



**Program #72055 - Contractor Capacity Review** FY 2024 Department Requested

**Department:** County Management **Program Contact:** Serena Cruz  
**Program Offer Type:** New **Program Offer Stage:** Department Requested  
**Related Programs:**  
**Program Characteristics:** One-Time-Only Request, Out of Target

**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. 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. This program will fund the continuation of a project to study, analyze, and provide recommendations to promote equitable compensation for employees of certain County-contracted suppliers.

**Program Description**

The Contractor Capacity Review Program involves two 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 contracted operations such as human services, behavioral health 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 support of a longer term solution, the County will engage in the Oregon Solutions effort 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 will 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	FY22 Actual	FY23 Budgeted	FY23 Estimate	FY24 Offer
Output	Class compensation evaluations	N/A	20	20	20
Outcome	Progress toward an actionable set of recommendations for public policy makers to enhance compensation equity	N/A	N/A	10%	100%
Output	Number of organizations surveyed	N/A	N/A	20	30

**Performance Measures Descriptions**

The class compensation evaluations will measure the number of jobs studied and number of organizations surveyed. The progress measure indicates the percent complete for the report and recommendations from the County’s partnership with Oregon Solutions and other community based organizations.

Revenue/Expense Detail

	Adopted General Fund	Adopted Other Funds	Department Requested General Fund	Department Requested Other Funds
Program Expenses	2023	2023	2024	2024
Contractual Services	\$0	\$0	\$125,000	\$0
<b>Total GF/non-GF</b>	<b>\$0</b>	<b>\$0</b>	<b>\$125,000</b>	<b>\$0</b>
<b>Program Total:</b>	<b>\$0</b>		<b>\$125,000</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 - \$125,000

Significant Program Changes

Last Year this program was: FY 2023: 72055 Contractor Capacity Review