DISPARITY STUDY ROADMAP IMPLEMENTATION REPORT

Office of Procurement Equity

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Executive Summary

In 2022, the State of Oregon hired BBC Research & Consulting (BBC) to study whether businesses owned by people of color, women, and service-disabled veterans faced barriers when trying to get state contracts. You can find the Disparity Study on the Office of Procurement Equity's website.

As part of the study, BBC gave the state 29 recommendations to help increase the use of these businesses and address the disparities they found. The first recommendation was for the state to create an overall goal for including businesses owned by people of color and women in state contracting. The state has already set that goal. To figure out how to carry out the rest of the recommendations, DAS led a 13-month project with community members and state agencies. These workgroups acted as advisors by sharing guidance, real-world experiences, and subject-matter expertise to help DAS design and implement statewide strategies for procurement equity.

Oregon is moving forward with a statewide effort to make public contracting more fair, transparent, and accessible. Using what they learned from the workgroups, DAS is focusing on removing barriers for businesses owned by people of color, women, veterans, and small Oregon businesses. Their work includes improving data quality, updating procurement practices, increasing outreach and technical help, and making sure contracting processes fit the needs of Oregon's diverse business community.

Some improvements are already happening, and bigger, long-term changes will be part of DAS' Procurement Transformation project. This modernization work will provide the structure, technology, and policy updates needed to carry out many of the workgroup recommendations and continue strengthening procurement equity across the state. Through these coordinated efforts, Oregon is building a more inclusive, accountable, and accessible procurement system that better supports all communities.

*Since the Disparity Study was published, "service-disabled veteran" is now classified as "veteran."

How to Use this Report

This report starts with a table that lists all 29 recommendations from the Disparity Study. The workgroups analyzed 28 recommendations and provided their suggestions about whether to adopt or not adopt each recommendation as written in the Disparity Study. After the table, each recommendation is explained in more detail, including:

- What the Disparity Study Said
- Ideas from the Workgroups
- Next Steps from DAS

- Timeline

Key Contributors

DAS would like to thank all the collaborators for their time and commitment to advancing equity in state procurement through their contributions to this project.

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Minority Business Capacity Building Consultants
National Association of Minority Contractors (NAMC)
Oregon Association of Minority Entrepreneurs (OAME)
Oregon Department of Emergency Management (OEM)
Oregon Department of Fish and Wildlife (ODFW)
Oregon Department of Human Services (ODHS)
Oregon Department of Transportation (ODOT)
Oregon Health Authority (OHA)
Oregon Parks and Recreation Department (OPRD)
Oregon State University
Oregon Pride in Business (ORPIB)
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Summary of Recommendations

#	DISPARITY STUDY RECOMMENDATION	WORKGROUP SUGGESTION	DAS NEXT STEP
1	Aspirational target	Not Analyzed (Complete)	Complete
2	POC- and woman-owned business contract goals	Adopt	Alternate Strategy
3	Program manual	Adopt	Complete
4	Advertising upcoming projects	Do Not Adopt	Alternate Strategy
5	Solicitation information	Adopt	In Progress
6	Bonding	Do Not Adopt	Not Scheduled
7	Competitive bidding thresholds	Do Not Adopt	Not Scheduled
8	Insurance requirements	Adopt	In Progress
9	Contract and procurement types	Adopt	In Progress
10	Unbundling contracts and procurements	Do Not Adopt	Not Scheduled
11	New businesses	Do Not Adopt	Not Scheduled
12	Alternative teaming arrangements	Do Not Adopt	Alternate Strategy
13	Subcontracting minimums	Adopt	Alternate Strategy
14	Small business contract goals	Adopt	In Progress
15	Small business set-asides	Adopt	In Progress
16	Subcontractor data collection	Adopt	Alternate Strategy
17	Prompt payment	Adopt	Complete
18	Subcontractor commitments	Adopt	Alternate Strategy
19	Bonding assistance	Adopt	Not Scheduled
20	Financing assistance	Adopt	Not Scheduled
21	Training and technical assistance	Adopt	Alternate Strategy
22	Workforce development	Do Not Adopt	Not Scheduled
23	Tracking business growth	Adopt	Needs Further Assessment
24	Mentor/protégé relationships	Do Not Adopt	Alternate Strategy
25	More pre-bid and pe-proposal meetings	Adopt	In Progress
26	Broaden networking and outreach events	Adopt	In Progress
27	Host quarterly meet and greets	Adopt	In Progress

28	Tailored events	Adopt	In Progress
29	Disparity studies	Do Not Adopt	Not scheduled

Individual Recommendation Analysis

Recommendation 1: Aspirational Target

BBC's first recommendation was for the state to set an overall goal, or "aspirational target," for including businesses owned by people of color and women in state contracting and procurement. The purpose of this target is to build shared understanding and commitment to the state's equity goals, both inside government and with external partners. It also gives agencies a yearly guide for how to work toward those goals. In 2024, in coordination with the Governor's Office, DAS set an 11 percent aspirational target for using firms certified by Business Oregon's Certification Office for Business Inclusion and Diversity (COBID).

DAS completed this recommendation before beginning the workgroup sessions.

Recommendation 2: POC-and Woman-Owned Business Contract Goals

Workgroup Suggestion: Adopt

DAS Next Step: Alternate Strategy

What the Disparity Study Said

The study said the state should consider using a race- and gender-conscious contract goals program to help address the barriers faced by businesses owned by people of color and women. It also said the state could consider a similar goals program for service-disabled veteran–owned businesses, which would be race- and gender-neutral.

Ideas from the Workgroup

The workgroup supports setting goals for individual business groups, but they believe more research is needed before putting goals in place statewide. They agree that goals should help increase access for Oregon small businesses, but current approaches need to improve so they are enforceable, hold agencies accountable, and match the state's equity values.

A major discussion point was the difference between aspirational goals and required targets. Aspirational goals give agencies flexibility, but they often lack enforcement. Required targets create stronger accountability, but they must be based on data, clear thresholds, and legal review. Participants also said agencies need stronger expectations

and consistent standards, no matter which type of goal is used. These could include reporting requirements, performance discussions, or activities that encourage consistent actions across agencies.

The workgroup supports setting agency-specific goals that consider contract type, size, and industry, and measuring progress by spend. They also agree that exceptions may be needed for industries with limited small-business availability or work covered by project labor agreements, but those exceptions should be reviewed regularly. They also recommend exploring gaps in the current disparity framework, including groups not examined in the recent study, such as LGBTQIA+ communities and others who face systemic barriers.

Next Steps from DAS

The workgroup recommended not moving forward with this item right now. DAS already has a strategic outreach and engagement plan that includes training to help improve vendor readiness and better communication, so vendors are more aware of upcoming opportunities.

Timeline

The strategic outreach and engagement plan is complete, and the activities in the plan will be carried out throughout the year.

Recommendation 3: Program Manual

Workgroup Suggestion: Adopt

DAS Next Step: Complete

What the Disparity Study Said

The study said the state should create a clear program plan and manual that explains COBID's supplier diversity goals and requirements for all state departments and divisions. At a minimum, the plan and manual should include:

- The purpose of the program and why it is needed
- The overall aspirational targets for businesses owned by people of color, women, and service-disabled* veterans
- Monitoring and reporting requirements
- Race- and gender-neutral strategies

Ideas from the Workgroup

The workgroup confirmed that many procurement staff struggle to find and connect with COBID-certified firms. They agreed that creating an easy-to-use manual—with instructions for navigating the COBID Business 2 Government (B2G) platform and details about the

state's disparity-reduction efforts—would give agencies the tools they need to increase the use of certified firms and meet equity goals. The manual should also cover additional topics identified by procurement professionals to make sure it is complete, practical, and helpful in daily work.

Next Steps from DAS

COBID is part of Business Oregon, the state's economic development agency. COBID has already created a program manual to help procurement staff use the directory of certified firms. The manual includes best practices and step-by-step instructions on how to find and work with certified firms.

Timeline

The COBID manual can be found on the COBID website.

Recommendation 4: Advertising Upcoming Projects

Workgroup Suggestion: Do Not Adopt

DAS Next Step: Alternative Strategy

What the Disparity Study Said

The state could consider increasing the minimum posting time for Invitations to Bid (ITB) and Requests for Proposals (RFP) in its procurement code to allow for more response time.

Ideas from the Workgroup

Vendors in this workgroup agreed that minimum posting periods, such as seven days, are too short. Agency staff explained that tight timelines for drafting and evaluating solicitations often force them to give vendors less time to respond. However, everyone agreed that the real issue is not just how long something is posted, it's about readiness, awareness, and communication. Many vendors do not know an opportunity is coming, and errors with NIGP codes can prevent them from receiving system notifications. Simply making posting periods longer will not solve these deeper problems. The group suggested trying longer posting windows in small pilot projects, reducing readiness barriers, and improving forecasting and communication instead of immediately changing the law. Testing a few adjustments first will help the state understand what works best and avoid creating new problems. The goal is to give vendors enough time to respond to solicitations while still keeping the procurement process moving efficiently.

Next Steps from DAS

The workgroup recommended not moving forward with this item right now. DAS already has a strategic outreach and engagement plan that includes training to help improve

vendor readiness and better communication, so vendors are more aware of upcoming opportunities.

Timeline

The strategic outreach and engagement plan is complete, and the activities in the plan will be carried out throughout the year.

Recommendation 5: Solicitation Information

Workgroup Suggestion: Adopt

DAS Next Step: In Progress

What the Disparity Study Said

The state could consider conducting regular "How to Do Business with the State" or "How to Navigate OregonBuys" trainings to support businesses in competing for and winning state contracts.

Ideas from the Workgroup

This workgroup recommends focusing on consistent, accessible training to help vendors build basic knowledge, gain confidence, and participate more fully—especially those from underrepresented communities. The goal is to improve access to OregonBuys and other small-business resources and make them easier to use. Key suggestions include creating short, task-based video tutorials, posting them publicly along with searchable guidance, and offering a simple translation tool guide with content that works well on mobile devices. The state should also create an industry-specific resource library and send automated onboarding emails to newly certified COBID firms with important OregonBuys training links. User surveys could help shape hands-on training delivered in different formats. Trainings should focus on accessibility, language inclusion, and real-life scenarios to help businesses feel confident navigating the procurement process.

Next Steps from DAS

DAS agrees that businesses need more training opportunities to help them learn how to contract with the state. More training options are being developed as part of DAS's strategic outreach and engagement plan.

Timeline

The strategic outreach and engagement plan is complete. Training will be made available as it is developed throughout the year.

Recommendation 6: Bonding

Workgroup Suggestion: Do Not Adopt

DAS Next Step: Not Scheduled

What the Disparity Study Said

The study said the state should think about requiring bonding only for larger projects and creating a bonding program that helps small businesses get bonds at fair and affordable rates.

Ideas from the Workgroup

The workgroup explained that bonding requirements—especially those tied to public improvement contracts or contractor licensing—can create bigger barriers for small businesses and for businesses owned by people of color, women, and veterans. This is especially true when the same bonding rules are applied to projects that are low-risk or smaller in size.

While bonding is important for protecting the state, the group pointed out that it's not clear which bond types cause the most burden, because agencies use bid, performance, and payment bonds in different ways and don't always track when they are needed or enforced. A more detailed, data-based approach is needed to figure out which bonding requirements could be adjusted, reduced, or tiered without increasing risk.

The group recommends several steps, including creating a bonding statute matrix, defining bond types and thresholds, doing a formal risk analysis, surveying agencies on how they use bonds and the claims they receive, and working with industry experts to review state bonding laws. They also suggested standardizing insurance practices by requiring use of DAS Risk Management tools, documenting any exceptions, and giving clearer guidance so insurance requirements match project risk and don't create unnecessary barriers for small businesses.

Next Steps from DAS

The workgroup recommended not adopting this item as written. DAS will not move forward with direct implementation right now. However, DAS will continue researching bonding issues and consider solutions as part of the broader Procurement Transformation project, since this work supports system modernization and equity goals.

Timeline

Not applicable.

Recommendation 7: Competitive Bidding Thresholds

Workgroup Suggestion: Do Not Adopt

DAS Next Step: Not Scheduled

What the Disparity Study Said

The study said the state should think about lowering the dollar limits that require formal competitive bidding. Using formal bidding more often could increase the number of businesses competing for state work, including businesses owned by people of color, women, and veterans.

Ideas from the Workgroup

The workgroup said the state needs a balanced approach to procurement thresholds—one that increases access but still works well for agencies. Lowering the thresholds for formal competitive bidding could bring more vendors into the process, including POC-, woman-, and veteran-owned businesses. However, the state raised these thresholds in 2023, so any changes now need careful consideration.

The group also said that lowering thresholds is not enough on its own. If the competitive process is too complicated or slow, agencies might avoid using it even when they should. A balanced system should include easy-to-use direct awards, simpler mid-level processes, and strong competitive solicitations. Competitive steps must also be improved so agencies have clear reasons to use them.

This approach supports equity goals while giving agencies practical ways to get timely and effective services.

Next Steps from DAS

The workgroup recommended not adopting this item as written. DAS will not move forward with direct implementation right now but will continue to research options and consider solutions as part of the broader Procurement Transformation project. This work aligns with goals to modernize the procurement system and improve equity statewide.

Timeline

Not applicable.

Recommendation 8: Insurance Requirements

Workgroup Suggestion: Adopt

DAS Next Step: In Progress

What the Disparity Study Said

The study said the state should review its insurance requirements for projects to make sure they match the level of work and risk involved.

Ideas from the Workgroup

The workgroup recommends updating insurance requirements, so they are fairer for small businesses while still protecting the state from risk. They said thresholds—especially for small projects—should be reviewed using a structured process that includes risk analysis, expert input, and better data collection. They also said vendors need more support, such as targeted training and clear educational materials, to help them meet insurance expectations.

Improvements should focus on making sure insurance requirements are proportional to project risk. This includes using DAS Risk Management tools consistently, standardizing contract language, explaining any exceptions, and improving how agencies track compliance. Overall, the workgroup supports a data-informed, equity-focused approach that increases access for small and diverse businesses without weakening risk management.

Next Steps from DAS

As part of the larger Procurement Transformation project, DAS will use the workgroup's recommendations as it updates procurement rules, guidance, and training. The project already includes a full review of current requirements, which creates an opportunity to make insurance expectations clearer, more consistent, and better matched to proportional risk. As new rules and training materials are developed, DAS will put stronger emphasis on using Risk Management tools, so agencies have a more consistent way to determine appropriate insurance levels.

Timeline

Updated training materials are set to be available for July 2027.

Recommendation 9: Contract and Procurement Types

Workgroup Suggestion: Adopt

DAS Next Step: In Progress

What the Disparity Study Said

The study said the state should share more information about how vendors can qualify for price agreements, master agreements, or pre-qualified vendor pools. It also suggested offering training on these opportunities and doing targeted outreach to businesses in the right industries so they know how to compete for and win these agreements.

Ideas from the Workgroup

The workgroup agreed that master agreements and vendor pools can be valuable opportunities, but many vendors struggle to access them because the process is not clear. Making these processes easier to understand and sharing information more proactively would improve transparency, increase vendor participation, and support long-term equity.

The group said the state should start by improving guidance and access through clearer OregonBuys instructions and short, practical training modules. They also recommended setting up an automatic trigger in COBID so that newly certified firms receive a customized resource package—tailored to suppliers, A&E firms, or construction vendors. This package should be developed with partners like BOLI and CCB and include key contacts, support organizations, links to the central resource library, and training opportunities.

This coordinated approach would help vendors understand how to participate in statewide contracting programs and open the door to more equitable access to high-value opportunities.

Next Steps from DAS

Improving the price agreement process, including opening access for Oregon small businesses is a major part of the Procurement Transformation project.

Timeline

Work is already underway. As price agreements expire, sourcing teams will receive resources like market research, spend analysis, and information on available Oregon small businesses to support more equitable awards. DAS manages more than 500 price agreements, so this will be an ongoing, multi-year effort.

Recommendation 10: Unbundling Contracts and Procurements

Workgroup Suggestion: Do Not Adopt

DAS Next Step: Not Scheduled

What the Disparity Study Said

The study said the state should think about breaking large prime contracts, and even some subcontracts, into smaller pieces. This could help more small businesses compete for state work.

Ideas from the Workgroup

The workgroup agreed that some bundling is useful, but too much bundling can make it hard for new and growing firms to participate. They recommended finding a middle ground

by identifying which parts of a project can be safely separated and where small-business participation makes sense. They also talked about helping small businesses move toward prime contractor roles over time.

A key idea was to create more opportunities for small businesses during long, multi-year projects. Instead of bundling all work under one prime contractor from the start, agencies could carve out pieces at different stages of the project. This would allow small businesses to join mid-project and take on larger roles over time. Options to support this include unbundling certain scopes of work, creating more subcontracting frameworks, using different teaming arrangements, or combining methods. The workgroup did not recommend unbundling subcontracts.

Next Steps from DAS

The workgroup advised against adopting this recommendation exactly as written. DAS will not move forward with direct implementation right now. However, the agency will continue researching the issue and consider possible solutions as part of the larger Procurement Transformation project, which supports modernization and equity goals.

Timeline

Not applicable.

Recommendation 11: New Businesses

Workgroup Suggestion: Do Not Adopt

DAS Next Step: Not Scheduled

What the Disparity Study Said

The study said the state should think about encouraging prime contractors to partner with subcontractors and suppliers they have never worked with before. This could be done by adding certain requirements to bids, quotes, or RFPs. The study also suggested that the state could set aside some small projects so only businesses that have never worked with the state before can compete for them. This would help new businesses get experience with state contracting.

Ideas from the Workgroup

The workgroup does not recommend moving forward with new subcontracting requirements or set-asides as described. Members support helping new businesses enter government contracting, but they raised concerns that the proposed approach could confuse contracting with employment rules, be hard to monitor, and create risks for prime contractors who may not have enough support. Instead of rejecting the idea completely, the workgroup suggested taking more time to study and refine potential strategies. In the

meantime, they recommend exploring other approaches, such as training, outreach, incentives, and partnership-building, to help new firms understand opportunities and prepare for state contracting.

Next Steps from DAS

The workgroup advised against adopting this recommendation as written. DAS will not move forward with direct implementation, but will continue researching options and considering solutions as part of the broader Procurement Transformation project, which supports modernization and equity goals.

Timeline

Not applicable.

Recommendation 12: Alternative Teaming Arrangements

Workgroup Suggestion: Do Not Adopt

DAS Next Step: Alternate Strategy

What the Disparity Study Said

The study said the state should look for different ways to structure purchases so that consortia, joint ventures, and co-prime teams can compete for and perform prime contracts. This could help more small and medium-sized businesses grow.

Ideas from the Workgroup

The workgroup agreed that co-prime arrangements can create more pathways for participation. Although the Department of Justice advises the state not to directly match vendors with each other, DAS could offer general training on how co-primes and joint ventures work. Vendors would then be responsible for forming their own partnerships. Networking events could still bring vendors together, as long as the state does not pair specific businesses or give direct contracting advice.

Next Steps from DAS

The workgroup recommended not adopting this item exactly as written. DAS will not pursue direct implementation right now. However, DAS does have a strategic outreach and engagement plan that includes activities to support networking.

Timeline

The strategic outreach and engagement plan is complete, and implementation activities will take place throughout the year.

Recommendation 13: Subcontracting Minimums

Workgroup Suggestion: Adopt

DAS Next Step: Alternate Strategy

What the Disparity Study Said

The study said the state could increase subcontracting opportunities by requiring prime contractors to subcontract a minimum amount of work on projects.

Ideas from the Workgroup

The workgroup supports having subcontracting minimums but says they should vary by agency and depend on contract size, type, and industry. They also recommend offering incentives, such as extra evaluation points during RFP scoring, to encourage prime contractors to meet the minimums. Subcontractor participation should be confirmed by both the prime and the subcontractor. Exceptions may be needed in industries with limited availability, but those exceptions should be reviewed regularly.

Next Steps from DAS

As part of the Procurement Transformation project, DAS is reviewing technology and data collection systems to understand what information is currently available and what is missing. DAS is also working with the Department of Justice to understand what types of preferences it can legally give small businesses for prime or subcontractor awards. The state does not currently collect subcontractor-level data. As better data becomes available and DAS understands what preferences can be set in rule, subcontracting requirements may evolve.

Timeline

DOJ is expected to issue a decision on preference-setting authority by summer 2026. Improvements to the e-procurement system, which are required to collect subcontractor data, will not be complete until the end of 2027. Data gathered in 2028 will be used to determine if goals can be set for subcontracting, with the earliest effective date of 2029.

Recommendation 14: Small Business Contract Goals

Workgroup Suggestion: Adopt

DAS Next Step: In Progress

What the Disparity Study Said

The study said the state could set contract goals for Emerging Small Businesses. These would be similar to goals for POC-, woman-, and veteran-owned businesses but would not be based on race, gender, or veteran status.

Ideas from the Workgroup

The workgroup supports race- and gender-neutral participation goals for small businesses. These goals should be tailored to each agency and vary by contract type, size, and industry. Progress should be measured by spend. Exceptions should be allowed for project labor agreements and industries with very few small businesses, with periodic review to keep them appropriate.

Next Steps from DAS

DAS will implement House Bill 2337 (2025), which creates procurement preferences for certified Oregon Small Business Enterprises (OSBEs).

Timeline

The OSBE certification began on April 1, 2026. The procurement preference becomes active on July 1, 2026.

Recommendation 15: Small Business Set-Asides

Workgroup Suggestion: Adopt

DAS Next Step: In Progress

What the Disparity Study Said

The study said the state could reserve certain small prime contracts for small businesses only. This could help more small, POC-, woman-, and veteran-owned businesses serve as prime contractors.

Ideas from the Workgroup

The workgroup supports small business set-asides but recommends changing the original language. They said references to “small prime contracts” and encouraging small businesses to act “as prime contractors” should be removed. Set-asides should create opportunities without assuming small businesses must serve as primes before they are ready.

The group also noted that pushing small businesses into prime roles too early could lead to work misclassification or other risks. They recommend exploring accountability structures and other contracting methods, such as job order contracting, to support small business participation without creating extra burdens.

Next Steps from DAS

DAS will implement House Bill 2337 (2025), which creates procurement preferences for certified OSBEs.

Timeline

OSBE certification began April 1, 2026. The procurement preference becomes active on July 1, 2026.

Recommendation 16: Subcontractor Data Collection

Workgroup Suggestion: Adopt

DAS Next Step: Alternate Strategy

What the Disparity Study Said

The study said the state should collect detailed subcontractor data, including contract numbers, subcontractor contact information, type of work, and amounts awarded and paid. This should happen at the time of award and with each monthly invoice.

Ideas from the Workgroup

The workgroup noted that Oregon does not have a centralized, consistent way to collect subcontractor data. Without this information, it is hard to understand equity outcomes or track subcontractor participation. A centralized portal could improve transparency and accountability. The group recommends forming a workgroup to determine what specific data should be collected and how to build collection into the procurement process.

Next Steps from DAS

As part of the Procurement Transformation project, DAS is reviewing current technology and data systems to understand what information exists and what is missing. DAS is also working with DOJ to understand its legal authority to give small businesses preferences. No subcontractor data is collected today. As systems improve and DAS understands its rule-making authority, subcontracting practices may change.

Timeline

DOJ is expected to issue a decision on preference-setting authority by summer 2026. System changes needed to collect subcontractor data will not be complete until the end of 2027. The earliest subcontractor data will be collected is 2028.

Recommendation 17: Prompt Payment

Workgroup Suggestion: Adopt

DAS Next Step: Complete

What the Disparity Study Said

The study said the state should consider adding prompt-payment requirements to its contracts and solicitations and create a system to track subcontractor payments to make

sure they are paid on time. It also suggested offering mediation to help subcontractors recover payments that primes withhold. The state could also review electronic payment requirements to make them more accessible.

Ideas from the Workgroup

The workgroup agreed that prompt payment is essential for fairness and trust in public contracting. They said the state should create standardized contract language, a centralized tracking system, and clear escalation steps when payments are late.

They recommended starting with clear procedures and technical assistance for handling late payments, including standard language in contracts, staff training, and looking into a state ombudsperson. They also suggested creating standardized prompt-payment clauses that require timely payment at all levels, no $0 invoices, and proof that subcontractors have been paid before primes receive their next payment.

A prime contractor "equity scorecard" could be added to OregonBuys to track how well primes meet payment requirements. A centralized system where primes report payments and subcontractors confirm them would also help the state monitor payment activity. The workgroup also encouraged looking into the legal and practical options for paying subcontractors directly.

Next Steps from DAS

State contracts already require prime contractors to pay subcontractors promptly. DAS worked with agencies to update the Oregon Accounting Manual to encourage paying vendors within 30 days rather than holding payments to earn interest. DAS-Accounting also created a direct-deposit process for small businesses to speed up payments.

For subcontractor issues, DAS has a process with the Secretary of State's Small Business Ombudsman: when subcontractor payments are late, the Ombudsman alerts the state, DAS works with the responsible agency, and the agency addresses the issue with the prime contractor.

Timeline

Complete.

Recommendation 18: Subcontractor Commitments

Workgroup Suggestion: Adopt

DAS Next Step: Complete

What the Disparity Study Said

The study found that prime contractors do not always use subcontractors for the full amount they originally committed to. It recommended developing a system to track subcontractor participation with every invoice to ensure subcontractors receive the amount of work promised.

Ideas from the Workgroup

The workgroup said gaps between subcontracting commitments and actual usage undermine equity goals. They recommended requiring prime contractors to report subcontractor usage with every invoice and offering training and support to help them comply.

They suggested integrating tools like B2Gnow with OregonBuys and financial systems to automate data collection and make agency review easier. They also recommended documenting all change orders clearly and specifying whether the agency or prime contractor is responsible for them. Compliance checks could be built into contract audits, with set expectations and audit schedules included in contract language.

Next Steps from DAS

As part of the Procurement Transformation project, DAS is reviewing technology and data practices to determine what information is available and what is missing. DAS is working with DOJ to understand what preferences it can legally establish for small businesses. The state currently does not collect subcontractor-level data. As new data becomes available and DAS better understands its authority to set preferences, subcontracting rules may be updated. DAS also recognizes its role in protecting subcontractors on state-funded projects and will consider ways to strengthen those protections.

Timeline

DOJ is expected to issue a decision on preference-setting authority by summer 2026. Technology improvements needed to collect subcontractor data will not be complete until the end of 2027. The earliest subcontractor data will be collected is 2028, with the earliest commitment compliance effective in 2029.

Recommendation 19: Bonding Assistance

Workgroup Suggestion: Adopt

DAS Next Step: Not Scheduled

What the Disparity Study Said

The study said the state could partner with financial institutions to help create more consistent and fair bonding rates for small businesses.

Ideas from the Workgroup

The workgroup recommended that the state explore ways to help small, POC-, woman-, and veteran-owned businesses get bonding, since many struggle to qualify or face high costs. They noted that some states—such as Maryland, California, and Washington—offer programs that provide training, guarantees, or access to capital to help businesses become bond-ready.

They suggested Oregon consider similar approaches by researching national models, building partnerships with financial institutions and nonprofits, defining success measures tied to equity goals, and coordinating these efforts with broader bonding-reform work. These ideas could make bonding more accessible without removing necessary risk protections. However, they also noted that this approach would require new state-funded financial support.

Next Steps from DAS

Although the workgroup's ideas could be valuable in the long term, programs like guarantees, access-to-capital tools, or public-private partnerships would require funding and staff the state does not currently have.

Timeline

Not applicable.

Recommendation 20: Financing Assistance

Workgroup Suggestion: Adopt

DAS Next Step: Not Scheduled

What the Disparity Study Said

The study said the state could consider offering loan guarantees, encouraging lenders to issue loans backed by state contracts, or hosting lender fairs.

Ideas from the Workgroup

The workgroup said that while some states have loan-guarantee programs connected to contracting, those options would be expensive and require legislative action. They suggested focusing on practical, low-cost steps for now, such as promoting existing lender fairs run by the Small Business Development Center (SBDC) and Business Oregon, especially in areas like Eastern Oregon where access is limited. This would support small businesses without the state needing to create new financing programs.

Next Steps from DAS

Because of budget limitations, DAS will not pursue direct implementation at this time.

Timeline

Not applicable.

Recommendation 21: Training and Technical Assistance

Workgroup Suggestion: Adopt

DAS Next Step: Alternate Strategy

What the Disparity Study Said

The study said the state could create a program to help individual businesses develop and grow.

Ideas from the Workgroup

The workgroup supports helping businesses build skills beyond basic procurement knowledge so they can grow and stay competitive. While DAS may not offer all these services directly, the state can still help by promoting partner programs and making resources easier for vendors to find.

They suggest creating a centrally managed online resource library with small-business training tools that are easy to search and use. The state should identify who will maintain the library, build filters for different needs, include clear contact information, and make sure the content is accessible—using plain language, multiple languages, and different formats.

The state should also promote this resource hub widely so vendors and partner organizations can use it to support long-term business growth.

Next Steps from DAS

DAS will work with Business Oregon to share the workgroup's recommendations. DAS's strategic outreach and engagement plan already includes supporting small businesses in accessing contracts and connecting with prime contractors. These ideas also link to the larger Procurement Transformation project, especially around outreach and helping small businesses access price agreements.

Timeline

The strategic outreach and engagement plan is complete, and implementation activities will take place throughout the year.

Recommendation 22: Workforce Development

Workgroup Suggestion: Adopt

DAS Next Step: Complete

What the Disparity Study Said

The study said the state could consider offering funding for workforce development, especially in skilled trades.

Ideas from the Workgroup

The workgroup said that although DAS does not directly provide workforce training, supporting community-based programs can help build a stronger and more prepared vendor pool. This is especially important for skilled trades and for communities that have been underserved.

They recommend creating a grant program that encourages prime contractors to support workforce development for their subcontractors. Grants or stipends could help cover training costs. The state could form a workgroup of possible grantees to help design the program, address concerns, and make sure the structure is fair and accessible. Clear eligibility, reporting requirements, and accountability measures would be needed to ensure the program is effective and transparent.

Next Steps from DAS

DAS will share the workgroup's recommendations with Business Oregon for future consideration or alternative solutions.

Timeline

Not applicable.

Recommendation 23: Tracking Business Growth

Workgroup Suggestion: Adopt

DAS Next Step: Needs Further Assessment

What the Disparity Study Said

The study said the state should help small businesses, including many POC-, woman-, and veteran-owned firms, build capacity and increase their participation in state work.

Ideas from the Workgroup

The workgroup said Oregon could better support small and diverse businesses by tracking business growth in a consistent, data-informed way. Without information about revenue,

workforce size, contract history, and how firms move from subcontractor to prime, the state cannot clearly see whether its equity efforts are working.

They suggested improving the vendor data system so it can track key growth indicators. This could start with tagging suppliers based on region using information from the Secretary of State, Department of Revenue, and COBID. This would help identify geographic gaps and focus outreach.

The state could also track how businesses progress from subcontractor to prime contractor using OregonBuys or B2Gnow. Connecting existing data sources — such as tax filings, business registrations, and procurement records — and requiring primes to report subcontractor information that subs can easily verify would reduce burden on small and diverse firms. A coordinated, data-driven approach would help the state measure growth, target support, and advance equitable economic development.

Next Steps from DAS

As part of the Procurement Transformation project, DAS is reviewing technology and data systems to understand what information exists and where gaps remain. Many state data sources are not connected today. DAS will not move forward with direct implementation right now, but this work may evolve as the transformation project continues.

Timeline

Not applicable.

Recommendation 24: Mentor/Protégé Relationships

Workgroup Suggestion: Do Not Adopt

DAS Next Step: Alternate Strategy

What the Disparity Study Said

The study said the state should consider creating a mentor/protégé program or partner with other organizations that already offer these services.

Ideas from the Workgroup

The workgroup agreed that mentorship is valuable but said creating a new state-run program would require significant staffing, funding, and administration. Instead, they recommended building on existing mentorship and business-development programs.

They suggested the state create an online resource hub that gathers mentorship information in one place. This would include drafting easy-to-understand content, designing the site, and making sure it is accessible. The state could also develop a vendor toolkit with key resources, available in multiple languages.

Partnering with regional organizations to deliver contract-readiness training and using existing training networks would reduce duplication. The state could also use data to identify industries or regions lacking mentorship resources and focus support there. Long term efforts, such as grant or sponsorship programs, could be explored later depending on legal and funding considerations.

Next Steps from DAS

DAS will share the workgroup's recommendations with Business Oregon.

Timeline

Not applicable.

Recommendation 25: More Pre-Bid and Pre-Proposal Meetings

Workgroup Suggestion: Adopt

DAS Next Step: In Progress

What the Disparity Study Said

The study said the state could hold more pre-bid and pre-proposal meetings to support networking between prime contractors and subcontractors on specific projects.

Ideas from the Workgroup

The workgroup supports having more pre-bid and pre-proposal meetings because they help vendors understand expectations and prepare stronger proposals. When meetings can't be held, the state should provide clearer scopes of work, problem statements, and solicitation details. A lack of clarity can especially impact small businesses that may not have proposal-writing support.

The workgroup also suggested offering training for procurement staff on writing clear scopes of work.

Next Steps from DAS

The Procurement Transformation project includes reviewing and redesigning how procurement is done. The rules for Invitations to Bid and Requests for Proposals will be updated, with equity and fair access as key goals.

Timeline

Updated procurement rules are scheduled for July 2027.

Recommendation 26: Broaden Networking and Outreach Events

Workgroup Suggestion: Adopt

DAS Next Step: In Progress

What the Disparity Study Said

The study said the state should continue its networking and outreach efforts and expand them by building more partnerships with trade groups and other government organizations.

Ideas from the Workgroup

The workgroup recommended starting with a map of current outreach activities across major agencies to identify gaps. They suggested offering more virtual and multilingual events, focusing on the most commonly spoken languages and ensuring accessibility features like interpretation and accessible technology.

They also recommended a more coordinated communications strategy that uses clear messaging and multiple outreach channels, aligned with COBID and OregonBuys updates. Strengthening partnerships with chambers of commerce, trade organizations, and local governments could help expand vendor participation. A partnership matrix with assigned contacts could support this.

Next Steps from DAS

DAS agrees that more outreach and engagement is needed. Additional activities are being built into the strategic outreach and engagement plan.

Timeline

The plan is complete, and outreach and engagement activities are scheduled throughout the year.

Recommendation 27: Host Quarterly Meet and Greets

Workgroup Suggestion: Adopt

DAS Next Step: Complete

What the Disparity Study Said

The study said the state could hold quarterly meet-and-greet events or public meetings, especially before major contracting opportunities.

Ideas from the Workgroup

The workgroup said vendors want events that clearly connect to real business opportunities. Meet-and-greets should focus on building relationships, explaining procurement processes, and sharing upcoming opportunities in a transparent way.

They suggested mapping out the state's yearly buying cycles using past spending and agency input. This would help schedule events at times when opportunities are most likely to become available. Partnering with local governments and regional organizations could help reach more vendors. The workgroup also recommended tailoring event content to different business types using registration and certification data. Finally, they said the state should track outreach metrics like attendance, follow-up engagement, and how many vendors go on to participate in solicitations.

Next Steps from DAS

DAS agrees that more outreach and engagement is needed. Additional events and activities are being developed as part of the strategic outreach and engagement plan.

Timeline

The strategic outreach and engagement plan is complete, and activities will take place throughout the year.

Recommendation 28: Tailored Events

Workgroup Suggestion: Adopt

DAS Next Step: In Progress

What the Disparity Study Said

The study said the state could tailor certain events to specific industries or business groups to increase their value and help participants build connections.

Ideas from the Workgroup

The workgroup said tailoring events to specific industries or business groups can help reduce long-standing disparities in how different communities access state procurement.

Industry-specific, culturally responsive events can make state opportunities more visible and relevant.

They suggested mapping underserved communities using demographic and disparity data, then creating outreach plans based on those findings. Partnering with culturally specific organizations and co-designing events would help build trust and relevance. Recording trainings and creating an on-demand learning library would also expand access.

They also recommended piloting an industry-focused event in a high-need sector and evaluating the results. Finally, they suggested training procurement staff so they understand industry contexts and can support culturally responsive engagement.

Next Steps from DAS

DAS agrees that tailored outreach is important. More tailored events are being developed through the strategic outreach and engagement plan.

Timeline

The strategic outreach and engagement plan is complete, and outreach activities will continue throughout the year.

Recommendation 29: Disparity Studies

Workgroup Suggestion: Do Not Adopt

DAS Next Step: Not Scheduled

What the Disparity Study Said

The study said the state should consider conducting disparity studies on a regular basis, especially if it decides to use race- or gender-conscious programs in the future.

Ideas from the Workgroup

The workgroup discussed whether recurring disparity studies should be required by law. They raised concerns about the cost and questioned whether it makes sense to plan for another study before the state has fully acted on the current one. They said the focus now should be on implementing improvements, measuring progress, and evaluating the impact of those changes. Once that work is done, the state can decide when another study is needed.

Next Steps from DAS

The workgroup recommended not adopting this item as written. DAS will not move forward with direct implementation at this time.

Timeline

Not applicable.