

**Department:** County Management

**Program Contact:** Serena Cruz

**Program Offer Type:** Innovative/New Program

**Program Offer Stage:** As Adopted

**Related Programs:**
**Program Characteristics:** One-Time-Only Request

### Executive Summary

In line with Multnomah County’s social justice goals, the wages and benefits of Multnomah County employees are analyzed by a variety of stakeholders (including HR and the unions) for their regional competitiveness and fairness. However, many of the services Multnomah County delivers are provided by contracted third-party suppliers. In public contracting, a competitive bidding process is used to select service providers and project cost is among the competitive criteria. Therefore, nonprofit organizations and other suppliers may have incentive to suppress the wages of their employees in order to demonstrate a competitive project cost and win a contract. The program will fund a project to study, analyze, and provide recommendations to promote equitable compensation for employees of certain County-contracted suppliers.

### Program Summary

The Contractor Capacity Review involves short- and long-term approaches to evaluate and create recommendations for contractor wage equity.

In the short-term, the County will conduct compensation evaluations of certain contracted services which will include a review of regional and local suppliers, particularly those with services relevant to County operations such as homeless services, human services, and health care services. The evaluations will help County policy-makers understand the market for specific job types and to determine the appropriate compensation to ensure our community based organizations can attract and retain employees to provide critical County services.

In the long-term, the County will support efforts by Oregon Solutions to take a more comprehensive look at how our community and state can address contractor compensation issues. The work may include a study of the status quo, including a review of compensation data from regional and local suppliers, an analysis of differences in supplier compensation and public sector compensation, research into other state or local government interventions, and a description of Oregon state public purchasing rules that may compel local governments to prioritize cost in competitive contracting. It is anticipated the study would assess whether differences in compensation are caused by competitive public contracting processes, determine whether low compensation by suppliers affects workforce recruitment, and describe a menu of possible interventions along with their risks and opportunities. Finally, the study is anticipated to recommend courses of action for state and local policy-makers.

### Performance Measures

Measure Type	Primary Measure	FY21 Actual	FY22 Budgeted	FY22 Estimate	FY23 Offer
Output	Class compensation evaluations	N/A	N/A	N/A	20
Outcome	Progress toward an actionable set of recommendations for public policy makers to enhance compensation equity	N/A	N/A	N/A	1
Output	Hire one Human Resources limited-duration employee	N/A	N/A	N/A	1

### Performance Measures Descriptions

The HR LDA will conduct class compensation evaluations described in the Program Summary to help County policy-makers understand the extent to which contracted workers are being compensated differently than the employment market; The longer-term study conducted by Oregon Solutions will take a broader look at the topic of contractor compensation and provide a list of possible interventions that will empower policy-makers to take action around contracted worker compensation. The work may or may not be complete in FY 23, but funding is critical to achieving longer-term solutions.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Adopted General Fund	Adopted Other Funds
Program Expenses	2022	2022	2023	2023
Personnel	\$0	\$0	\$175,000	\$0
Contractual Services	\$0	\$0	\$75,000	\$0
<b>Total GF/non-GF</b>	<b>\$0</b>	<b>\$0</b>	<b>\$250,000</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$0</b>		<b>\$250,000</b>	
Program FTE	0.00	0.00	0.00	0.00

Program Revenues				
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Explanation of Revenues

This program is supported by one-time-only General Fund revenue - \$250,000

Significant Program Changes

Last Year this program was:

This is a new, one-time-only FY 2023 program