



MEMORANDUM

To: Mayor Kebler, Mayor Pro Tem Perkins, Councilor Norris, Councilor Franzosa, Councilor Platt, Councilor Méndez, Councilor Riley, Eric King, City Manager

From: Cyrus Mooney, Business Development Manager, Justin Sweet, Procurement & Public Contracts Manager, Mike Gaffney, Senior Assistant City Attorney

Date: March 31, 2026

Re: Supplier Diversity Program Update and Preview of Oregon Small Business Enterprise (OSBE) Administrative Policy

Purpose

This memo provides an update on the City of Bend's Supplier Diversity Program, including an early, high-level preview of an upcoming administrative policy to encourage Oregon small business participation in public contracting and a new partnership focused on vendor outreach and education. Together, these efforts advance the Council's goal to implement a Supplier Diversity Program with a focus on outreach and education.

Background

The City is working to make its procurement practices more accessible to small businesses—especially those that may not have worked with the City before. One way we are doing this is by increasing the use of OSBE-certified businesses, which is a new category of small, Oregon-based companies certified by COBID (Certification Office for Business Inclusion and Diversity).

The Department of Administrative Services has recently taken steps to encourage greater use of OSBEs in public contracting. While these requirements apply to state agencies, the City is planning to voluntarily adopt similar policies, with adjustments to fit local needs.

To support this effort, the City is preparing to issue a new administrative policy that will guide how OSBE-certified businesses are included in certain City purchases.

Preview of the OSBE Administrative Policy

The upcoming policy will give City staff clear guidance on when and how to include OSBE-certified businesses in purchasing decisions. At a high level, the policy (which is still in development and is subject to change) is expected to include the following:



Smaller Purchases (under \$25,000)

- Staff will choose an OSBE-certified business if one is available and able to meet the City's needs.
- Some types of purchases will be exempt, such as travel, IT hardware and software, and cooperative contracts.

Intermediate Procurements (generally \$25,000 - \$250,000)

- When requesting quotes, at least two OSBE-certified businesses must be invited to submit offers.
- Informal solicitations are required to include a preference for OSBE-certified businesses.

Formal Procurements (generally more than \$250,000)

For formal procurements, we plan to focus on understanding and reducing barriers to participation. Staff will review requirements such as payment timing, retainage, insurance, and bonding to identify practical changes that can make it easier for underutilized contractors to compete and succeed, while still protecting the City's interests and complying with state law regarding competitive procurement processes.

Timeline

Staff anticipate finalizing this administrative policy in early summer 2026, with an effective date in late summer. This timing is intended to align with:

- the rollout of OSBE certification, and
- related state administrative rulemaking.

Outreach and Education Partnership with PBDG

Policy alone is not enough to increase participation by small businesses. Outreach, education, and technical support are also essential.

To support this work, the City is in the process of formalizing a partnership with Professional Business Development Group (PBDG) through a services contract. We expect PBDG will help

- educate businesses on how to become OSBE certified,
- connect small and underrepresented businesses with City contracting opportunities,
- explain how to respond to City solicitations, and
- support businesses in successfully performing City work.

Looking Ahead

Together, the OSBE administrative policy and the PBDG partnership are designed to create a more inclusive and accessible purchasing process—one that supports small Oregon businesses while continuing to meet the City's operational needs.

We will continue to keep you informed as this work moves forward.