



Active Transportation Grant Management Recommendations

Transportation Advisory Board



October 16th, 2024

Grant Management Policies

Policy Level Grant Management Considerations for Pilot

Reviewed and discussed first seven items at 9/18 TAB Meeting

1. **Program year:** No program year, identify project activity period, begin before end of 2026, TAB approval for extension.
2. **Grant disbursements:** 50% granted up-front at construction start, remainder reimbursed.
3. **Eligible project costs:** Eligible costs remain the same as Regional Solicitation.
4. **Project plan documentation and submittals:** Final plans submitted to Council to ensure project meets minimum standards and project description.
5. **Environmental impact review:** Follow applicable state statutes. No documentation to be submitted.
6. **Right-of-Way (ROW) acquisition:** Follow applicable state statutes. Submit ownership or agreement documentation prior to release of grant funds.
7. **Scope change process:** Scope change process remains the same as Regional Solicitation.

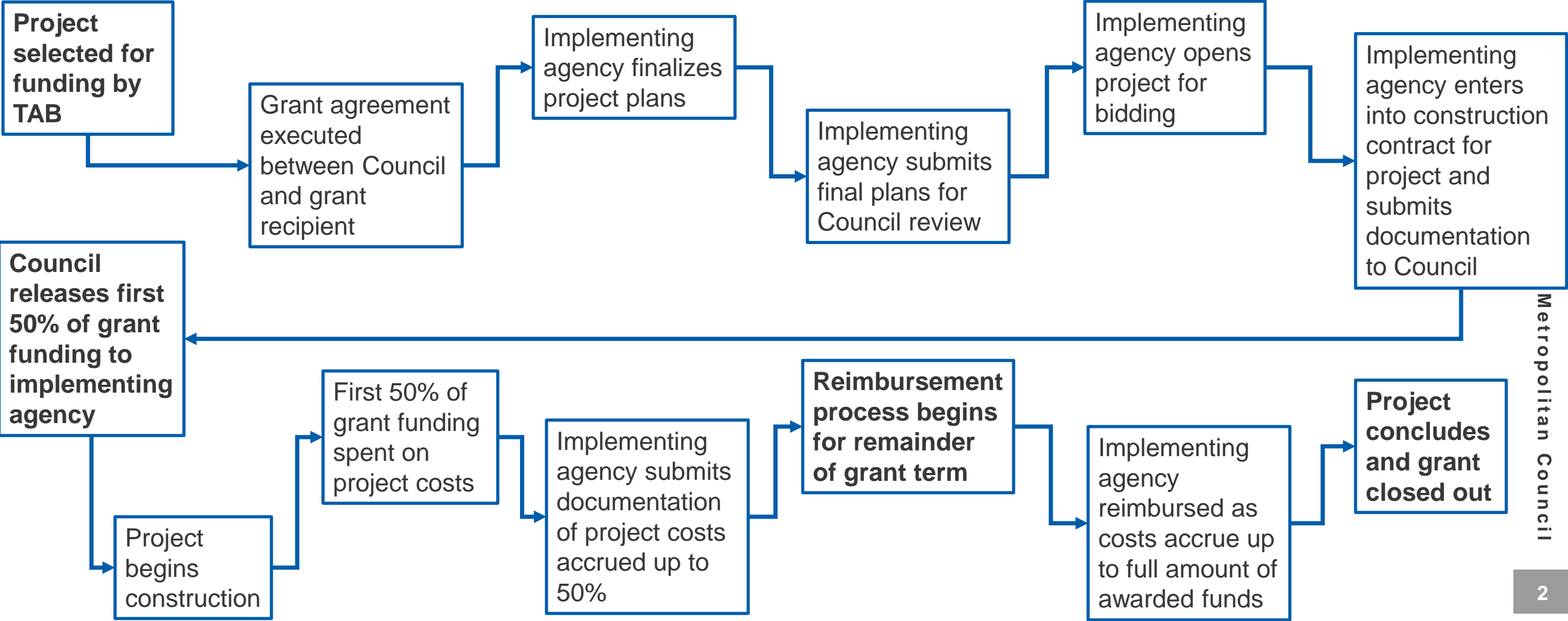
Items below not covered in previous TAB meeting

8. **Small Business Contracting Program (DBE/TGB/MCUB)**



Grant Funding Disbursements

Grant Fund Disbursement Flowchart



Small Business Contracting Programs

Background

- Disadvantaged Business Enterprise (DBE) Program:
 - The goal of the DBE program is to make sure there is equal opportunity in the award of US DOT-FTA-FAA-FHWA assisted contracts for highway, transit, and airport projects. The program is intended to create a “level playing field” on which DBEs can compete fairly with larger non-DBE firms.
 - Since 1983, all federally funded transportation projects have been required to follow DBE program rules – 49 CFR Part 26, establish sub-contracting goals for Socially and Economically Disadvantaged (SEDO) business, and to track and report on implementation.
- State & local agencies have similar programs: Targeted Group and Veteran-Owned Small Business (TGB) program, CERT certified business (St. Paul, Ramsey & Hennepin counties).
- Metropolitan Council Underutilized Business (MCUB) program requires that the small business must be Minnesota-based and have an active certification from one of these programs:
 - DBE
 - TGB
 - CERT certified women or minority
 - Veteran - owned



Small Business Contracting Program Policies

Federal - USDOT

- Disadvantaged Business Enterprises (DBE) Requirements (49 CFR Part 26).
- Federal program to ensure firms owned by socially & economically disadvantaged groups have opportunity to participate in federally funded projects
- Includes compliance monitoring, reporting and establishing subcontracting goals for on federally funded projects.

State – Department of Administration

- State small business contracting program known as Targeted Group, Economically Disadvantaged, Veteran-Owned Small Business (TGB) program.
 - Similar to DBE with a broader focus.
- Utilized for state funded procurements, but not MnDOT AT grants.
 - No goals or requirements set for AT infrastructure grants.

Met Council

- Metropolitan Council Underutilized Business (MCUB) program.
 - Utilizes CERT certified women & minority, DBE and TGB for firms based in Minnesota
- Non-federal pass-through grant projects are not subject to MCUB program requirements.
 - Recipients encouraged to participate.
- The Council applies MCUB program requirements to professional services & construction projects estimated at a value greater than \$175K.

Small Business Contracting Program

Project Considerations for MCUB

All projects applied for federal money

- Understanding of DBE requirements prior to applying for funding
- MCUB program more versatile and responsive than federal program

Of 17 selected AT grant projects

- 10 projects will be required to participate in MCUB program
 - Minneapolis, St Paul, Hennepin County, Brooklyn Center – local programs in place, requirement will be waived
 - 2 projects requesting less than \$750,000 (Lakeville, Burnsville)
- 9 different agencies
 - Dakota County
 - Farmington
 - Three Rivers PD
 - Richfield (two projects)
 - Woodbury
 - Fridley
 - South St Paul
 - Jordan
 - Arden Hills



Small Business Contracting Program

Recommendation for Small Business Contracting Program:

- Require grant recipients to apply MCUB program requirements for projects receiving more than \$750,000 (final amount is TAB decision) and work with Met Council's Office of Equity & Equal Opportunity (OEEO) to review projects for subcontracting opportunities and set subcontracting goals when appropriate.
- The Council has an established framework/process that is used for federal grants to sub recipients and contractors that could be easily adapted.
- If a receiving agency already has an equivalent contracting program in place, MCUB requirement will be waived.

Recommended Motion

Pilot Grant Management Policies for TAB Consideration

Program Year: Recipients of Active Transportation grants must prepare and release the project construction contract for bids prior to December 31st, 2026, or the grant award will be subject to review and potential cancellation by the TAB.

Grant Funding Disbursements: Grant recipients will be awarded 50% of the grant funds when entered into construction contract and the remaining 50% of funds will be reimbursed as costs are incurred above the initial 50% of costs.

Eligible Project Costs: The Regional Solicitation's eligible project costs policy will apply.

Plan Documentation and Submittals: Grant recipients will be required to submit final construction plan sheets prior to project bidding.

Project Scope Change: The Regional Solicitation's Scope Change Policy will apply.

Right-of-Way Acquisition: Right-of-way documentation to confirm ownership of property will be required, but acquisition certifications will not be required prior to release of grant funds.

Environmental Review: Environmental review documentation will not be required.

Small Business Contracting Program: Projects receiving more than \$750,000 in grant funding will be required to participate in the Metropolitan Council's Underutilized Business (MCUB) program for construction contracting. If a grant recipient has an equivalent adopted program, this requirement will be waived.





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