Disadvantaged Business Enterprise and Workforce Advisory Committee

June 17th, 2021
Today’s Topics

- Building Strong Communities Update
- Project Update
- DBE Reporting
- Workforce Reporting
- Using Small Contracts to Advance Equity
Building Strong Communities
2021
Building Strong Communities: June Update

BSC 2021 Apprenticeship Placements (to date):

1 - Carpenters
1 - Cement Mason
1 - Iron Workers
3 - Laborer
4 - Operating Engineer

BSC Apprentice - Ethnicity

- American Indian: 2 (20%)
- Black / African American: 1 (10%)
- Hispanic: 2 (20%)
- White: 5 (50%)

BSC Apprentice - Gender

- Men: 4 (40%)
- Women: 6 (60%)
SWLRT Project Update
Prairie Center Drive LRT Bridge, Eden Prairie
Golden Triangle Station, Eden Prairie
Shady Oak Road/TH212 LRT Bridge, Eden Prairie
Shady Oak Road/TH212 LRT Bridge, Eden Prairie
Smetana Road Bridge, Minnetonka
Excelsior Boulevard LRT Bridge, Hopkins
Kenilworth LRT Tunnel, Minneapolis
Corridor Protection Barrier, Minneapolis
Signal System Cut Section Case 2218
TPSS SW303 Enclosure
## DBE Achievement as of April 30, 2021

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Contract Description</th>
<th>Contract Amount</th>
<th>Contractor Billed to Date</th>
<th>DBE Billed to Date</th>
<th>DBE Date %</th>
<th>As of Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMJV</td>
<td>Civil</td>
<td>$843,808,326</td>
<td>$450,366,972</td>
<td>$92,389,555</td>
<td>20.5%</td>
<td>4/30/21</td>
</tr>
<tr>
<td>APJV</td>
<td>Systems</td>
<td>$193,819,580</td>
<td>$52,463,181</td>
<td>$8,437,378</td>
<td>16.1%</td>
<td>4/30/21</td>
</tr>
<tr>
<td>LS Black</td>
<td>Franklin O&amp;M Exp.</td>
<td>$39,084,536</td>
<td>$22,500,251</td>
<td>$4,450,840</td>
<td>19.8%</td>
<td>4/30/21</td>
</tr>
<tr>
<td></td>
<td>Closed Contracts</td>
<td>$404,992</td>
<td>$404,992</td>
<td>$74,610</td>
<td>18.4%</td>
<td></td>
</tr>
</tbody>
</table>

### Total

<table>
<thead>
<tr>
<th>Contract Amount</th>
<th>Billed to Date</th>
<th>$ DBE to Date</th>
<th>% DBE to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,077,117,434</td>
<td>$525,735,396</td>
<td>$105,352,383</td>
<td>20.0%</td>
</tr>
</tbody>
</table>
Disaggregated Construction DBE Data*

- SWLRT DBE Contracts Total: $1,077,117,434

$40,297,930
19%

$1,900,001
1%

$10,562,798
5%

$29,141,190
13%

$19,422,447
9%

$116,496,838
53%

*Contract values for Civil, Systems, Franklin O&M Expansion, and OMF Demolition as of April 30, 2021
Disaggregated Construction DBE Data*

• DBE (MN and out of state) working on SWLRT:

<table>
<thead>
<tr>
<th>State</th>
<th>Totals</th>
</tr>
</thead>
<tbody>
<tr>
<td>MN</td>
<td>$187,709,397</td>
</tr>
<tr>
<td>FL</td>
<td>$20,500,000</td>
</tr>
<tr>
<td>GA</td>
<td>$6,907,529</td>
</tr>
<tr>
<td>IL</td>
<td>$479,004</td>
</tr>
<tr>
<td>MD</td>
<td>$770,750</td>
</tr>
<tr>
<td>SD</td>
<td>$795,000</td>
</tr>
<tr>
<td>WI</td>
<td>$659,526</td>
</tr>
</tbody>
</table>

*Contract values for Civil, Systems, Franklin O&M Expansion, and OMF Demolition as of April 30, 2021
Civil Participation* as of Apr. 30, 2021

*DBE Goal for the Civil Contract is 16%
Systems Participation* as of Apr. 30, 2021

*DBE Goal for the Systems Contract is 12%
Franklin Participation* as of Apr. 30, 2021

*DBE Goal for the Franklin Contract is 15%
Lunda/CS McCrossan Joint Venture: Civil DBE Activities Update
## SWLRT DBE Participation: May

### Civil Contract

- **Am-Tec Designs**
  - Structural steel (supply only)
- **Blackstone**
  - Retaining walls
- **Big G Tech Support**
  - Project offices and support
- **Boys Contracting**
  - Pipe supply
- **CI Utilities LLC**
  - Electrical testing
- **E&J Steel Erectors**
  - Steel erection
- **HHA**
  - Scheduling consultant
- **IMO Consulting Group**
  - Surveying
- **On Call Pavement Sweeping**
  - Street sweeping
- **Pete’s Water & Sewer**
  - Utility work
- **Public Solutions Group**
  - Public info and site prep.
- **Safety Signs**
  - Maintenance of traffic
- **Standard Contracting Inc**
  - Erosion control & misc. civil
- **Stonebrook Fence Inc.**
  - Temp. & permanent fence
SWLRT DBE Participation: May

• Civil Contract
  ▪ AirFresh Industries
  ▪ Biffs
  ▪ Mac’s Roll-Off Service Inc
  ▪ ZTS
  ▪ MBE Inc
  ▪ M&J Trucking
  Sanitary facilities
  Sanitary facilities
  Dumpsters
  Project trucking
  Project trucking
  Project trucking

• Stations Contract
  ▪ Am-Tec Designs
  ▪ E-Con-Placer
  ▪ Biffs
  ▪ Sun Mechanical
  Structural steel
  Concrete pumping
  Sanitary facilities
  Mechanical
LMJV Update on Change Orders

- Owner Change Orders* approved thru 05/15: $130,428,670
- DBE job to date participation: 20.58%

*Does not take into account LMJV directed change orders with Subcontractors
LMJV DBE Highlight: E-Con Placer

- **Scope of work: Concrete Pumping**
  - Total Contract: $500,000
  - Total Paid to Date: $368,346
  - Estimated Completion Date: August 2024
Aldridge Parsons Joint Venture: Systems DBE Activities Update
Anticipated DBEs: One Month Look Ahead

• June
  - Gunnar: communications work at Shady Oak Station
    speaker back boxes

• July
  - TPSS Foundations: Dionne Construction (303 & 304)
    ‒ Erosion control/silt fence
  - Bald Eagle Erectors (Meyer sub): form/rebar/pour concrete
  - Moltron Builders: laborers
    ‒ Excavation, under-drain, subgrade preparation
  - MBE Inc. (Meyer Sub): trucking
  - IMO: pre-inspection
APJV Systems Contract DBE Update

- IMO Consulting:
  - Fully executed subcontract: $266,000
APJV Update on Change Orders

• Owner change orders approved thru 5/1/21:
  ▪ $1,005,600.10

• DBE change order participation:
  ▪ Gunnar Electric: $203,955
  ▪ Generation Cable: $413,311 ($247,986: 60% material only)
  ▪ DBE change order participation: 61%
  ▪ DBE job to date participation: 16.1%
LS Black Constructors:
Franklin O&M DBE Activities Update
LS Black Update on Change Orders

• Current contract amount thru 5/1: $39,084,536
  ▪ Committed DBE contracts: $7,814,779
  ▪ Anticipated DBE participation: 20%

• Overall billed to date thru 5/1: $25,725,252
  ▪ DBE billed to date thru 5/1: $5,442,912
  ▪ DBE achievement to date: 21%
LS Black Update on DBE Activity

- Ongoing participation from GoFetsch Mechanical
- Ongoing participation from Nakasone Painting
- Bald Eagle Erectors
- Camacho Roofing
- Always Stone & Tile
- Am-Tec Designs (steel fabrication only)
- Wissota Supply Co
- Dzeidic Caulking
Workforce Participation Report
Civil Workforce Participation Percentage*

- April 2021: 66,304 hrs
- Civil Construction Total: 1,167,082 hrs

<table>
<thead>
<tr>
<th>Workforce Category</th>
<th>Monthly LMJV %</th>
<th>Goal %</th>
<th>Contract % To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>7.73%</td>
<td>8.20%</td>
<td></td>
</tr>
<tr>
<td>POCI</td>
<td>20%</td>
<td>23.61%</td>
<td>21.71%</td>
</tr>
<tr>
<td>Unspecified</td>
<td>0.56%</td>
<td>0.38%</td>
<td></td>
</tr>
</tbody>
</table>

*Based on MDHR Workforce Report for April 2021
People of Color/Indigenous (POCI)
Civil Workforce Participation*

- April 2021: 66,304 hrs
- Hours worked by category:

*Based on MDHR Workforce Report for April 2021
Civil Workforce Participation Cumulative*

- Total Women hours to date: 95,649 hrs

*Based on MDHR Workforce Reports through April 2021
Civil Workforce Participation Cumulative*

- Total POCI hours to date: 253,425 hrs

*Based on MDHR Workforce Reports through April 2021
Civil Workforce Trucking Participation*

Trucking participation on Project being counted:

- MBE: 20,222 hours
- ZTS: 4,083 hours
- Rock-On Trucks: 683 hours

*Based on MDHR Workforce Reports: Project Start through April 2021
Systems Workforce Participation Percentage*

- April 2021: 8 hrs
- Systems Construction Total: 269 hrs

*Based on MDHR Workforce Report for April 2021
People of Color/Indigenous People (POCI)
Franklin O&M Workforce Participation Percentage*

- April 2021: 5,522 hrs
- Franklin O&M Construction Total: 58,851 hrs

*Based on MDHR Workforce Report for April 2021
People of Color/Indigenous (POCI)
Franklin O&M Workforce Participation*

- April: 5,522 hrs
- Hours worked by category:

*Based on MDHR Workforce Report for April 2021
Franklin O&M Workforce Participation Cumulative*

- Total Women hours to date: 4,677 hrs

*Based on MDHR Workforce Reports through April 2021
Franklin O&M Workforce Participation Cumulative*

- Total POCI hours to date: 13,451 hrs

*Based on MDHR Workforce Reports through April 2021
Lunda/CS McCrossan Joint Venture: Civil Workforce Activities Update
LMJV Workforce Activities: May 2021

• Monthly SWLRT Meetings – subcontractors & internal LMJV
• Interviewed 4 Building Strong Communities candidates and 1 Cement Finishers candidate for yard laborers position – mentorship opportunities.
  - Hired 2 females (1 minority female)
• Continual update meetings with LMJV representatives & Lunda Field Operations on upcoming hiring needs.
• Planning meeting regarding SWLRT outreach events
• SWLRT project tour for Building Strong Communities
• SWLRT CBO+Contractor Part 2 of 2 Planning
• Continued training of Lunda staff regarding Good Faith Efforts & Goals – final training is scheduled for the Lunda Field on June 16th
LMJV Upcoming Stand Out Workforce Activities – June 2021

• SWLRT Triple Play – outreach planning meeting with Civil, Systems & Facilities partners
• MN Con Crew Hiring Event
• CBO+Contractor Connection Part 2 of 2:
  ▪ Hired
  ▪ Summit Academy
  ▪ Helmets 2 Hardhats
• EEO/Harassment training for field staff
• Goodwill EasterSeals – industry leadership network meeting
Total New Hires/Transfers for LMJV: May 2021

NEW HIRES: 4
- White Male: 0
- White Female: 1
- POCI Male: 3
- POCI Female: 0

TRANSFERS: 17
- White Male: 10
- White Female: 0
- POCI Male: 7
- POCI Female: 0

- Apprentices: 4
- Journeymen: 9
- Foremen: 8
Aldridge Parsons Joint Venture: Systems Workforce Activities Update
Systems Contract Workforce

- Plan to meet the workforce goal:
  - APJV limited scopes available for craft labor through the remainder of 2021.
  - APJV participated in second zoom meeting with the 3 SWLRT primes and subcontractors introducing local CBOs: June 15.
  - Participated in Metro Region Construction Virtual Hiring Event June 9th.
  - Scheduled 3rd zoom meeting with the 3 SWLRT primes and subcontractors introducing local unions and CBOs for July
LS Black Constructors: Franklin O&M Workforce Activities Update
Franklin O&M Contract Workforce Activities

• Monthly GFE meetings with MDHR
• Attending outreach opportunities with CBOs with subcontractor team participation
• Reminder emails to trade partner teams about participation and plans to increase workforce as necessary
• Continue to track LCP participation goals with our new Compliance Manager as well as commminate with our sub teams on improvement opportunities
How are we using MnDOT contracting and purchasing power to advance equity?

Focus for today:
- MnDOT’s track record
- Strategies that work
- How we can collaborate

**Equity:** Impact we seek to create by making our contracting and procurement more inclusive of diverse businesses and workers

- $3 b Construction
- $200 m Professional/Technical
- $10-20 m Maintenance
Economic disparities in MN affect MN’s Construction industry and access to opportunity

<table>
<thead>
<tr>
<th>Indicator</th>
<th>White not-Latino</th>
<th>Persons of color</th>
</tr>
</thead>
<tbody>
<tr>
<td>Race/ethnicity, 2019</td>
<td>79.5%</td>
<td>20.5%</td>
</tr>
<tr>
<td>Per capita income, 7 cty metro</td>
<td>$38,529</td>
<td>$18,448</td>
</tr>
<tr>
<td>% below poverty threshold</td>
<td>8%</td>
<td>26%</td>
</tr>
<tr>
<td>% who own home</td>
<td>76.1%</td>
<td>41%</td>
</tr>
</tbody>
</table>
Why MnDOT’s Commitment to Contracting Equity Matters

- We make an economic impact that helps reduce disparities.
- We signal demand that attracts new businesses and increases competition, leading to better prices.
- As businesses become more skilled and efficient, industry productivity grows.
- We increase community trust because of greater opportunity and transparency.

**Equity: Impact** we seek to create by making our contracting and procurement more inclusive of diverse businesses and workers.
Purpose
Turn MnDOT’s commitment to contracting equity into action and results
i.e., Get small contracts into the hands of local small businesses

Roles
Run statewide “Gateway” programs – influence, learn
Be a resource to all offices
Track and analyze
Collaborate across the industry

Funding
$8 m FY21
3 principles to make every contract a catalyst for individual prosperity and community vitality

Less is more

Use your leverage

Keep it simple

Every contract or purchase is an opportunity to advance equity and drive our economy
Building a diverse contractor pool: Opening the door of government contracts to small businesses

MN Construction Business Patterns, 2018

<table>
<thead>
<tr>
<th>Establishment employee size</th>
<th>2010</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, All Establishments</td>
<td>16,368</td>
<td>16,781</td>
</tr>
<tr>
<td>1 to 9 employees</td>
<td>14,513</td>
<td>14,491 (86.3%) (31,000 employees)</td>
</tr>
<tr>
<td>10-19 employees</td>
<td>1,121</td>
<td>1,160 (6.9%)</td>
</tr>
<tr>
<td>10-49 employees</td>
<td>499</td>
<td>1,920 (11.4%)</td>
</tr>
<tr>
<td>50-99 employees</td>
<td>127</td>
<td>211 (1.3%)</td>
</tr>
<tr>
<td>100-249 employees</td>
<td>88</td>
<td>118 (0.7%)</td>
</tr>
<tr>
<td>250-499 employees or more</td>
<td>20</td>
<td>29 (0.2%)</td>
</tr>
<tr>
<td>500 employees or more</td>
<td>12 (0.1%) (13,500 employees)</td>
<td></td>
</tr>
</tbody>
</table>

16,781 establishments
125,337 employees
$9.4 b annual payroll

US Census Bureau’s County Business Patterns (CBP)
Availability of diverse construction firms to perform MnDOT work: Data from 2017 Disparity Study

- MN for-profit
- Qualified and interested
- Gov't contracts, prime and sub
- MnDOT P/T, Construction, Goods

<table>
<thead>
<tr>
<th>Race/ethnicity and gender</th>
<th>Number of firms (headcount)</th>
<th>Percent of firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American-owned - MBE</td>
<td>240</td>
<td>4.74%</td>
</tr>
<tr>
<td>Asian American-owned - MBE</td>
<td>101</td>
<td>1.99%</td>
</tr>
<tr>
<td>Hispanic American-owned - MBE</td>
<td>93</td>
<td>1.84%</td>
</tr>
<tr>
<td>Native American-owned - MBE</td>
<td>36</td>
<td>0.71%</td>
</tr>
<tr>
<td>White women only - WBE</td>
<td>925</td>
<td>18.27%</td>
</tr>
<tr>
<td>Available MBE and WBE</td>
<td>1,395</td>
<td>27.5%</td>
</tr>
<tr>
<td>Total majority</td>
<td>3,669</td>
<td>72.45%</td>
</tr>
<tr>
<td>Total all firms</td>
<td>5,064</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

2017 MN Joint Disparity Study – MnDOT Final Report, Keen Independent Research

Utilization: Dollar weighted by size, location, type of contract, FY12-16
Availability MBE/WBE: 20.50%
Utilization: 6.98%
Under-utilized small businesses: 1,395
Building a diverse contractor pool: Leveling the playing field, remedying for past discrimination

Disadvantaged Business Enterprises DBE -- 730 certified in MN – Fed certification
Level the playing field for women and minority-owned small businesses to give them a fair opportunity to perform USDOT-assisted contracts; remedy ongoing discrimination and continuing effects of past discrimination.

Targeted Group Business TGB – Over 1,400 in MN – State certification
Create broader opportunities for women, persons with a substantial physical disability or specific minorities to contract with the state and remedy effects of past discrimination.

Veteran-Owned Business VET – 130 in MN – State/VA certification
Increase opportunities for veteran-owned small businesses to contract with the state

Economically Disadvantaged (ED) – State certification
Business located or owner resides in one of 40 counties certified as labor surplus area or low-income

Google “MN DBE Directory”
Google “TGB/Vet/ED Directory”

Why get certified?
1. TGBs, Vets, EDs may be eligible for up to 6% preference
2. Name in the applicable directory
3. Access to exclusive contract opportunities

6/16/2021
Do you know of small businesses who may want to do Gov’t contracting?

Encourage small businesses in these counties to get certified as **Economically Disadvantaged (ED)**

- Aitkin
- Becker
- Big Stone
- Cass
- Chippewa
- Clearwater
- Cottonwood
- Douglas
- Faribault
- Fillmore
- Grant
- Hubbard
- Jackson
- Kanabec
- Kittson
- Koochiching
- Lac Qui Parle
- Lake of the Woods
- Lincoln
- Mahnomen
- Marshall
- Meeker
- Morrison
- Murray
- Norman
- Otter Tail
- Pine
- Pipestone
- Pope
- Red Lake
- Redwood
- Renville
- Rock
- Sibley
- Swift
- Todd
- Traverse
- Wadena
- Watonwan
- Yellow Medicine

**One Minnesota** approach to governing: “Give everyone a seat at the table. Bring racial, economic and geographic equity to public policy and decisions.”

--Governor Walz, January 2019

**Know a business interested in Gov’t contracting?**

Refer them to MN Procurement Technical Assistance Center (PTAC)

[https://mn.gov/admin/business/vendor-info/ptac/](https://mn.gov/admin/business/vendor-info/ptac/)

- Help with TGB, Vet, DBE or ED application
- 1-1 counseling on local, state and fed gov’t contracts
- Bid-matching service
- Free trainings
- Find out how to contract with local, state and federal agencies

Google “PTAC MN”
Are you familiar with PTAC MN?
Do you refer businesses to PTAC?
## Estimated $ Value Prime Contracts Awarded to underutilized businesses

<table>
<thead>
<tr>
<th>FY</th>
<th>P/T</th>
<th>Construction</th>
<th>Maint</th>
<th>Goods</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY16</td>
<td>$7,078,118</td>
<td>$8,108,212</td>
<td>$366,485</td>
<td>$3,368,082</td>
</tr>
<tr>
<td>FY17</td>
<td>$10,209,681</td>
<td>$4,836,072</td>
<td>$1,485,046</td>
<td>$5,057,211</td>
</tr>
<tr>
<td>FY18</td>
<td>$11,646,348</td>
<td>$14,967,375</td>
<td>$2,422,858</td>
<td>$3,591,519</td>
</tr>
<tr>
<td>FY19</td>
<td>$15,061,125</td>
<td>$36,978,715</td>
<td>$1,754,678</td>
<td>$5,779,470</td>
</tr>
<tr>
<td>FY20</td>
<td>$16,481,421</td>
<td>$15,629,891</td>
<td>$1,666,792</td>
<td>$4,385,451</td>
</tr>
</tbody>
</table>

**Total:** $170,874,550
Few under-utilized businesses win advertised low-bid contracts

### Advertised Low-Bid TH Construction Contracts Awarded to TGB/Vet/ED/DBE Primes

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number contracts awarded</td>
<td>14</td>
<td>10</td>
</tr>
<tr>
<td>$ value</td>
<td>$31.7 m</td>
<td>$10.7 m</td>
</tr>
<tr>
<td>Number T/V/D/ED contractors awarded</td>
<td>9</td>
<td>7</td>
</tr>
</tbody>
</table>

Excludes building projects (e.g. truck station) and NMCs

### Advertised Low-Bid Construction Contracts with Underutilized Businesses

Metro District, FY20

<table>
<thead>
<tr>
<th>Description</th>
<th>$ Value</th>
<th>Contractor</th>
<th>Demographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signing TH13 Dakota County</td>
<td>$370,401</td>
<td>Night Train Trucking</td>
<td>Indigenous woman</td>
</tr>
<tr>
<td>Metrowide Traffic Control</td>
<td>$99,000</td>
<td>Safety Signs</td>
<td>White woman</td>
</tr>
<tr>
<td>TH35W at 5th St. SE landscaping</td>
<td>$51,965</td>
<td>Landbridge Ecological</td>
<td>White woman</td>
</tr>
</tbody>
</table>
Contracting and Procurement Methods Matter

Developing Capacity  |  Increasing Access  |  Building Community

Construction and Maintenance

- Negotiated Maintenance and Construction Contract (NMC)
- Small Business Preference
Working directly with small businesses to construct and maintain MnDOT infrastructure

What’s a Negotiated Contract?
- State statute 161.32 subd. 2
- Max value $250,000
- Must be state funds
- No advertisement
- Obtain two quotes
- Simplified plans, lots of photos
- Lump sum payment
- Always invite TGB/DBE/Vets/EDs to quote!

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of NMCs awarded</td>
<td>109</td>
<td>119</td>
</tr>
<tr>
<td>Value of NMCs awarded</td>
<td>$6,373,763</td>
<td>$8,349,930</td>
</tr>
<tr>
<td>Number (%) awarded to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underutilized businesses</td>
<td>56 (51.3%)</td>
<td>62 (52.1%)</td>
</tr>
<tr>
<td>Value(%) awarded to</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Underutilized businesses</td>
<td>$2,569,091 (40.3)</td>
<td>$3,894,428 (46.6%)</td>
</tr>
</tbody>
</table>

FY20 Contractor Demographics
- 11 Black - performed $1.42 m
- 2 Asian - $292,000
- 2 Latino - $38,000
- 2 Indigenous - $518,924
- 3 Vet - $368,330
- 4 Low income - $461,459
- 10 women (3 POC) - $1,651,331
Subd. 2. Direct negotiation.

In cases where the estimated cost of construction work or maintenance work does not exceed $250,000, the commissioner may enter into a contract for the work by direct negotiation, by obtaining two or more quotations for the work, and without advertising for bids or otherwise complying with the requirements of competitive bidding if the total contractual obligation of the state for the directly negotiated contract or contracts on any single project does not exceed $250,000. All quotations obtained shall be kept on file for a period of at least one year after receipt of the quotation.

https://www.revisor.mn.gov/statutes/cite/161.32
MnDOT has awarded more than 300 Negotiated contracts to local small businesses, many under $100,000, to fix and maintain MnDOT infrastructure; total value about $21 million.

<table>
<thead>
<tr>
<th>Negotiated Maintenance and Construction (NMC) Work Types</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tree clearing/removal</td>
</tr>
<tr>
<td>Culvert repair</td>
</tr>
<tr>
<td>High tension cable</td>
</tr>
<tr>
<td>Ditch cleaning</td>
</tr>
<tr>
<td>Fence repair</td>
</tr>
<tr>
<td>Restriping</td>
</tr>
<tr>
<td>Mowing</td>
</tr>
<tr>
<td>Vegetation management</td>
</tr>
<tr>
<td>Small animal fencing</td>
</tr>
<tr>
<td>Crack sealing</td>
</tr>
<tr>
<td>Snow fence install/rejuvenation</td>
</tr>
<tr>
<td>Encampment cleanup</td>
</tr>
<tr>
<td>ADA construction</td>
</tr>
<tr>
<td>Drainage</td>
</tr>
<tr>
<td>HVAC</td>
</tr>
<tr>
<td>Stillwater Bridge Tender</td>
</tr>
<tr>
<td>Building demolition</td>
</tr>
<tr>
<td>Pedestrian demonstration</td>
</tr>
</tbody>
</table>

Average $60,000  1-2 week duration typical
## NMCs by Districts, FY20

<table>
<thead>
<tr>
<th>District</th>
<th>Number NMCs Awarded</th>
<th>Number Awarded to Under-utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>D2</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>D3</td>
<td>11</td>
<td>1</td>
</tr>
<tr>
<td>D4</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Metro</td>
<td>80</td>
<td>53</td>
</tr>
<tr>
<td>D6</td>
<td>7</td>
<td>1</td>
</tr>
<tr>
<td>D7</td>
<td>9</td>
<td>1</td>
</tr>
<tr>
<td>D8</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>119</td>
<td>62</td>
</tr>
</tbody>
</table>

Counties, cities, townships, school districts can use this method too

471.345 Uniform Municipal Contracting Law

6/16/2021
Small Business Preference for Construction

- Max $ per contract: Unlimited
- Funding type: State funds only
- Solicitation: Must document minimum 3 TGBs or Vets likely to bid
- Type of Purchase: Construction, Maintenance
- Selection: Must award to a TGB or Vet

Challenges:
- training TGB/Vets on MnDOT specs
- bonding cannot be waived
- not quick and simple
- finding work types with pool of TGBs and Vets capable of performing (bonding capacity)

Thus far, only Metro has used this process:
$108,557 – I35E landscaping
Cross Cultural Business Svs (TGB and DBE)

$88,992 – TH35W landscaping
JL Theis, Inc. (TGB and DBE)

$89,730 -- East Metro Trail Project
All Phase Contracting (TGB and DBE)

6/16/2021
## Estimated Prime Professional-Technical Contracts with under-utilized consultant firms - all MnDOT

<table>
<thead>
<tr>
<th></th>
<th>Number of Prime Contracts Awarded to T/V/D</th>
<th>Number of T/V/D Primes Awarded</th>
<th>Total Dollar Value of T/V/D Prime Contracts</th>
<th>Number Vet Award</th>
<th>Number of Woman T/V/D Awarded</th>
<th>Number of Latinx T/V/D Awarded</th>
<th>Number of Asian American T/V/D Awarded</th>
<th>Number of African American T/V/D Awarded</th>
<th>Number of Native American T/V/D Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY16</strong></td>
<td>102</td>
<td>30</td>
<td>$7,078,118</td>
<td>1</td>
<td>25</td>
<td>2</td>
<td>5</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>FY17</strong></td>
<td>124</td>
<td>39</td>
<td>$10,209,681</td>
<td>1</td>
<td>32</td>
<td>3</td>
<td>6</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td><strong>FY18</strong></td>
<td>126</td>
<td>41</td>
<td>$11,646,348</td>
<td>2</td>
<td>32</td>
<td>2</td>
<td>9</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td><strong>FY19</strong></td>
<td>160</td>
<td>50</td>
<td>$15,061,125</td>
<td>2</td>
<td>41</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td><strong>FY20</strong></td>
<td>147</td>
<td>48</td>
<td>$16,481,421</td>
<td>3</td>
<td>35</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td><em><em>FY21</em> 6 mon</em>*</td>
<td>86</td>
<td>37</td>
<td>$8,569,765</td>
<td>2</td>
<td>27</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>4</td>
</tr>
</tbody>
</table>

How can we increase beyond 8% value all P/T contracts?

|        | FY20: 120 less than $100,000 = 82%       | 56 less than $25,000 = 38%                 |
|        | FY19: 141 less than $100,000 = 88%       | 77 less than $25,000 = 48%                 |
MnDOT uses firms of all sizes to help us plan, prepare and carry out projects

In FY20, MnDOT awarded $16.4 million to under-utilized firms

Examples of Professional/Technical Services Prime Consultant Contracts

<table>
<thead>
<tr>
<th>Engineering</th>
<th>Traffic studies</th>
<th>Real Estate appraisals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photogrammetry services</td>
<td>Bridge, roadway, culvert designs</td>
<td>Surveys</td>
</tr>
<tr>
<td>Asbestos and regulated waste assessments</td>
<td>Construction inspection</td>
<td>Historic preservation</td>
</tr>
<tr>
<td>Meeting facilitation</td>
<td>Inventories (e.g., ADA, guardrail, fencing)</td>
<td>Planning assistance</td>
</tr>
<tr>
<td>Communications</td>
<td>Public engagement</td>
<td>Graphic design</td>
</tr>
<tr>
<td>Load rating analysis</td>
<td>Environmental Impact</td>
<td>Process assessments</td>
</tr>
<tr>
<td>Travel demand forecasting</td>
<td>Transcription services</td>
<td>Building facility designs</td>
</tr>
<tr>
<td>Regulated waste removal oversight</td>
<td>Project schedule review</td>
<td>Technical writing</td>
</tr>
<tr>
<td>GIS tools</td>
<td>Data analysis</td>
<td>Digital photography/video production</td>
</tr>
</tbody>
</table>
How can we increase diversity of MnDOT’s Prequal Program?

Demographics of Prequalification Program Consulting Firms (Owners), June 15, 2021

<table>
<thead>
<tr>
<th>Total Firms</th>
<th>Total T/V/D</th>
<th>White Woman</th>
<th>Asian American</th>
<th>Latinx or Hispanic American</th>
<th>Black</th>
<th>Native American</th>
<th>Vet</th>
</tr>
</thead>
<tbody>
<tr>
<td>316</td>
<td>65</td>
<td>39</td>
<td>10</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
</tbody>
</table>

| 20.6%       | 12%         | 3%          | 1%             | 1%                          | ½%    | 2%              |

6/16/2021
<table>
<thead>
<tr>
<th>Category</th>
<th>Work Type</th>
<th>Total # Firms</th>
<th>Total # T/D/V</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.11</td>
<td>Highway Design Level 3</td>
<td>49</td>
<td>10</td>
</tr>
<tr>
<td>2.13</td>
<td>Highway Design Level 1</td>
<td>24</td>
<td>2</td>
</tr>
<tr>
<td>6.1</td>
<td>Geotechnical Studies</td>
<td>23</td>
<td>3</td>
</tr>
<tr>
<td>6.2</td>
<td>Ground Penetrating Radar</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>7.11</td>
<td>Transportation Planning class 1</td>
<td>34</td>
<td>4</td>
</tr>
<tr>
<td>7.12</td>
<td>Transportation Planning class 2</td>
<td>40</td>
<td>7</td>
</tr>
<tr>
<td>8.3</td>
<td>Field Title Investigation</td>
<td>14</td>
<td>2</td>
</tr>
<tr>
<td>8.52</td>
<td>ROW Appraisal level 2</td>
<td>50</td>
<td>7</td>
</tr>
<tr>
<td>9.5</td>
<td>ROW surveys</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>11.8</td>
<td>ADA construction inspection</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>14.41</td>
<td>Traffic Control level 1</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>20.11</td>
<td>Project Scheduling L1</td>
<td>15</td>
<td>2</td>
</tr>
<tr>
<td>21.1</td>
<td>Communications &amp; Public Engagement Project Management</td>
<td>17</td>
<td>3</td>
</tr>
</tbody>
</table>
Always consider small firms when hiring consultants

- **Equity Select** -- $25K max/contract, state funds only, must award TGB, Vet, ED; gain Prequal Program experience

- **Quick Call Multi-Award** -- $100k max/contract, invite under-utilized businesses only; gain Prequal Program experience

- **Direct Select from Prequal Program** -- $100k max/contract, select TGB, Vet, or DBE

Not all P/T services need to be bundled into large contracts.

**Equity Selection (ES) Method**

- No advertisement
- Must select TGB, Vet or ED certified firm
- Max $25k per contract

18 ES contracts with 12 firms in FY20
(10 were Metro District = $241,702)
= $364,188 including 7 firms not in the Prequal Program

Watch for an upcoming training on “P/T Contracting Equity”
Use Equity Select for firms not in Prequalification Program

- Purpose: Create opportunities for under-utilized businesses to do work with state agencies and reduce contracting disparity
- Rolled out 2017 Selection/procurement method available to all state agencies
- Allows to hire a consultant from a TGB, Vet or ED without advertisement or multiple quotes
- Max $25k per contract/PO
- Can also be used to purchase goods not on state contract

**MnDOT’s Equity Selection (ES) Method Usage**

18 ES contracts with 12 firms in FY20
= $364,188 including 7 firms not in the Prequal Program

**Opportunity to demonstrate and acquire experience that helps our industry**

16C.16 DESIGNATION OF PROCUREMENTS FROM SMALL BUSINESSES.
Subd. 6. Purchasing methods.
(b) The commissioner may award a contract for goods, services, or construction directly to a small business or small targeted group business without going through a competitive solicitation process up to a total contract award value, including extension options, of $25,000.

https://www.revisor.mn.gov/statutes/cite/16C.16
Quick Call Multi-award can present multiple opportunities

- $25,000-100,000 professional/technical services contract
- Invite 3-6 bidders
- Able to award more than 1 bidder
- Solicit bids from TGBs, DBEs, Vets and EDs
- Allows to award without advertisement
- Allow to hire firms not in prequal program

Leverage: Be selective of those capable but need to prove it.
Direct Select from Prequalification

Max $ per contract: $100,000

Funding type: State or Federal

Solicitation: No advertising; cost is negotiated with the selected PreQualified consultant

Type of Purchase: Professional/Technical Services from Prequalification Program

Consider TGBs, Vets and DBEs on Prequalification List.

HDR (Design Build Verification Prime Contractor) mentors 6 TGBs/Vets/DBEs
- $100,000 – roadway design engineer – HTPO (TGB and DBE)
- $100,000 – utility coordination – EVS, Inc (TGB and DBE)
- $100,000 – drainage engineer – Sambatek (TGB and DBE)
- $100,000 – structures design engineer – Stonebrooke Eng’g (TGB and DBE)
- $100,000 – CPM schedule reviewer – Moriarty Scheduling Svs (TGB and DBE)
- $100,000 – permitting specialist – Anderson Engineering (Vet)

HDR: “This approach was good because the industry needs more of a pool of Design Build contractors (so can score better on experience); could not have attained this experience otherwise.”
Why do small businesses want to perform prime contracts?

- Quick payment
- Size = risk
- Relationships
- Employees

Every contractor cares about these!
What’s the problem?

1. 50% MnDOT ped ramps, walkways not ADA compliant
2. Too little experience among small contractors with ADA specs

Purpose: Grow the pool of local small businesses* able to perform ADA construction and inspection work and help make infrastructure accessible to all Minnesotans

*Especially TGBs, Vets, DBEs

Developing Capacity | Increasing Access | Building Community
ADA Small Business Program Approach

- Train small businesses in basics of ADA specs
- ID walkways and ped ramps that require basic ADA refurbishment
- Use quick and simple contract methods
- Right-size contracts to reflect capacity of small businesses and avoid attracting larger, more capable contractors
- Explain how to quote and be a prime
- Provide continuous support and feedback to contractors in the field
15 trainees @ **White Earth Nation**, June 10-12, 2019
- Classroom with field work
- Tailored curriculum
- All attendees from White Earth

Maadaadizi Workforce Center sidewalk now ADA compliant!

3 graduates attained ADA certification

15 trainees @ **MnRoads**, June 26-28, 2019
- Plan reading
- Preparing a quote
- Specs for ped ramps and sidewalks

9 minority owned small businesses (including 3 minority women)

Several went on to win their first construction contract

Parking lot is ADA compliant!

White Earth: “We’ll put the quality of work up against any MnDOT contractor”
- MNDOT Chief inspector
More than $4 million invested in ADA projects and small businesses

Construction
- 36 prime contracts completed since June 2018 = $1.5 m
- Average = $47,438; all NMCs
- 35 awarded to women and POC
- 8 Black, 1 indigenous, 1 Latino, 3 Women
- 13 contracts awarded in 2021, all to women and POC

Designs, Surveys, Inspection, Inventory Collection
$1.5 million+ contracts with six TGBs/DBEs, including
2 African American, 1 Latino, 1 Asian, 4 Women
Two now Prequal Program ADA constr inspection
WTS Rosa Parks Diversity Leadership Award 2019
Help us find projects in your area

Contact Advancing Equity Office so we can help determine:

- Work suitable for small businesses to perform as prime
- Appropriate contracting method
- Small businesses that may be able to perform the work
- Funding options
- How to collaborate with tribal and local partners to advance equity
- Contracting equity strategies for large projects
- Support needed from Advancing Equity Office

We have statewide resources

$2 million in FY20-21
RIC Supplemental
“Small Contracts to Advance Equity”

$4 million Budget
Change Item pending for FY22-23 biennium
How did we accelerate our contracting with under-utilized businesses

- Use statutory authority
- Right-size contracts: less than $150,000
- “Incentive” funds of encouragement
- Simplify docs and processes
- Demystify the specifications
- Outreach to small businesses
- Track results so know progress and gaps
- Consider wider marketplace
- Collaborate
- Office to advise and drive results
Let’s make every public works project a catalyst for individual prosperity and community vitality

- Connect small businesses to PTAC for gov’t contracting
- Consider TGB/DBE/Vet/ED when hiring consultants
- Always include TGB/DBE/Vet/ED in solicitations
- Reach out to other small businesses in your area
- Network with businesses of all sizes
- Incorporate equity messages into NEPA outreach
- Set a contracting equity goal
- Incorporate strategies into projects
- Pursue small contracts

Discussion
What barriers are you facing when trying to hire small businesses?
What experience do you have with using small contracts as gateways of opportunity?
How can we collaborate?

Advancing Equity Office
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Tracy Olson – Program Administrator Tracy.Olson@state.mn.us
Rich Haavisto – Engineering Specialist Richard.Haavisto@state.mn.us

Advancing ideas to improve economic outcomes for all Minnesotans
Closing

- Next Meeting Date: July 15, 2021
  - Agenda topics
  - Actions items for the next meeting
  - Adjourn
Stay Updated!

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