to work on the project.”

In addition, Oregon Tradeswomen served as an intermediary between the contractor and the woman apprentice if there were conflicts between the

two.

Although Ashbrook did not track the number of women from her organization that worked on the Interstate MAX project, the women worked in a variety of trades, such as flagging, carpentry, and apprentice laborers and heavy equipment operators. Many of the apprentices from Oregon Tradeswomen were African American, another way the Interstate workforce was reflective of the North



and Northeast communities. The primes also contributed to strengthening the presence and involvement of apprentices on the project. For example, Stacy and Witbeck set up a mentor protégé system. “Every apprentice that came on the job had a sponsor. Then I could talk to the sponsors and say ‘Look, you are responsible for that person being on this job as long as possible and learning as much as they can.’ That was a system that really helped with the apprentice’s experience on the job.”



Bruce also requested that the trade unions provide him with women and minority personnel, but sometimes he encountered resistance. “Some unions really got it and others didn’t. The ones that did get it saw Interstate as a place where they could showcase and improve their reputation on utilization of women and minority personnel.”

Angela Pack agreed. “I don’t think [the unions] were accepting at first, but the way Bill Bruce and Bruce Watts presented it to them, they saw how it would actually [be a] benefit in terms of increasing diversity usage throughout the metropolitan area.” Pack added, “Once the unions came around, they saw that it can be done, which set the example for the next big contractor that I deal with.” I say, “Don’t tell me that it can’t be done. I know it can be done.”

Bruce said he had the most success when he got union leaders to focus on numbers, not broad policy issues. “What I did was challenge the unions on a day-to-day basis to not treat this as a big picture issue. I’m just looking for one or two people.” He explained, “Because at the peak of Interstate with all of the subcontractors included, we had about 200 people on the site. So if say, we want 10 percent African American, 20 percent Hispanic, 10 percent women, we’re talking 40 people out of 200. The focus should be on small incremental steps rather than on major policy changes.”

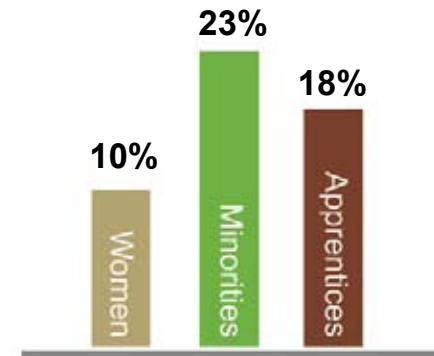
All of these efforts helped TriMet exceed its objectives for the use of women and minorities on the Interstate project. Women comprised 10 percent of the project workforce, and racial minorities, 23 percent.

The agency also exceeded its apprenticeship goal of 17 percent of project hours being performed by apprentices. Apprentices provided 18.45 percent of the total hours, with minority and female apprentice hours providing 7.72 percent of the total project hours.

TriMet exceeded its goals for the percentages of apprentices on the Interstate Project:

- 17 % apprenticeship goal, TriMet exceeded with 18.45 % performed by apprentices.

WORKFORCE



CONCLUSION



Construction of the Interstate MAX project delivered success in a number of ways, many of which were helpful to North and Northeast community businesses and residents. The Interstate MAX Light Rail Project also provided technical assistance and a variety of capacity development opportunities for DBE's located in the Portland and North and Northeast communities. Said TriMet General Manager Fred Hansen, "Not only did we take businesses that performed at a certain level and utilized them, I think we also built their capacity to do more in the future."

Completed \$25 million under budget and 4 months early, the success of the project also shows that a commitment to workforce diversity and DBE development need not be a drag on a project's bottom line.

GALE SCHMIDT

Leaping from Ramps to Railings and Art

The Interstate MAX project launched Gale Schmidt into a new line of work—and an advanced level of business success.

Schmidt is the owner of AccessAbility, a metal fabrication company she started in 1996. Before her work with TriMet, AccessAbility focused on the construction and installation of modular wheelchair ramps. The TriMet project shifted Schmidt's business to railings, gates, fences, ornamental iron, and architectural steel.

For the TriMet project, Schmidt recalled, "I bid doing the guardrails for all of the platforms on the light rail project from the Rose Quarter to the Kenton Station. That kind of launched me into doing this type of work. Now we're pretty much phased out of the ramp business."

Starting into the new line of work was not without its difficulties. Faye Burch, the Interstate MAX DBE coordinator, recalled her initial meeting with Schmidt. "My first interaction with her

was in a meeting, when she said, 'My business is in trouble.'" Schmidt's bid—which had been accepted by the prime—was too low, a fact she didn't realize until after she submitted it. "People don't factor in elements like attending safety meetings and preparing an inordinate amount of paperwork," into their bids on a federally funded project, Burch noted. Much of this was new to Schmidt. "I had to bid and engineer the job, build and deliver it, and then do all the invoicing and paperwork afterwards," she recalled. "It was kind of crazy."

Burch worked with the prime and Schmidt, and came out with an excellent compromise. The prime revisited the bid and found Schmidt another project working with artists to install their artwork at the light rail stations.

Early on, Schmidt wondered if bidding on the project was the right decision. "In the beginning, it was such a challenge that I wondered what the heck I was getting myself into. I really thought I had overstepped my skill level."

Support from TriMet, Stacy and Witbeck, and Burch pulled her through. "Working with TriMet

and with Stacy and Witbeck was probably the best thing that could have happened because they are so supportive of DBEs," she said. "They have gone out of their way to encourage, support, coordinate—just do extra things." She recalled a safety class being held by Stacy and Witbeck for the DBEs. "Before we got this project we didn't have to



do any of that stuff. So they basically showed us how to set up a safety program, how to conduct training, gave us information about some of the OSHA requirements,” she recalled. “Just them being there, sharing their experience with us made it a lot easier.”

Schmidt also needed to be bonded and find additional insurance, but couldn’t find either that she could afford. Burch found a state bonding program and Schmidt qualified for a \$50,000 bond. Burch, Schmidt recalled, “made a connection for me with the [U.S.] Department of Transportation and the Small Business Administration who had a special program to help emerging small businesses. I would never have known about that,” the subcontractor said. Burch also found Schmidt an insurance company with reasonable rates for the increased coverage needed on the TriMet Interstate job.

Getting the bond was only half the battle. Stacy and Witbeck had some work within Schmidt’s scope coming up for about \$300,000, but Schmidt decided not to do it because she couldn’t get a bond for the entire amount of the job. To eliminate the problem, Stacy and Witbeck agreed to roll her bond, Burch recalled. “If she did \$50,000 worth of work, they’d roll it, she’d do

The TriMet project was by far the largest project Schmidt had ever bid.

another \$50,000, and they’d roll it,”

The TriMet project was by far the largest project Schmidt had ever bid. “It was a \$200,000 bid,” she recalled. The change orders increased the contract to nearly \$400,000. Previously, her largest project was for \$16,000.

Work on the TriMet project led to the growth of AccessAbility. On the TriMet project, Schmidt started with herself and one other person in the shop, and grew to six shop assistants. Schmidt no longer fabricates product, but has two full-time fabrication assistants. Given the increase in business, Schmidt will likely hire a couple of additional staffers in the coming months. Schmidt’ provided a variety of work on the Interstate MAX project. She began with guardrails for the transit line, built and installed fencing around a building near the light rail, and later provided catenary screens for the Interstate line.

The project’s duration suited the needs of her business. “The duration of the project was perfect because it spread out a humongous amount of work over a three year span,” she recalled. “I could use my workforce that I had, work along

with the project, and kind of grow.”

The project taught her a lot, Schmidt noted. “The lessons that I learned out of the project were time, people management, scheduling and administration, and how to work as part of a team.”

The TriMet work also boosted Schmidt’s capacity in more tangible ways. “I ended up investing back in the company,” she said. “We’ve added more equipment and relocated to a larger facility, which is twice as big as my old place. This means we can handle more things,” she explained, including staging, inventory, and materials. “Now, we’ve got some room.”

Schmidt continues to take actions that lead to growth for AccessAbility. She is now certified as a Disadvantaged Business Enterprise in Washington state, and has bid and won projects there.

The development of AccessAbility’s capacity came at an excellent time. “There is a big market now for railings on sidewalks, walkways, around balconies and fencing projects,” Schmidt noted. For example, her firm is once again working with Stacy and Witbeck on a Portland streetcar project.

CHARLES CASON

Seizing the Prospect for Growth

One good opportunity, Charles Cason has found, leads to others. Cason, the owner of CEC Services, Inc., started out performing inspections with just five employees, but is now the owner of an inspection and security business with 14 employees. In addition, he is educating school kids along Interstate MAX on safety issues, something he never expected to be doing.

Cason and his staff currently ride the Interstate MAX light rail line, provide security, and talk to passengers about safety. He also serves as a public safety officer for TriMet.

Cason, a Vietnam veteran, launched his firm in 1998, and focused on utility and underground piping inspection services. He became interested in the TriMet project after conversations with Faye Burch, the DBE coordinator on the project, and TriMet's Bruce Watts. "They told me about it, and said I should go for it. So I said, 'Why not?'"

Cason recalled. Cason applied for and received his DBE certification, and his bid to provide security services was accepted by F.E. Ward, one of the project's prime contractors.

Support from F.E. Ward and TriMet led to Cason's success.

"It's believing in somebody, and giving him help," Burch said. In turn, Cason was ideal as a security and safety worker on the project. Cason "likes people and the community, likes to talk to people," the DBE

coordinator said. Instead of bluster, Cason relies on persuasion. "He is not going to be out here threatening people," she asserted. "He's going to be out there talking to people and smoothing things over and being part of the community."

Cason also completed some security work for

Stacy and Witbeck, another prime contractor on the project. Cason's approach again made him valuable.

Bill Bruce of Stacy and Witbeck believed Cason brought a unique community connection.

"He'd find a kid skateboarding down the street with a can of spray paint in his hand. He would stop that kid and he wouldn't turn them in or cuff them. He would deputize them. He'd say, 'you know, there is a lot of stuff going down out here, and you

live around here. And I really need your help to watch out for this sort of thing.' And it worked."

Cason's efforts didn't stop with security. With the assistance of the DBE coordinator, Cason and his brother, James won a bid to install fencing for Stacy and Witbeck's storage yards. The



fencing project, Cason said, “was something I can point to on my resume, and show the variety of work” he and his company are capable of doing, he said proudly.

After the security and fencing work, opportunities continued to flow to Cason’s company. For example, TriMet picked CEC to provide safety information to students attending school near the light rail line. “When they presented the program of being a public safety officer, I said that would be right down our alley,” he recalled.

Making safety presentations to schoolchildren is an important part of Cason’s light rail work. “I go into the schools and tell kids about the MAX, what the signs mean, where to stand to be safe in and around the line,” Cason said.

Cason and his security staff will often park across the street from a school to make sure students are crossing the light rail tracks safely. “We just monitor them to make sure they’re safe, that they’re not riding a bicycle or a skateboard across the tracks,” which could lead to dangerous falls, he says.

Cason says developing relationships with the students who ride the light rail is one of the many benefits of the school presentations. “The kids get to know you, they get comfortable with you,”

Cason said. He recalled one student who was initially belligerent in class, who eventually came around to Cason’s gentle encouragement. “I told him I would hate to see his name in the newspaper due to an accident on the light rail,” Cason recalled. That same youth proudly introduced Cason to his parents when he saw Cason at a local shopping mall.

Not surprisingly, the increased scope of work has meant more revenue for CEC. Cason’s first contract on the Interstate light rail project was worth \$110,000 and, by the end of construction, was valued at \$230,000.

The Interstate MAX project also helped boost the capacity of Cason’s business. In addition to allowing the company to expand into the security field, the project allowed Cason to increase his employees from five to 14. He is now making sure his staff receives first aid and safety training, and that all are state certified. “I’m trying to make my [staff] as professional as I can,” he said.

Cason said the TriMet project gave him the confidence and skills to bid for other, larger projects, and his skill level and self-assurance also increased. “Sure, I do inspections and security,” he said, but now, “I’m about community relations, too.”

TriMet’s commitment to DBEs and workforce diversity wasn’t just lip service, Cason asserts. “I think they really want the program to work. Instead of hiring people from other states, they worked within their city and got people from the community. It made for a beautiful project all around.”

Support from the prime and TriMet was vital to Cason’s success on the project. He expressed surprise at the range of support provided to DBEs on the project. “When we started working for Stacy and Witbeck, they had monthly classes on finance, payroll, invoicing, and other subjects.”

Support also extended to challenges the DBE’s faced. “If you had some issues, they were there to help.” He pointed to the paperwork required of DBE’s on federal projects. “What scares a lot of [people] away is the paperwork, but when [Stacy and Witbeck] takes you through it, step by step, after a while you get up to speed on it.”

Teamwork, Charles Cason believes, was the hallmark of DBE efforts surrounding the Interstate MAX rail project. “It was diversity in action,” Cason said. “It took all of us working together.” He added, “As well as them being successful, it seemed like they wanted [the DBE’s] to be successful, too.”

FAYE BURCH

Providing Stepping Stones to DBE Success

Helping subcontractors succeed is the goal of Faye Burch, principal of F.M. Burch & Associates. “Once a contractor is working with [me], my role is to help them be successful,” Burch said.

Burch’s firm was the DBE coordinator for all of the prime contractors on the Interstate MAX light rail project. “Faye, as the DBE coordinator, was part of the contractors’ teams,” recalled Bruce Watts, TriMet’s senior director of diversity and transit equity. “Faye was able to tell the prime contracting teams about viable companies that were available and should be sought out. In some of these cases, she had to make phone calls to people and say, ‘you need to bid on this work. This is something you can do.’”

Bill Bruce, Stacy and Witbeck’s project manager, said Faye Burch, and her associate, Andre Baugh, were constantly encouraging new businesses to participate in the project.

He recalled one subcontractor, a mason, who Burch invited to participate on the project. “This is a guy that does private work, small piece work, usually little walls and brick jobs. He needed to be convinced, actually needed to be prodded to walk in the door, and we worked out a nice little scope for him. Now there are three really beautiful, handcrafted stone walls,” adorning the project at the Kenton Street light rail station. Bruce points to the persistence of Burch and Baugh to make it happen. “That is a scope that was generated by Faye and Andre out there basically pounding the ground, pushing people through the door.”

Watts explained Burch’s role. “She was the screening tool to assist the contractors in understanding some of the businesses sending in bids, their true capacity, and their strengths and

weaknesses. She was really a factor in building the confidence of the smaller DBEs who had never participated [in a federal transit project] before and who had a lot of angst about bidding on such a large public works project.”



Providing technical assistance was one of the key functions performed by the DBE coordinator. Gale Schmidt, owner of a metal fabrication company, directly benefited from Burch’s technical expertise. Burch helped Schmidt identify cost effective insurance and

bonding, helped her purchase materials at less than 50% of Schmidt’s previous costs, and even helped her navigate the new world of federal contracting. “We got a lot of help from Faye Burch,” Schmidt recalled.

In many cases, Burch worked with subcontractors on their bids to Stacy and Witbeck, the

prime contractor on much of the project. Having bids that were too high because of supply costs was a common problem. “When you call [a supplier] and you are a new business it’s going to cost you three times as much to purchase the same materials” as a larger, established company,” the coordinator said. Under those circumstances, the subcontractor’s quote to the prime would likely be too high.

To alleviate that problem, Burch would sit down with contractors, examine their bid, and then work with TriMet and Stacy and Witbeck to see if suppliers to those entities would supply goods to subcontractors at the same, lower price. Concrete was one example. A supplier “has already delivered [concrete mix] to the project in tons, so they could also deliver to the subcontractor for the same rate, thereby reducing the sub’s cost and the overall cost to the project,” Burch explained.

Technical assistance came in handy when a subcontractor had a difficult time delivering the exact job specified, Burch said. For example, one subcontractor’s work was repeatedly filled with errors. Instead of removing him from the job, Burch’s company, through team member Andre Baugh, worked with the business to get the pro-

cess right. “And they eventually did a great job,” she recalled.

Burch first worked for the project’s civil engineer, Parsons Brinckerhoff Quade & Douglas, on the design phase, and then worked with general contractors Stacy and Witbeck and F.E. Ward.

Burch had several responsibilities with Parsons Brinckerhoff. She helped the company diversify internally, and assisted the engineering consultants in meeting their varied DBE needs on the project. She also provided training opportunities for DBEs in areas in which they needed additional support.

A primary role for Burch’s company was acting as an intermediary between the DBEs and the prime contractors. Civil engineer Marcela Alcantar recalled some differences she experienced with Parsons Brinckerhoff on the project. Alcantar had never worked on a transit project before, and had never partnered with a large civil engineering firm. Communication problems arose. “It was kind of like a marriage,” Alcantar said, “and sometimes a marriage can be a bit rough. [That’s when] you go to somebody and say, ‘please help me.’ And that person was Faye.”

...provided training opportunities for DBEs in areas in which they needed additional support.

Ed Wilson, owner of Ampere Electric, a DBE firm and a subcontractor to Stacy and Witbeck, received similar assistance from Burch and her company. “When the [DBE coordinator’s firm] realized what our needs were, they were able to go to Stacy and Witbeck and say, ‘these are the things you need to address with them, these are the things you can help them with.’”

DBE subcontractors often need to be paid more frequently than well-established firms. To help with cash flow, Burch assisted the primes and TriMet in streamlining the payment turnaround time so subcontractors were paid every two weeks. Burch sees the Interstate light rail project as a major building block for disadvantaged business enterprises that participated in the project. DBEs “developed experiences that will take them through years and years of light rail business,” she said. “It was a serious stepping stone for them, and they took advantage of it.”

She added, “I love this project. I could talk about it forever.”



MARCELA ALCANTAR

Partnerships Boost Business Success Profile

Marcela Alcantar has worked hard to make her company successful, and the TriMet Interstate MAX project helped her make considerable progress toward that goal.

Her firm, Alcantar & Associates, provides civil engineering design services. Her previous work included design engineering for housing developments, theaters, and shopping centers. On the Interstate light rail project, Alcantar's firm was a subcontractor to Parsons Brinckerhoff, TriMet's prime engineering consultant. Alcantar performed mostly track and intersection design on the project, and was also responsible for the design of demolition of certain sections of the line area.

Alcantar made it clear, however, that she was involved in a variety of project elements. "We had our hands in the whole project," she recalled. "It gave me the experience to learn all sorts of engineering aspects of what goes into such a large project."

Parsons Brinckerhoff assisted Alcantar in numerous ways. For example, Alcantar was trained on a popular civil engineering software program, which has increased her skill base and allowed her to take on more sophisticated jobs. They also expanded her scope of work. Alcantar's scope started at \$80,000; by the end of the project, it had grown to more than \$120,000. "I started with something, and then they gave me more responsibility," Alcantar explained. The largest project she'd worked on before Interstate MAX was for \$40,000. The Interstate MAX work also provided her with experience on a transit project. "I didn't have experience with track design," she recalled. She also had never worked with such a large civil engineering firm before. The Interstate MAX project provided her with a wealth of experience. The project "has given me years of experience in one single shot," she said, adding, "It would have taken me at least ten years to learn what I learned" on the Interstate MAX job. The project also allowed her to develop relationships with other contractors and project owners, including the Oregon Department of Transportation. "This project really

opened some doors," the civil engineer said. Alcantar has since worked with Parsons Brinckerhoff on a billion dollar sewer project in Portland. Teamwork between TriMet, the prime, and the engineering consultant was vital to her success. "It's really the fact that TriMet's committed" to the success of DBEs, she said. "They emphasized a commitment and assured their commitment to the prime. And the prime understood that it was a commitment that it needed to do."

The extensive support provided by TriMet extended to the professional services sector, as well. "There is a lot to learn from what TriMet has done, especially in the professional services," said Alcantar. "TriMet has [taken] a big leap into the future [into what] professional services can be" for DBEs. Several elements of the project were beneficial to Alcantar, but the most important was TriMet's belief in her work. "Number one is the commitment of TriMet to see my success," she said firmly. "TriMet emphasized the importance of my presence as a business. My success would never have happened if I didn't have the support of TriMet."

JAMES POSEY

A Dream No Longer Deferred

After more than 20 years of advocating for African American owned trucking companies, James Posey, executive director of National Association of Minority Contractors of Oregon (NAMCO), has seen a long-held idea come to fruition.

Posey, owner of Workhouse Construction, a trucking and asphalt paving company, was the catalyst behind the Northeast Urban Trucking Consortium, a group of DBE trucking companies that performed a sizeable amount of work on the Interstate light rail project. The consortium brought together underutilized owner-operated truckers as one business entity.

Posey counts his participation on the Interstate light rail project, as a trucker and truck boss for a portion of the project, as one of his successes. "I'm a person that has been out here struggling, trying to get an opportunity to do stuff over the years," Posey said. The Interstate MAX

project "was just a beautiful thing." He added, "It's one of the projects I'm most proud of in my life."

Posey has long lobbied city and other local governments to better utilize minority construction firms on public projects. "James is a constant theme throughout this project, probably because he was so active at state and local levels over the last 20 years about the participation of minorities in the construction industries," says Stacy and Witbeck's Bill Bruce. "Probably 20 years ago he was considered a serious thorn in the saddle. Today he is a champion of the issues he [is] pursuing," Bruce added.

Posey was originally skeptical of TriMet's

goals on the Interstate light rail project. Having lived in Northeast Portland for 22 years, he has observed numerous public works projects that did little for the community. He recalls hearing TriMet's Fred Hansen talk about his vision of the DBE and workforce effort. "I said to [Han-

sen], I'm not going to believe it until the first drop of dirt falls in the back of my dump truck. I call it the "kaplunka test," said Posey, elaborating. "If it 'kaplunks' in my truck and we're moving down the road, then I'll believe we are making progress. We've heard all these stories be-

fore about [public works projects that] are going to use minorities," and never do, he said.

For Posey, three elements contributed to the success of TriMet's DBE efforts: support from



the top of the agency, a committed general contractor, and agency staff willing to do the hard work to realize the vision of community engagement and participation in the project.

“Fred Hansen, TriMet’s general manager, didn’t take no for an answer in terms of making this thing work,” Posey said. “It was probably the most emphatic expression of willingness to include people that I’ve ever seen.”

As for Stacy and Witbeck, “We got a contractor with a project manager [Bill Bruce] who was empathetic and open to making it happen,” Posey added. “That’s how Fred Hansen’s vision gets implemented—through the general contractor. I’ve never seen this happen—to get someone who was just as tenacious and emphatic about it happening as the owner.”

“The third element is, of course, staff at TriMet, particularly Bruce Watts. Bruce Watts’ office and their on-the-ground support, lent



The model used for this project should be adopted by any agency looking to include more minority and DBE businesses on a public works project...

themselves to the issues, and acted as intermediaries between us and the contractor. They worked out the kinks and evaluated stuff on our behalf. All of this contributed to the project’s success,” Posey said.

Posey believes there is no comparison between the DBE efforts of previous public works projects and those on the Interstate MAX project. “Other public works projects are designed to fail DBE firms,” he insisted. “This one was

designed to succeed.”

The model used for this project should be adopted by any agency looking to include more minority and DBE businesses on a public works project, especially as it was completed ahead of schedule and under budget, “which

flies in the face of all the rhetoric about using minorities,” asserted Posey. He added, “There should be people jumping for joy, doing cartwheels down the road for this program.”

Respect and inclusion were vital to this project, too. The consortium truckers, Posey said, were treated “like we were full partners in this operations. That was a big lift for us. We were invited to every meeting, every event. We were full partners in this project and we felt like we belonged to this project and [were] not just somebody that they had to use because of some affirmative action statement. So for us spiritually, that was a very, very good thing.”

BILL BRUCE

Commitment to Basic Principles of Fairness Leads to Project Success Profile

Implementing an aggressive plan to engage local businesses, DBEs, and having a diverse workforce on a \$100 million alignment is all in a day's work for Bill Bruce.

Bruce is a project manager with Stacy and Witbeck, Inc., a San Francisco-based general engineering contracting company that has gone from being a regional player to a transit industry contractor with projects across the nation. In addition to his project management work, Bruce also works on winning contracts for his company and providing project estimating services. Although responsible for all of Stacy and Witbeck's 4.4-mile of light rail line construction, Bruce was eager to implement new tools for DBE and workforce utilization on the Interstate MAX project. "My passion was focused on the subcontractors from the North, Northeast Portland area, and creating workforce diversity that was reflective of the region," he said. "What we wanted to do was have better involvement from the community and better involvement from that community's small

businesses."

Bruce brought a sensitivity to the social issues surrounding the historic underutilization of North and Northeast businesses and workforce to the Interstate project. "I went to college in the 1990s, [and] it's tough to come out of that environment without a focus on both your natural environment and your social environment," he explained. "So when I started hearing about [TriMet's commitment to local business and the workforce], I spent a lot of time on it, probably more so than other elements that I had traditionally focused on, like balance sheets and ledgers and productivity rates."

Bruce worked closely with local subcontractors, frequently providing classes on construction and project management issues, or assisting with required paperwork, and other efforts. Bruce Watts, who oversaw TriMet's DBE and workforce efforts on the Interstate project, was effusive about Bruce's effectiveness. "I don't know where [Bill Bruce] came from, but I sure wish I had a whole lot more of him. I mean he gets it," Watts said. "He's committed. He found innovative ways to make things happen."

Bruce was also a strong supporter of the Northeast Urban Trucking Consortium, and made sure the truckers were utilized extensively on the project.

"Bill Bruce," said James Posey, one of the project's subcontractors and lead on the trucking consortium, "it clearly would not have happened without him."

Bruce sees his role as one producing simple justice. "We're getting back to some basic principles, if you will. In this case, it's the idea of treating people fairly and giving different businesses a fair shake in getting the work."

TriMet's commitment to workforce diversity and use of local businesses was unusual, said Bruce. "Tri-Met, different from anyone else I've seen, took a huge role in supporting this value in the project." He added modestly, "You'd have to be a bad contractor not to do good under those circumstances."

Bruce also believes that the TriMet efforts—and those of Stacy and Witbeck—are easily reproducible on other public works projects. His advice? "Stick to the recipe, don't tweak it, create a hook somehow for the community issues and for the cost containment. Then lastly, pick the right people to do it."

Bruce will continue to work with TriMet. His company has been tapped to provide services on two upcoming TriMet projects, the 14.7-mile Washington County Commuter Rail line, and the 6.5-mile I-205 light rail line.

