

Department of Administrative Services



Procurement Equity

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Topics

1. Overview
2. Executive Order
3. Disparity Study
4. Roadmap
5. Next Steps



Procurement Equity Program Overview



Overview



**DISPARITY
STUDY**

**EXECUTIVE
ORDER**

Overview- 2023 Disparity Study



A disparity study examines and measures potential inequities within a state's contracting activity.

- The Oregon Disparity Study budget was passed in [HB5006](#) at the end of the 2021 legislative session.
- The study was initiated in October 2022 with BBC Research & Consulting. The study was completed in November 2023.
- DAS is working on an implementation roadmap in collaboration with partners.

Overview- Executive Order 22-15



On Aug. 3, 2022, Governor Kate Brown signed Executive Order No. 22-15, addressing gaps and barriers in previous attempts to remedy inequities and promote diversity and inclusion.

EO Tasks

- Embed an equity lens in all aspects of state procurement processes
- Improve data collection and data transparency
- Proactive outreach and engagement
- Training

Agency Specific Directives

- DAS Five-Year Action Plan
- Business Oregon: support and capacity building
- ODOT: public works project planning, procurement equity and contract compliance
- DAS-Led Procurement Equity Workgroup

Overview- Procurement Equity Program



Outreach and Engagement



- Cultivate relationships with external partners.
 - Offer guidance for small businesses and disadvantaged groups to do business with Oregon state government.
- DAS 5-Year Plan:
- Proactive outreach and engagement, training

Data Management



- Ensure data is accurate and accessible
 - Provide effective analysis to adds insight and transparency of state procurement.
- DAS 5-Year Plan:
- Improving data collection and data transparency

Program Development, Continuous Process Improvement



- Establish the Office of Procurement Equity.
 - Increase understanding of equity, inclusion and procurement equity.
- DAS 5-Year Plan:
- Embedding equity lens in all aspects of state procurement process

Overview- Policy Option Packages 119, 122



Resources to codify the Procurement Equity Program

POP 119

☐ Procurement Equity Program

☐ 6 FTE established

☐ \$1,832,990, TOTAL

POP 122

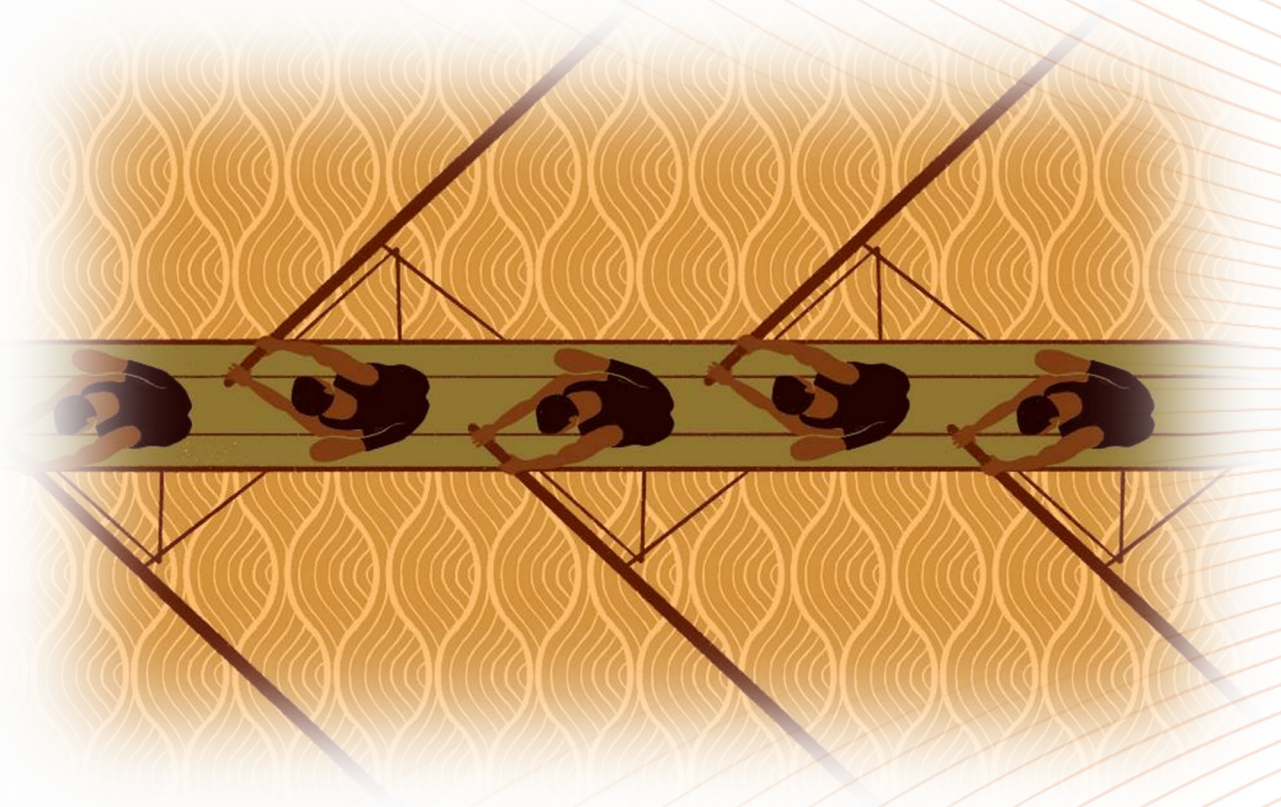
☐ Disparity Study Team

☐ 4 LD become permanent

☐ Rollover funding to complete study

☐ \$2,192,348, TOTAL

Executive Order 22-15



Executive Order 22-15 2022-2024



Embedding Equity



Developed DEI values statement for procurement solicitations. Updating most used solicitation templates with the new DEI statement. Draft equity tool developed. (3a, 3b, 3d)

Data Collection



Collecting race and gender for first tier contractors and primes. Maintaining and updating procurement and contracting equity website. Developed disparity study data dashboards. (4ai, 4bi)

Outreach



Established statewide translation and interpretive services price agreement. Expanded outreach efforts with metrics to measure effectiveness (GMP/C20). Published OPE Newsletter. (5a, 5b, 5c)

Training



Established training course. (6)

Executive Order 22-15 2024-2025



Embedding Equity

Exploring best practices in procurement equity for purchase decisions. (3ci-3ciii)



Data Collection

Beginning subcontractor data collection and real-time contracting dashboards. (4aii, 4aiii, 4bii)



Outreach

Developing outreach plan to increase participation in procurements through focused outreach efforts. (5d, 5e)



Training

Developing comprehensive and specific training program around procurement equity efforts. (6)

Disparity Study



Disparity Study- Background



Assess

- Disparities between participation and availability
- Marketplace barriers

Recommend

- Policy and program refinements

Determine

- If race/gender programs are warranted

Disparity Study- Background



- The disparity study provides the necessary **strong legal foundation** to remedy any disparities that are found.
- Remedies must be able to withstand **strict scrutiny** to avoid violating the Equal Protection Clause of the Fourteenth Amendment.

Case Law:

City of Richmond v. J. A. Croson Co., 488 U.S. 469 (1989)
Adarand Constructors, Inc. v. Peña, 515 U.S. 200 (1995)

Disparity Study- Background



Study Parameters

- **Date range:** July 1, 2017 – June 30, 2022
- **Businesses included in the study:**
 - Private sector
 - Oregon-based and able to perform work in Oregon
 - Primary lines of work that Oregon state government would contract with, in these categories: construction, professional services, non-professional services, goods and supplies.

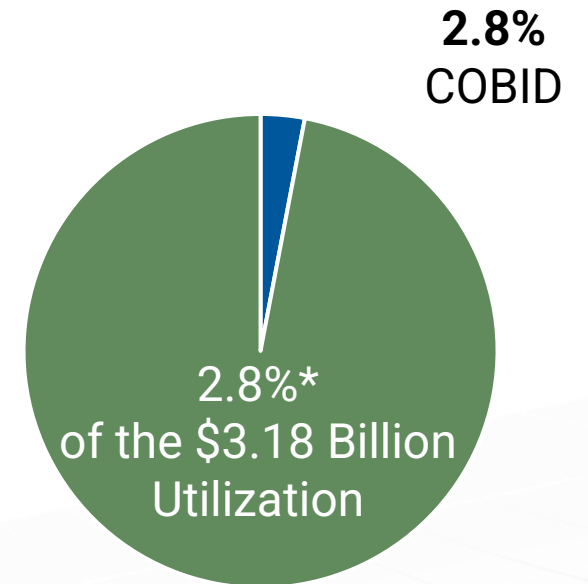
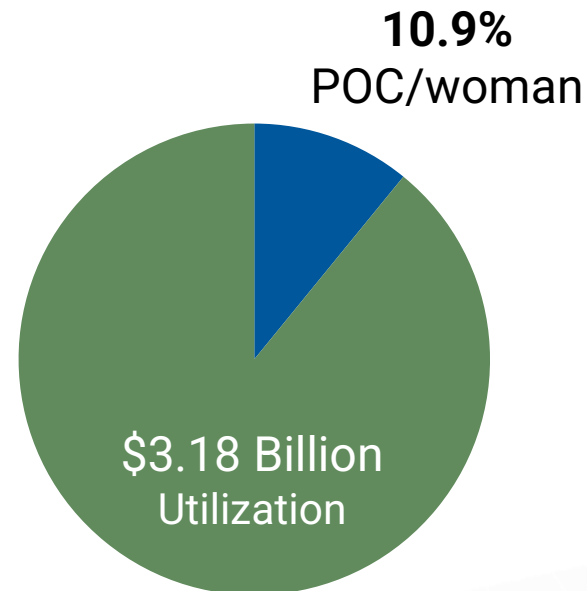
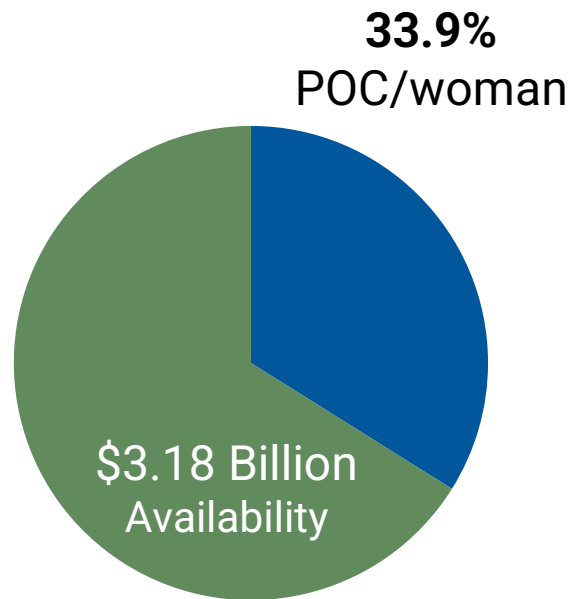
Disparity Study- Calculating Disparity



$$\frac{\text{PARTICIPATION}}{\text{AVAILABILITY}} \times 100 = \text{DISPARITY INDEX}$$

80 OR LESS = SUBSTANTIAL UNDERUTILIZATION

Disparity Study- Results



COBID Utilization based on Table
E-1 in 2023 Disparity Study

Disparity Study- Results



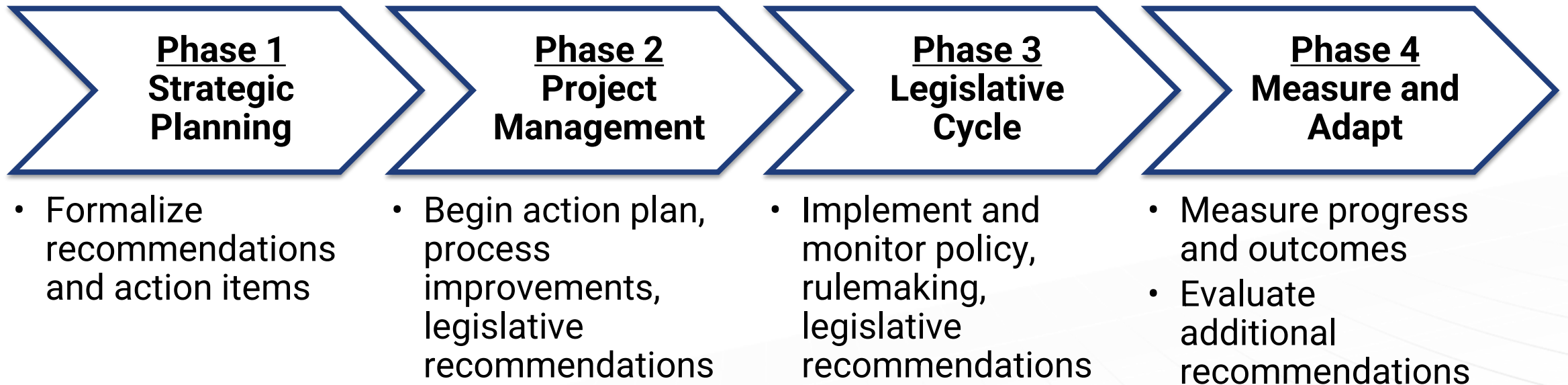
Contract set	White woman	Asian American	Black American	Hispanic American	Native American
All work					
Construction					
Professional services					
Non-professional services, goods, supplies					
Prime contracts					
Subcontracts					

| substantial disparity

Disparity Study- Action Plan



- ✓ **Work with internal and external partners**
- ✓ **Consider guidance and recommendation options**



Implementation Roadmap



Roadmap- Disparity Recommendations



29 recommendations*:

- Contract goals
- Procurement policies
- Contract administration
- Supportive services and capacity building
- Outreach
- Mentorship
- Recurring disparity studies

*All recommendations from the Disparity Study which can be found [here](#).

Roadmap- Governance



Project Sponsor

Advisory Committee

- Quarterly
- Disseminate current progress
- Provide feedback
- Assist in removing barriers

Executive Project Team

- Weekly
- Lead subgroups
- Office of Procurement Equity
- Governor's Advisor on Business Equity

Steering Committee

- Monthly
- Guiding project objectives
- Real-time feedback
- Assist in strategic decision making

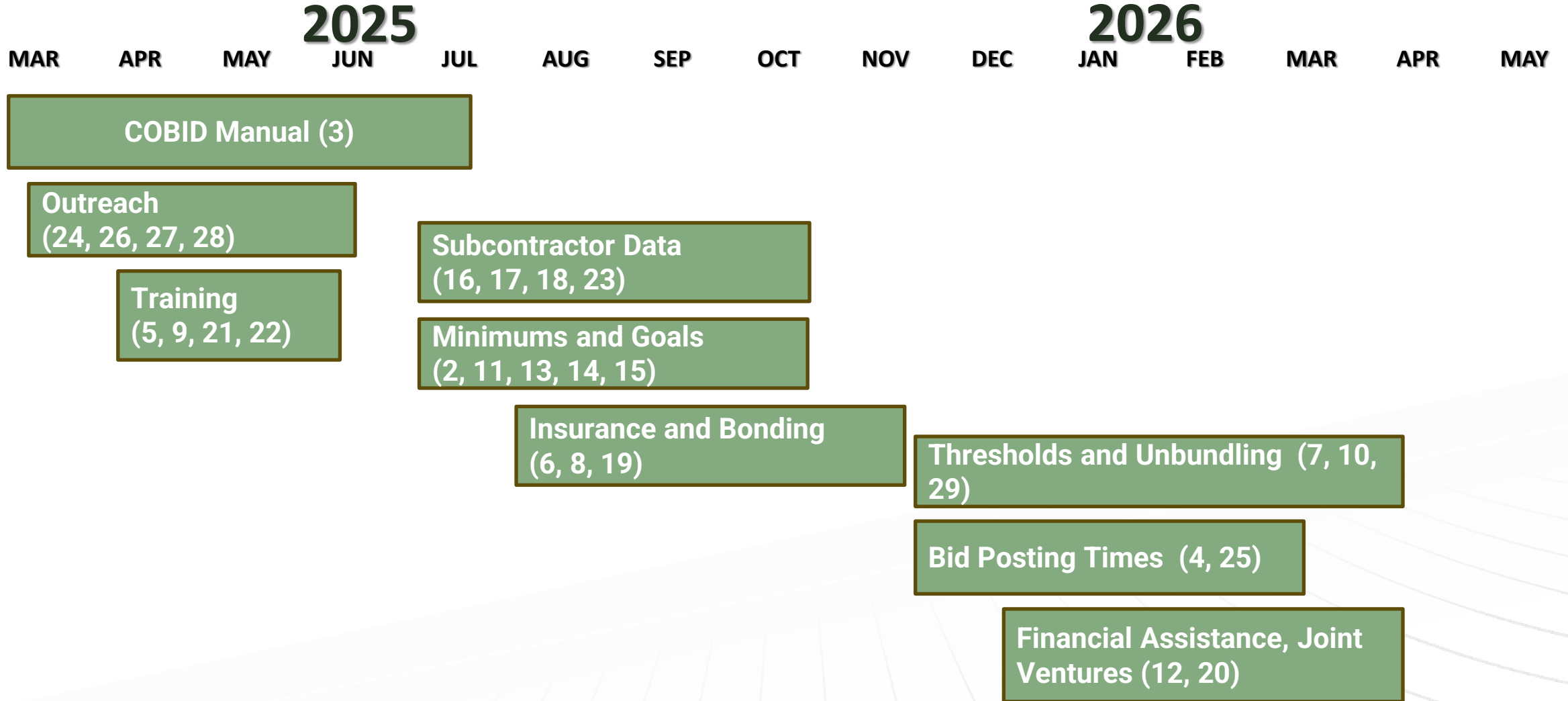
Roadmap- Collaboration



Collaboration with community partners lends expertise and insights to drive meaningful change in supporting the development and implementation of key recommendations from the [2023 State of Oregon Disparity Study](#) Oregon's procurement and economic equity strategies.

The steering and advisory committees will play an essential role in Oregon's economic equity strategies for improving participation in state procurement.

Roadmap- Subgroup Timeline



Next Steps: Small Business Procurement Program



Next Steps- HB2337



Small
Business
Program

Office of Procurement Equity

Disparity Study

Disparity Study- HB 2337 (2025)



83rd OREGON LEGISLATIVE ASSEMBLY-2025 Regular Session

House Bill 2337

Introduced and printed pursuant to House Rule 12.00. Proclamation filed (at the request of Governor Tina Kotek for Oregon Department of Administrative Services)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells a state agency to set up an effort to help small businesses compete for public contracts and says what the effort must do. Tells the agency to report the results of the effort to lawmakers. Tells the agency to plan for how to respond to the state's 2023 disparity study. (Flesch Readability Score: 60.7)

Directs the Oregon Department of Administrative Services to establish a small business preferences program for state procurement. Specifies minimum requirements for the program and powers that the department has to implement the program. Requires the department to report to the Governor and the Legislative Assembly on the implementation of the program. Requires the department to plan for and implement a response to the recommendations of the state's 2023 disparity study with respect to public procurement.

Sunset the program on December 31, 2031.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1 Relating to preferences for small businesses in public procurement; and prescribing an effective date.

2 **Be It Enacted by the People of the State of Oregon:**

3 **SECTION 1.** (1) As used in this section, "small business" means a business that:

4 (a) Has registered with the United States Small Business Administration, or a successor
5 agency, as a small disadvantaged business;

6 (b) Is certified under ORS 200.055 as an emerging small business; or

7 (c) Meets other criteria that the Oregon Department of Administrative Services specifies
8 by rule.

9 (2) The department shall establish a program for granting preferences to small businesses in procurements the department conducts under ORS 279A.140. The program, at a minimum, shall:

10 (a) Develop guidelines for the department and all state agencies on behalf of which the
11 department conducts procurements to identify a range of public contracts that would be
12 suitable for a small business to undertake successfully;

13 (b) Create effective strategies and methods for attracting, inviting, encouraging and enabling small businesses to participate in public procurement;

14 (c) Suggest changes in statutes and administrative rules that would enable the department to implement effective preferences for small businesses in public procurement and that would harmonize, streamline and otherwise improve the various small business preferences programs that now exist within state public procurement; and

15 (d) Establish targets and goals for small business participation in public procurement that would reduce or eliminate disparities identified in the 2023 State of Oregon Disparity Study.

16 **NOTE:** Matter in boldfaced type in an amended section is new; matter *(italic and bracketed)* is existing law to be omitted. New sections are in boldfaced type.

17 LC 279

- Establish authority for DAS to create a small business procurement program
- Create Oregon Small Business Enterprise certification within Business Oregon COBID program

Next Steps- Procurement Programming



GATHER
RESOURCES



MEASURE
EFFECTIVENESS



TRANSPARENT
REPORTING



Thank You

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[Disparity Study online](#)

