

SOUTHWEST

Green Line LRT Extension



Disadvantaged Business Enterprise and Workforce Advisory Committee

June 17th, 2021



EDEN PRAIRIE | MINNETONKA | EDINA | HOPKINS | ST. LOUIS PARK | MINNEAPOLIS

Today's Topics

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





**Building Strong Communities
2021**

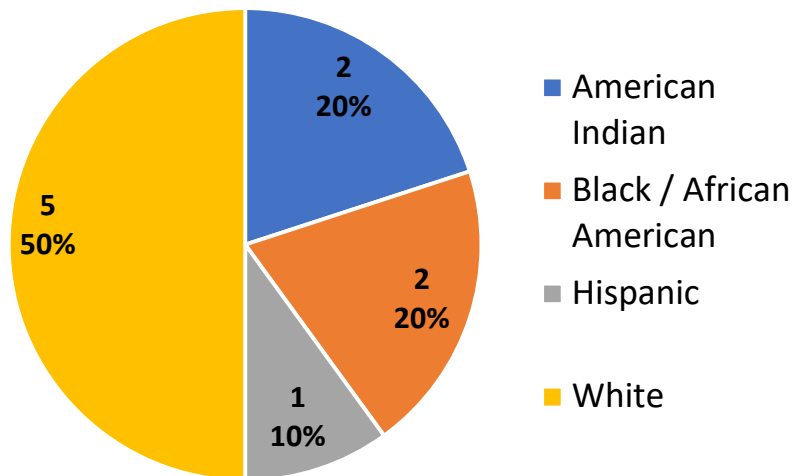
Building Strong Communities: June Update



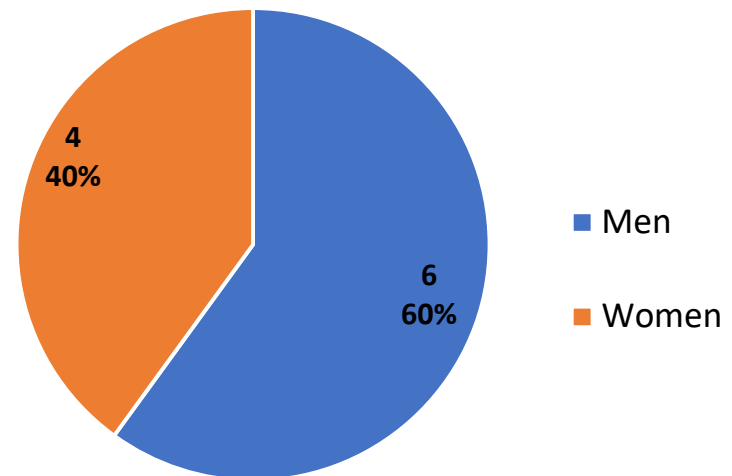
BSC 2021 Apprenticeship Placements (to date);

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

BSC Apprentice - Ethnicity



BSC Apprentice - Gender

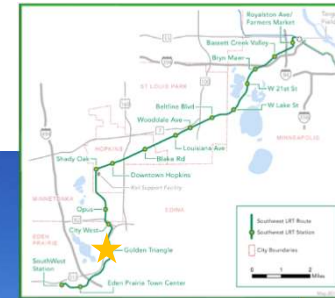


SWLRT Project Update

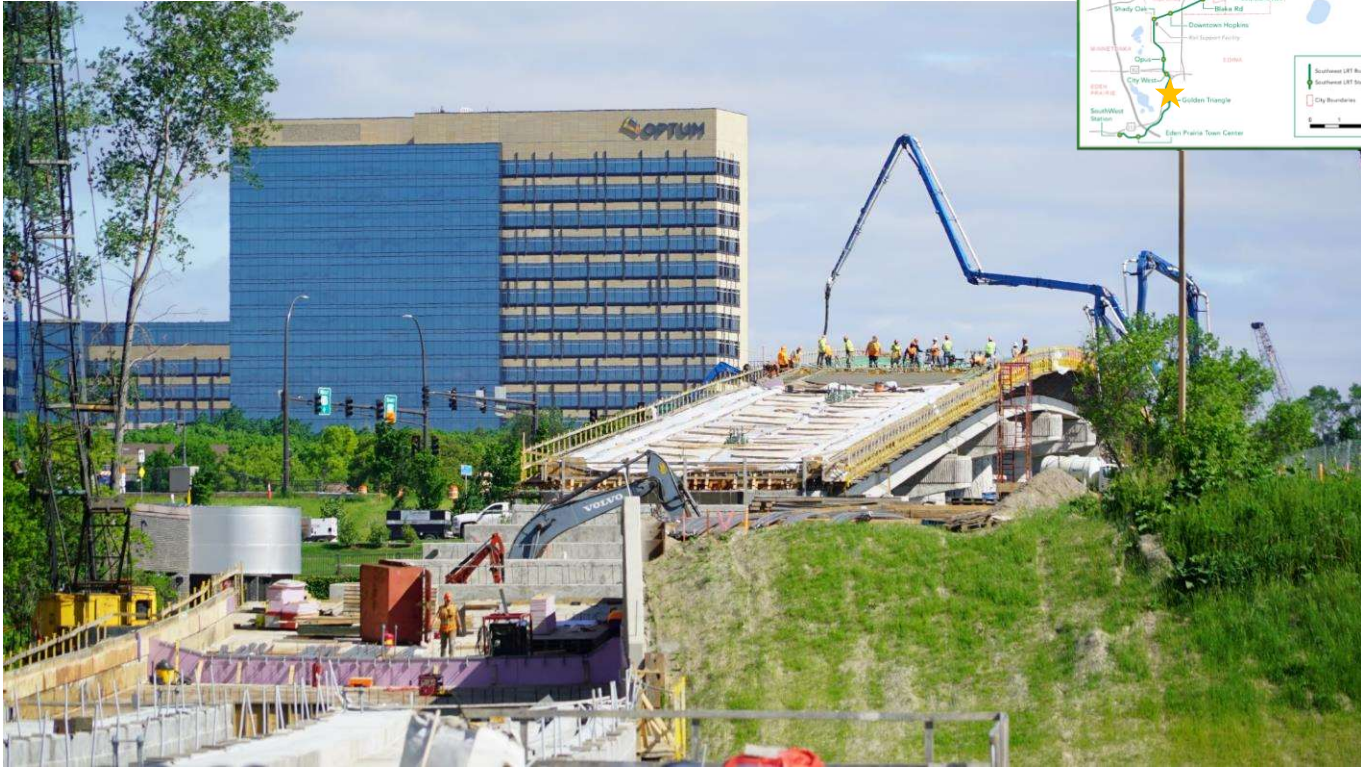
Prairie Center Drive LRT Bridge, Eden Prairie



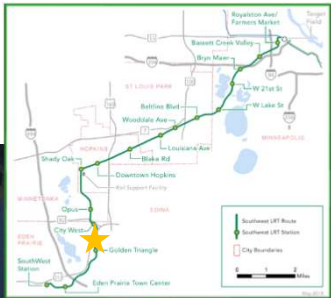
Golden Triangle Station, Eden Prairie



Shady Oak Road/TH212 LRT Bridge, Eden Prairie



Shady Oak Road/TH212 LRT Bridge, Eden Prairie

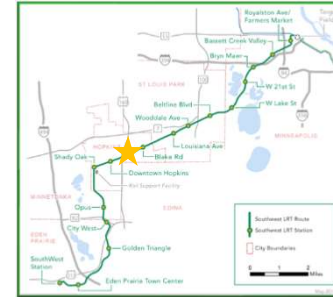


Jun 13 2021 3:15:26 PM
6452 City West Parkway
Eden Prairie
Hennepin County
Minnesota

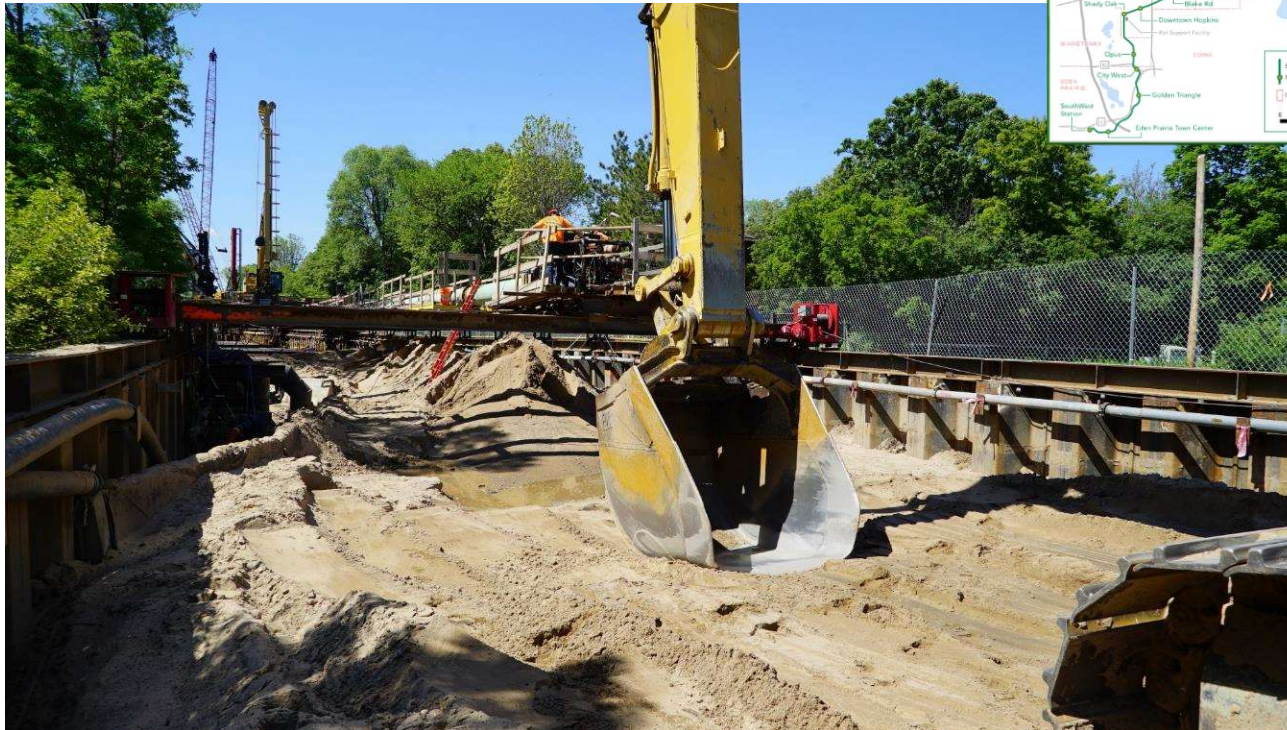
Smetana Road Bridge, Minnetonka



Excelsior Boulevard LRT Bridge, Hopkins



Kenilworth LRT Tunnel, Minneapolis



Corridor Protection Barrier, Minneapolis



Signal System Cut Section Case 2218



TPSS SW303 Enclosure



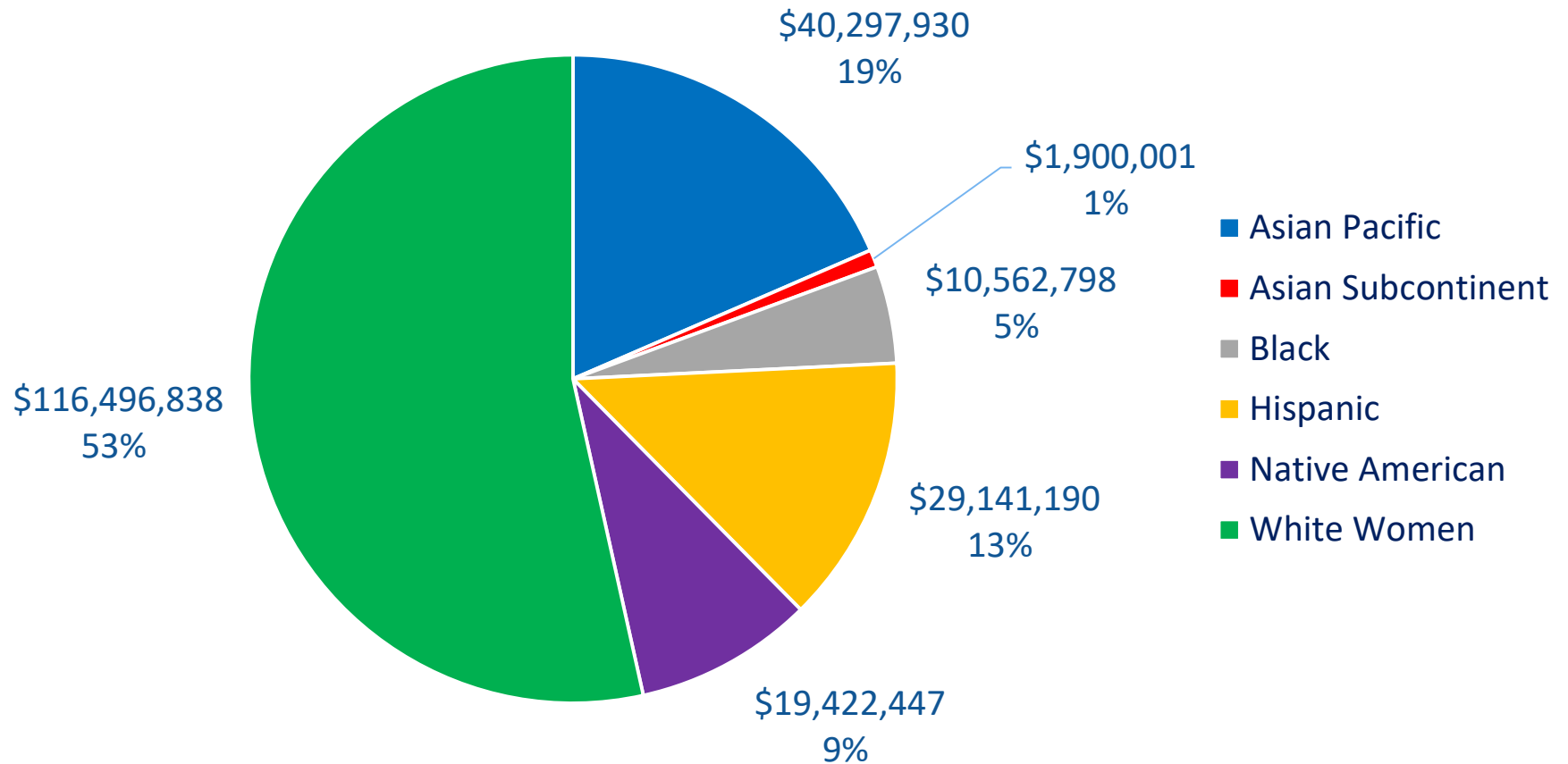
DBE Achievement Report

DBE Achievement as of April 30, 2021

Contractor	Contract Description	Contract Amount	Contractor Billed to Date	DBE Billed to Date	DBE Date %	As of Date
LMJV 16% Goal	Civil	\$843,808,326	\$450,366,972	\$92,389,555	20.5%	4/30/21
APJV 12% Goal	Systems	\$193,819,580	\$52,463,181	\$8,437,378	16.1%	4/30/21
LS Black 15% Goal	Franklin O&M Exp.	\$39,084,536	\$22,500,251	\$4,450,840	19.8%	4/30/21
17% Goal	Closed Contracts	\$404,992	\$404,992	\$74,610	18.4%	
		Contract Amount	Billed to Date	\$ DBE to Date	% DBE to Date	
15% Goal		\$1,077,117,434	\$525,735,396	\$105,352,383	20.0%	

Disaggregated Construction DBE Data*

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

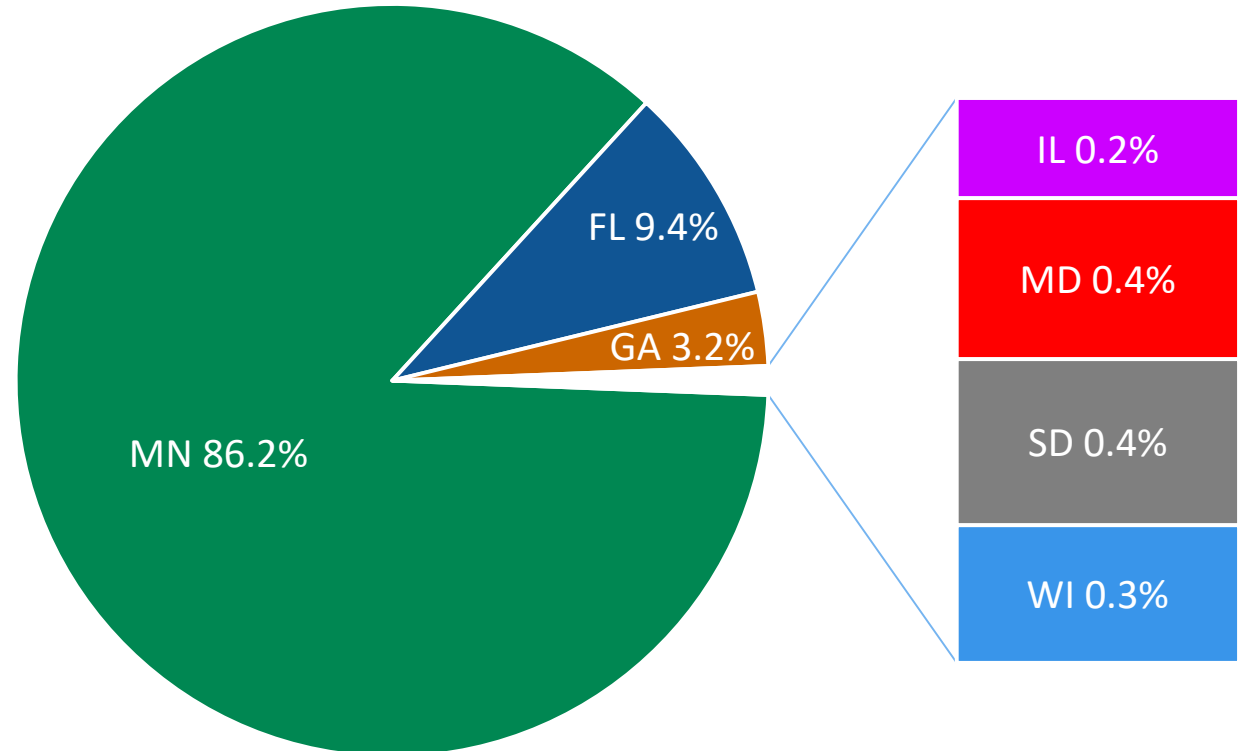


*Contract values for Civil, Systems, Franklin O&M Expansion, and OMF Demolition as of April 30, 2021

Disaggregated Construction DBE Data*

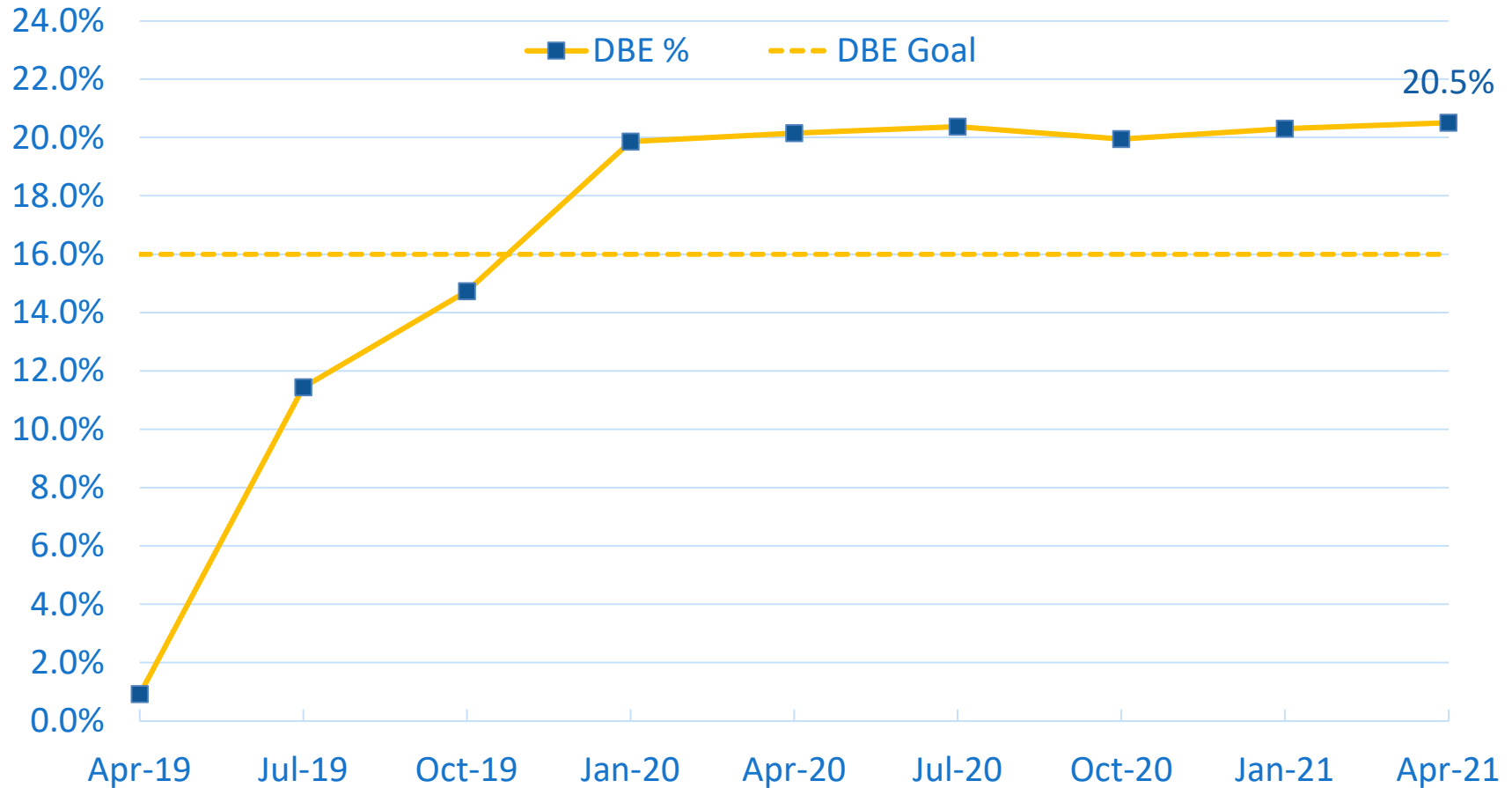
- DBE (MN and out of state) working on SWLRT:

State	Totals
MN	\$ 187,709,397
FL	\$ 20,500,000
GA	\$ 6,907,529
IL	\$ 479,004
MD	\$ 770,750
SD	\$ 795,000
WI	\$ 659,526



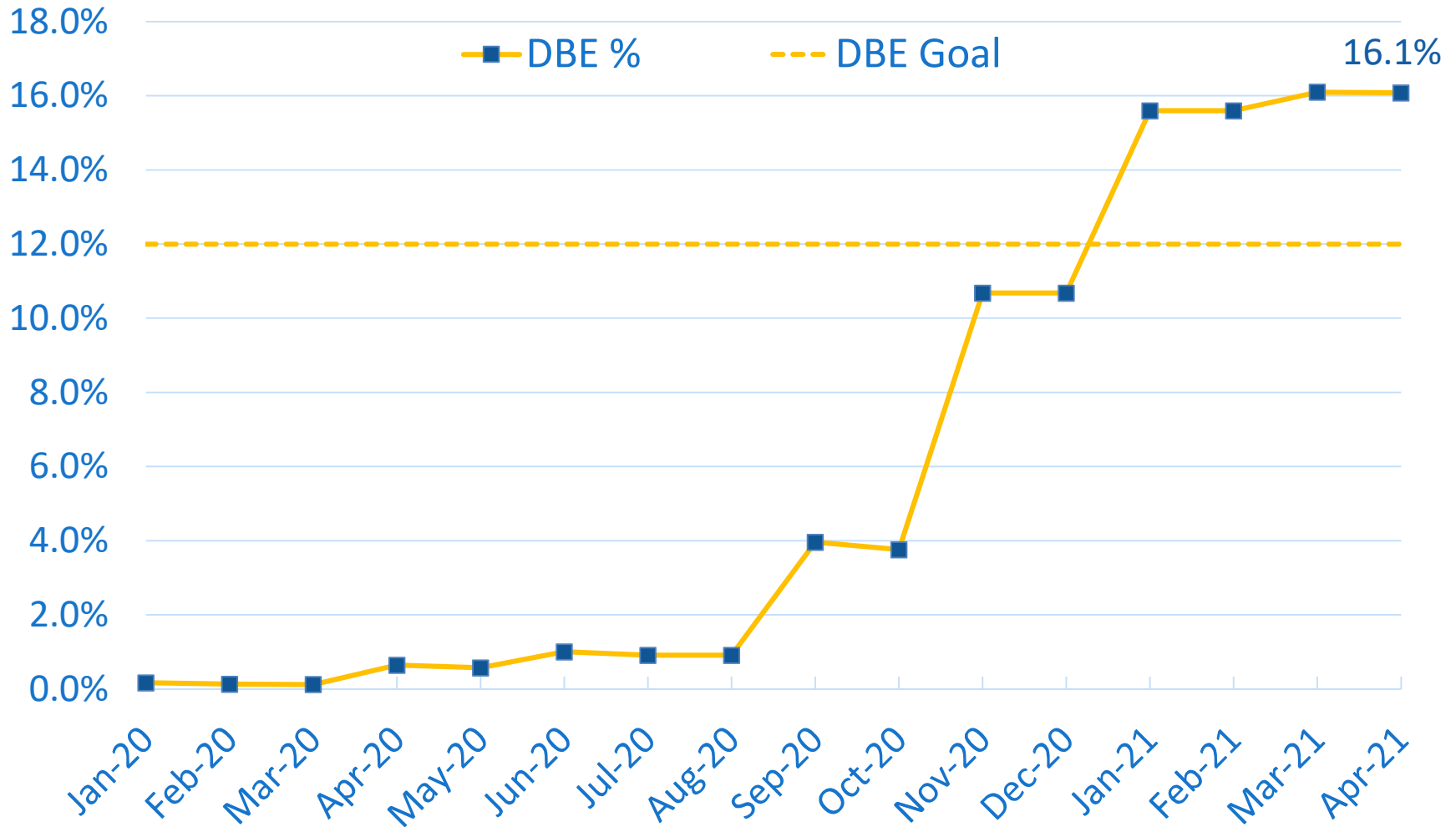
*Contract values for Civil, Systems, Franklin O&M Expansion, and OMF Demolition as of April 30, 2021

Civil Participation* as of Apr. 30, 2021



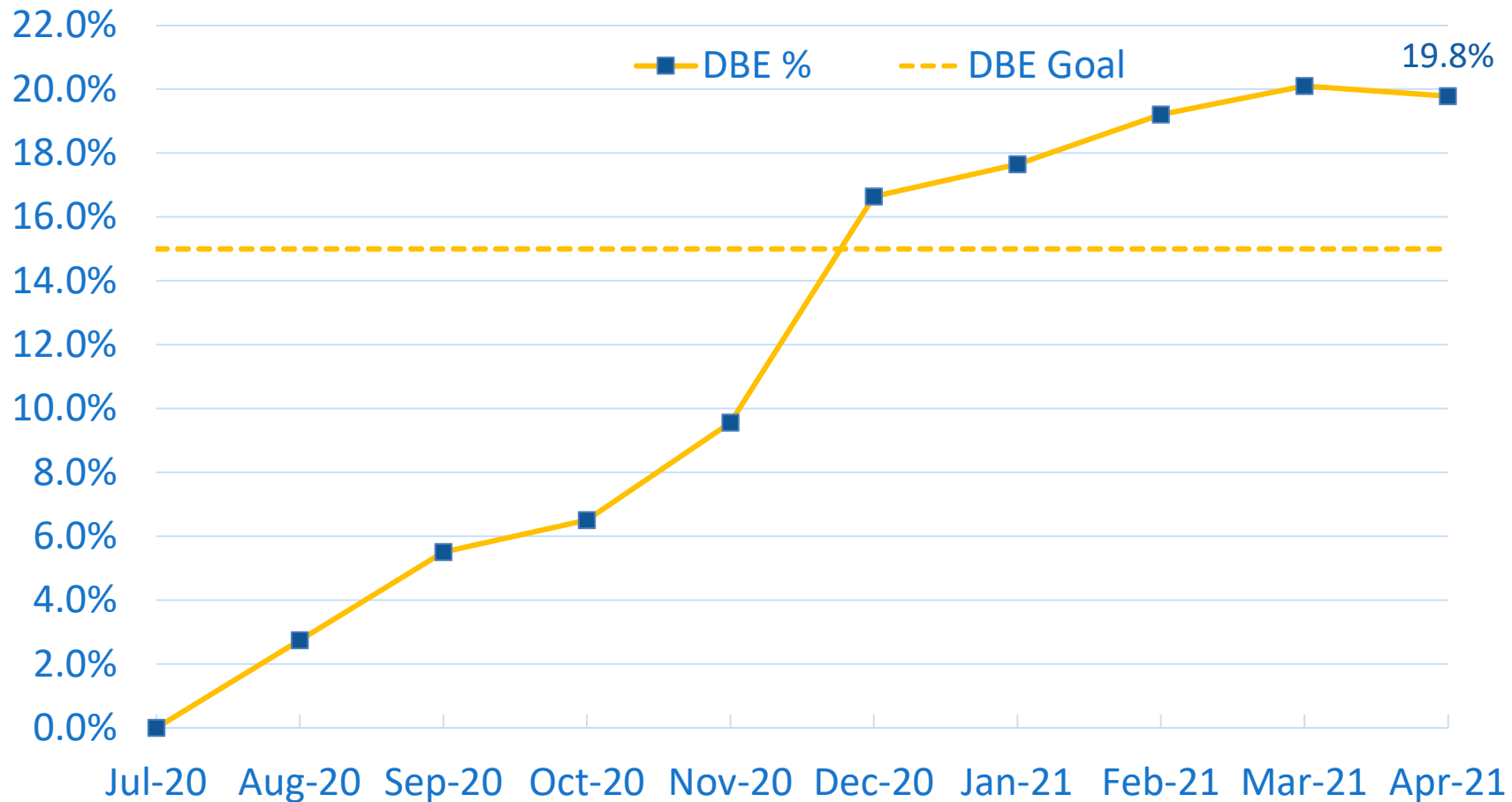
*DBE Goal for the Civil Contract is 16%

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

SWLRT DBE Participation: May

- Civil Contract

- AirFresh Industries Sanitary facilities
- Biffs Sanitary facilities
- Mac's Roll-Off Service Inc Dumpsters
- ZTS Project trucking
- MBE Inc Project trucking
- M&J Trucking Project trucking

- Stations Contract

- Am-Tec Designs Structural steel
- E-Con-Placer Concrete pumping
- Biffs Sanitary facilities
- Sun Mechanical 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

E-CON-PLACER
CONCRETE IN MOTION



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%

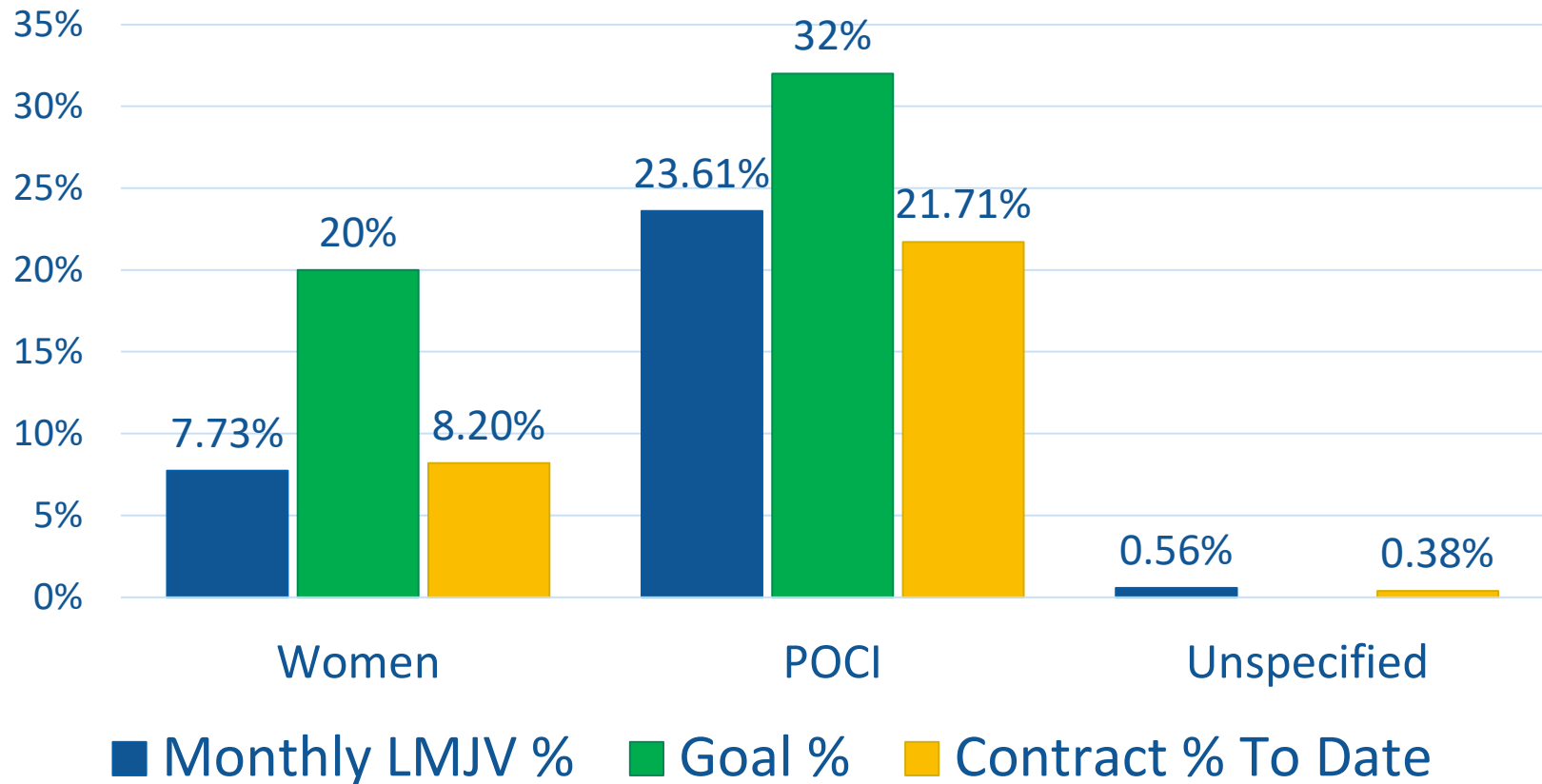
LS Black Update on DBE Activity

- 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*

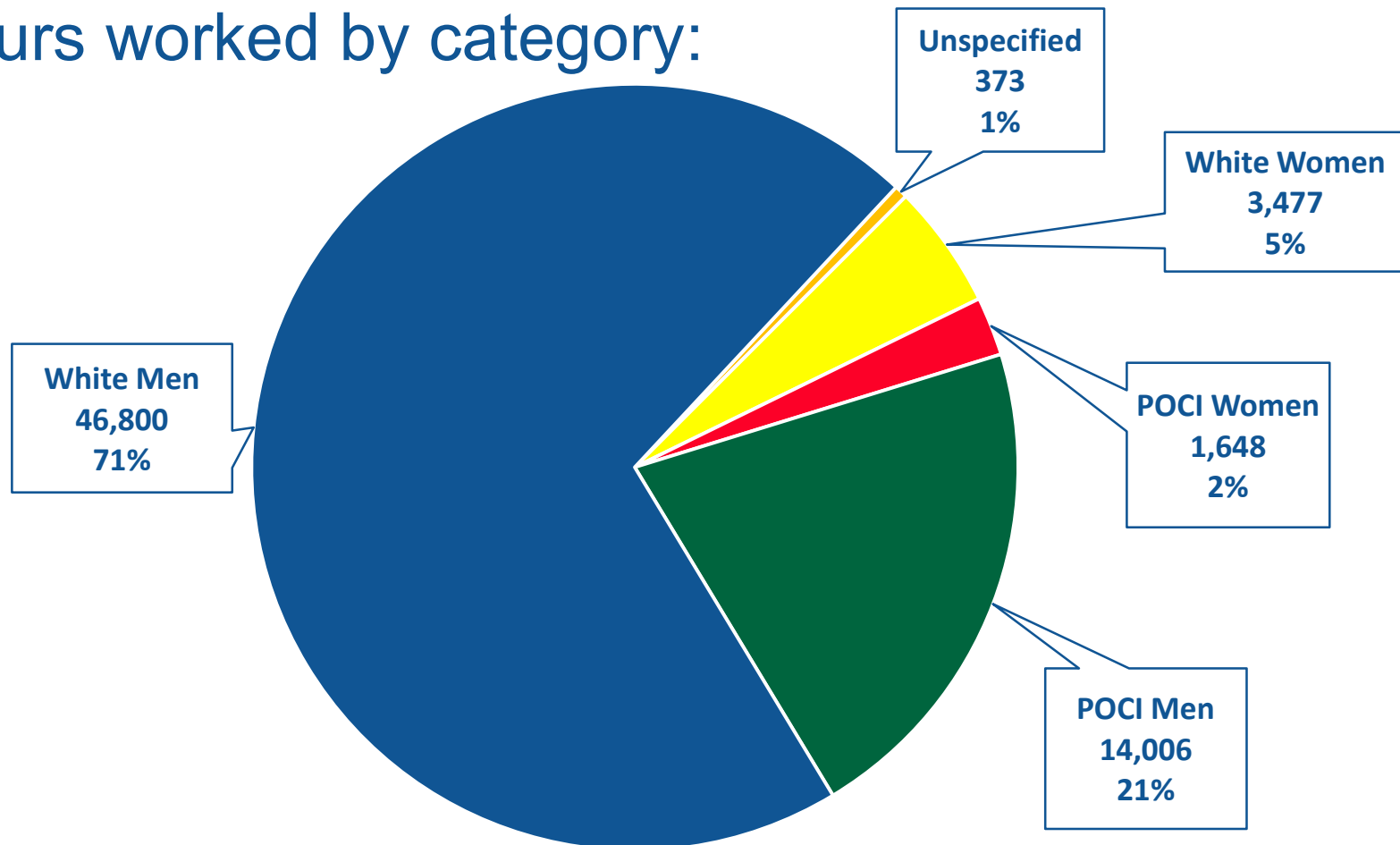
- April 2021: 66,304 hrs
- Civil Construction Total: 1,167,082 hrs



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

Civil Workforce Participation*

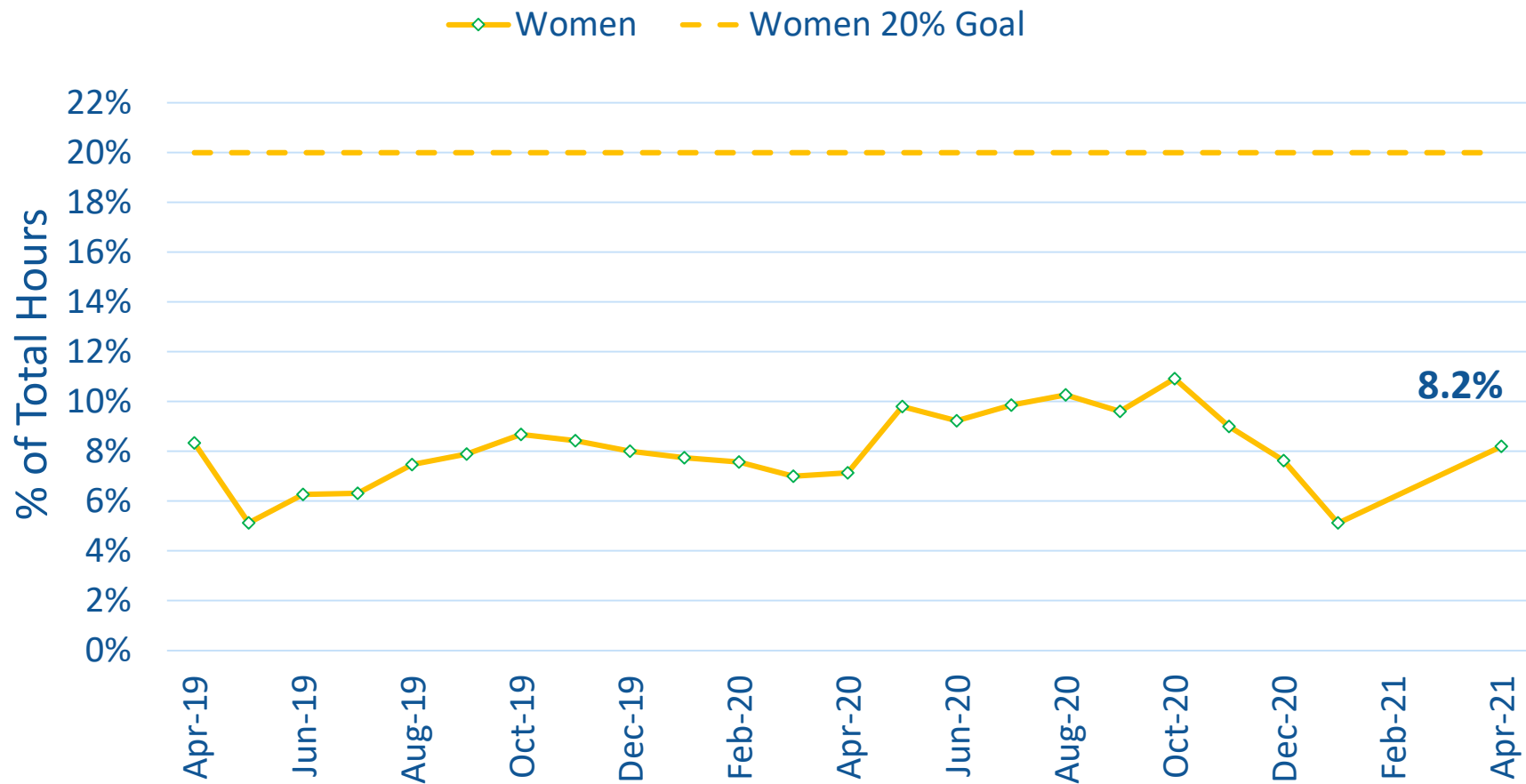
- April 2021: 66,304 hrs
- Hours worked by category:



*Based on MDHR Workforce Report for April 2021

Civil Workforce Participation Cumulative*

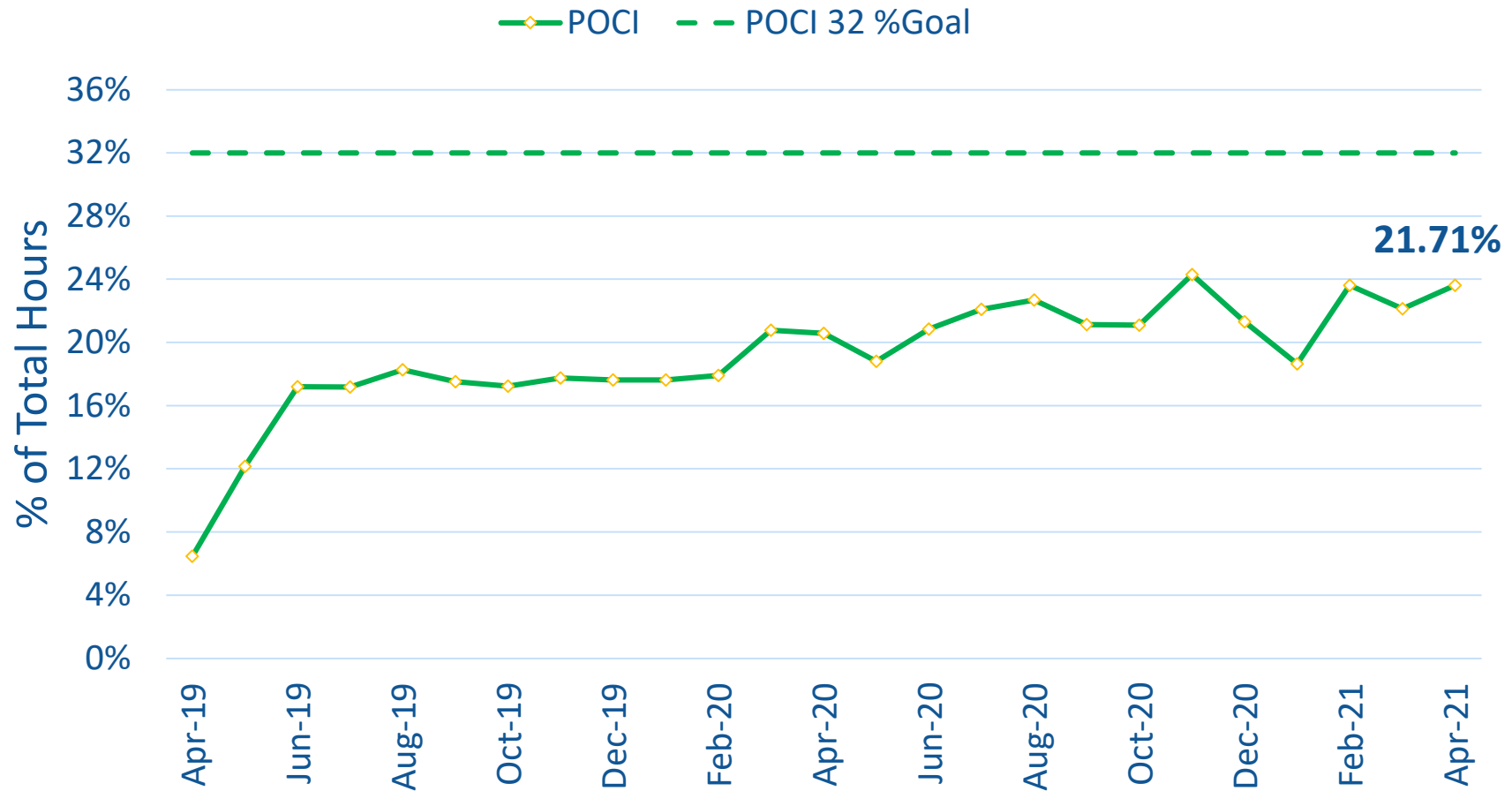
- Total Women hours to date: 95,649 hrs



*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*

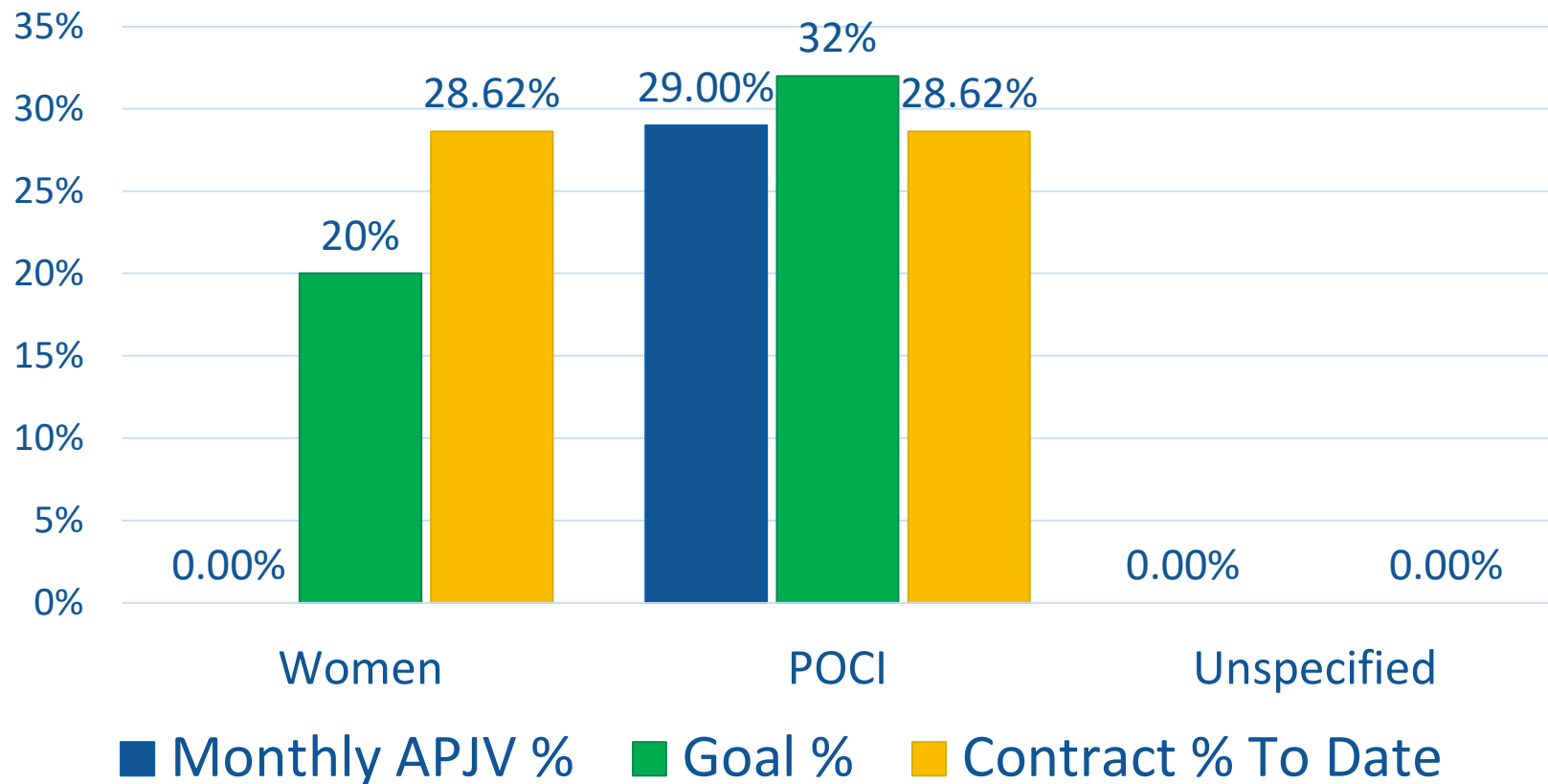
Trucking participation on Project being counted:

- 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*

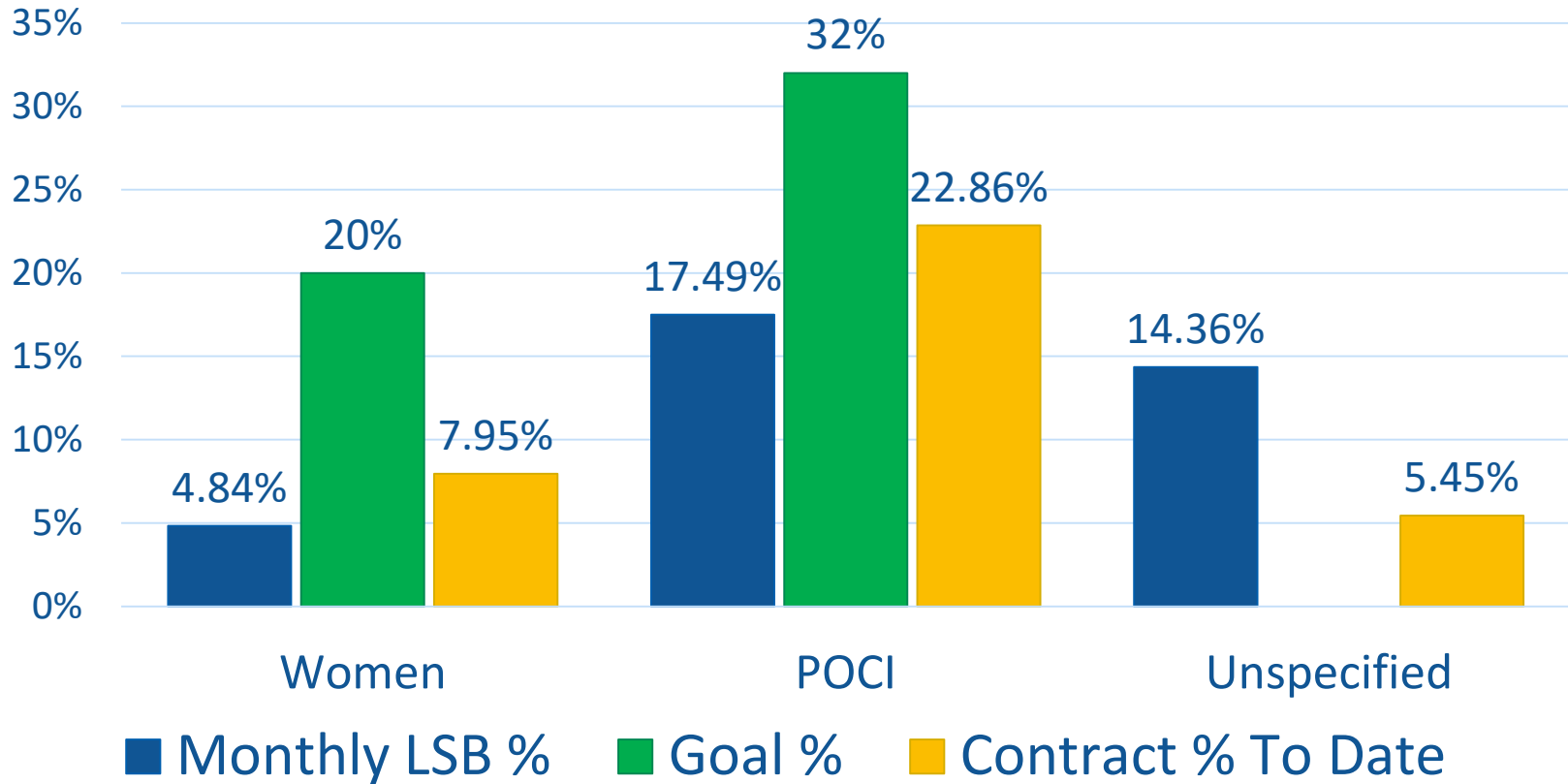
- April 2021: 8 hrs
- Systems Construction Total: 269 hrs



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

Franklin O&M Workforce Participation Percentage*

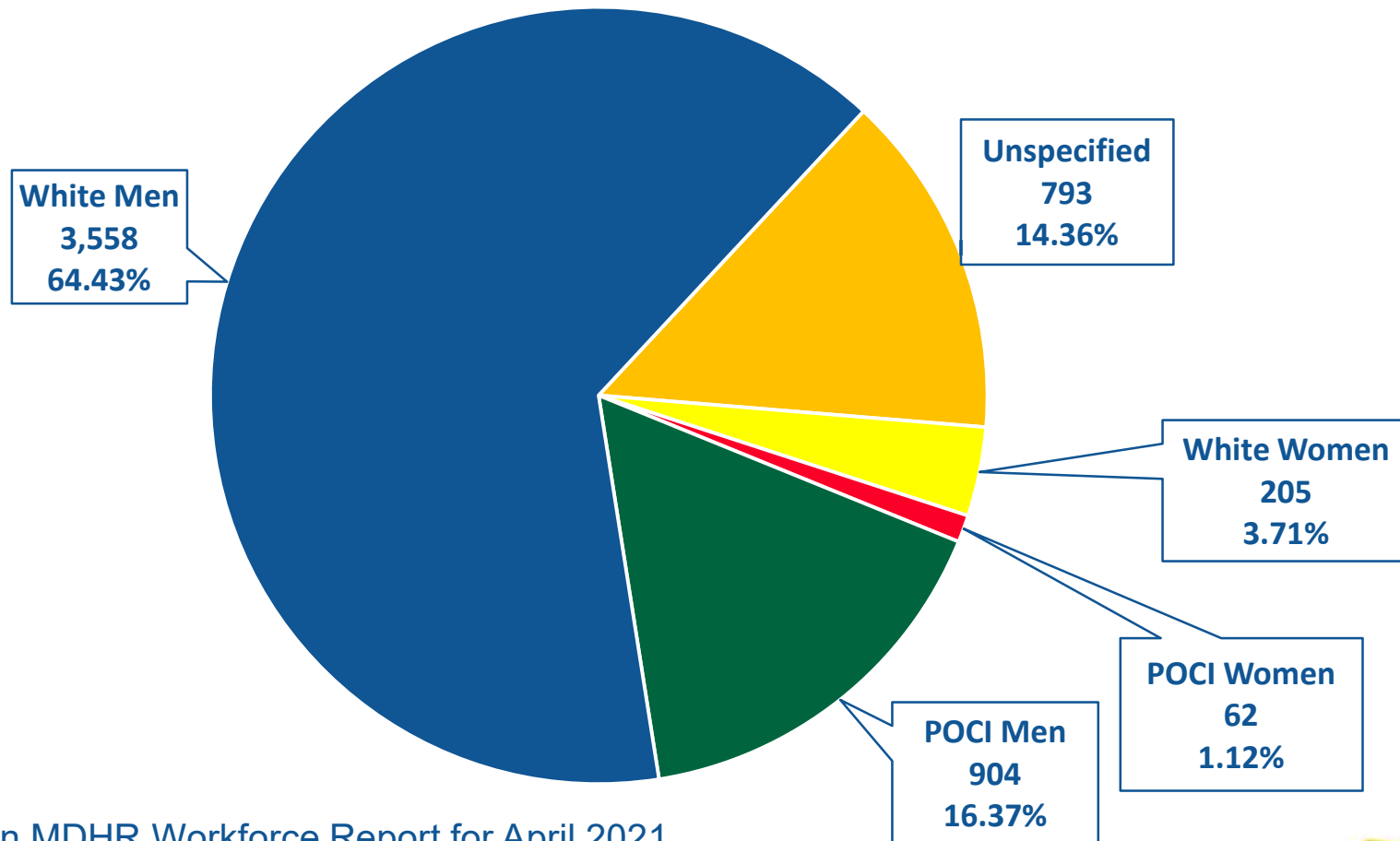
- April 2021: 5,522 hrs
- Franklin O&M Construction Total: 58,851 hrs



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

Franklin O&M Workforce Participation*

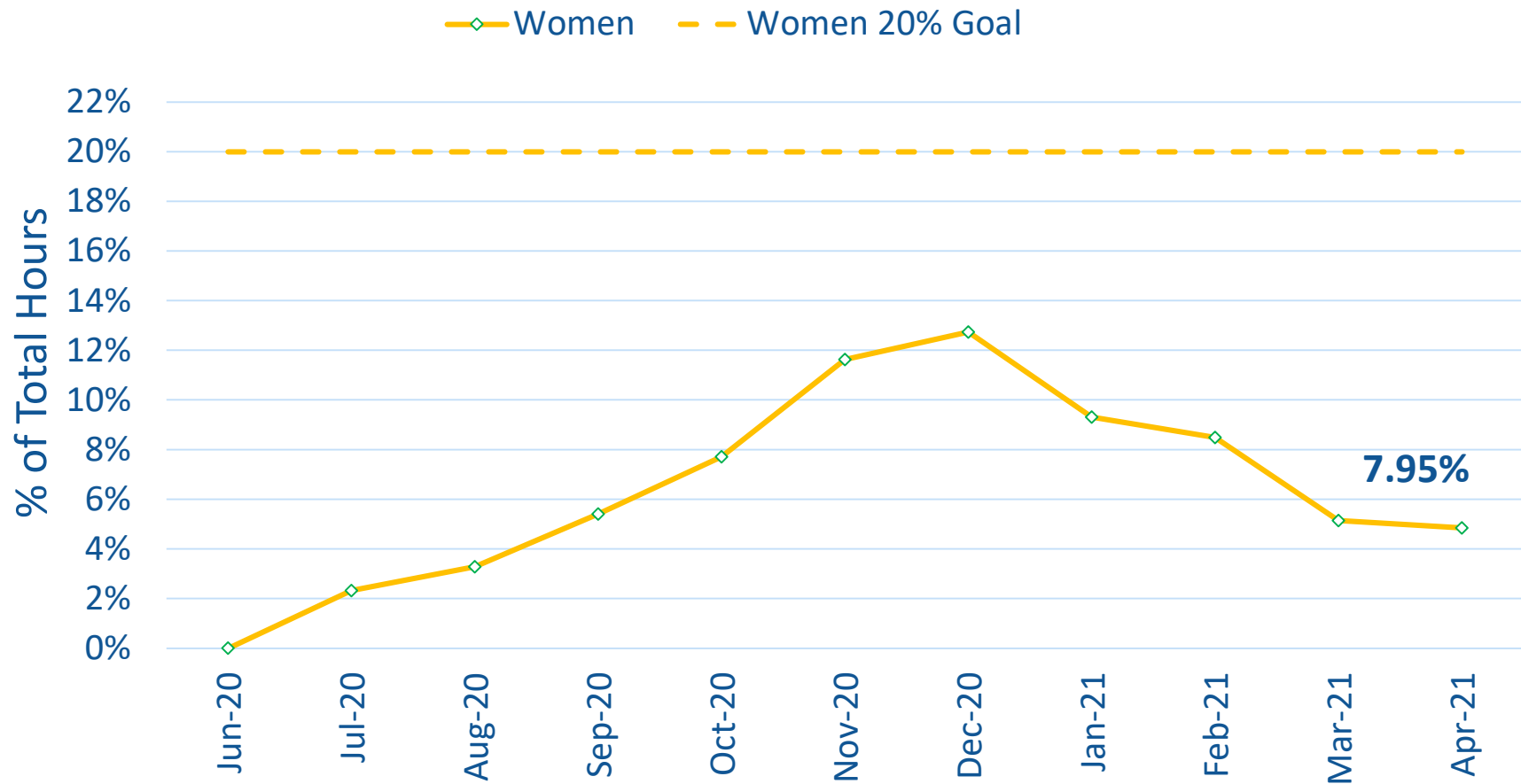
- April: 5,522 hrs
- Hours worked by category:



*Based on MDHR Workforce Report for April 2021

Franklin O&M Workforce Participation Cumulative*

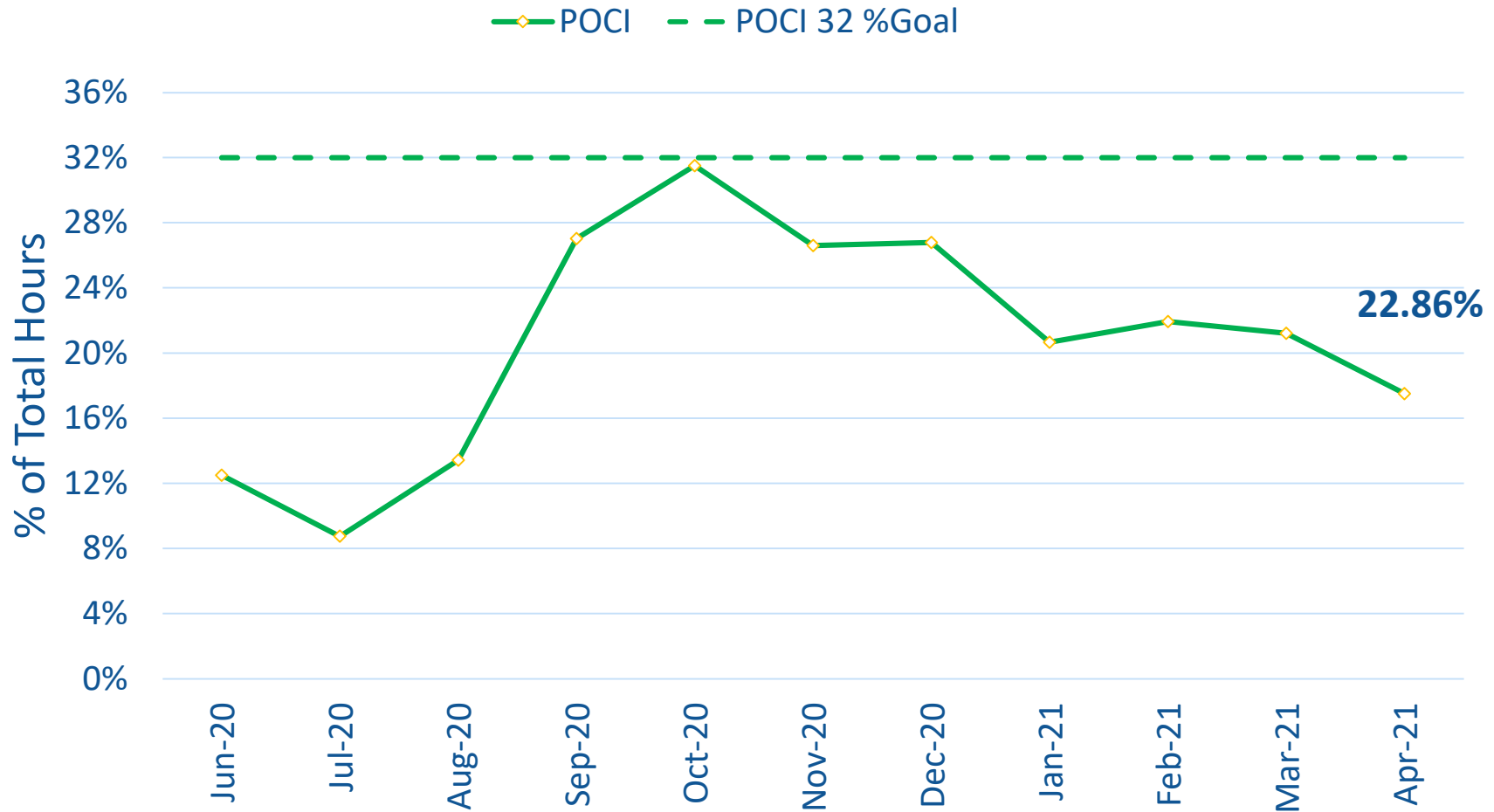
- Total Women hours to date: 4,677 hrs



*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 communicate with our sub teams on improvement opportunities



Using Small Contracts to Advance Equity
Practical Tools to Convert Commitment to Action
SWLRT DWAC
June 17, 2021

Advancing Equity Office

Mary Schmidt, Director

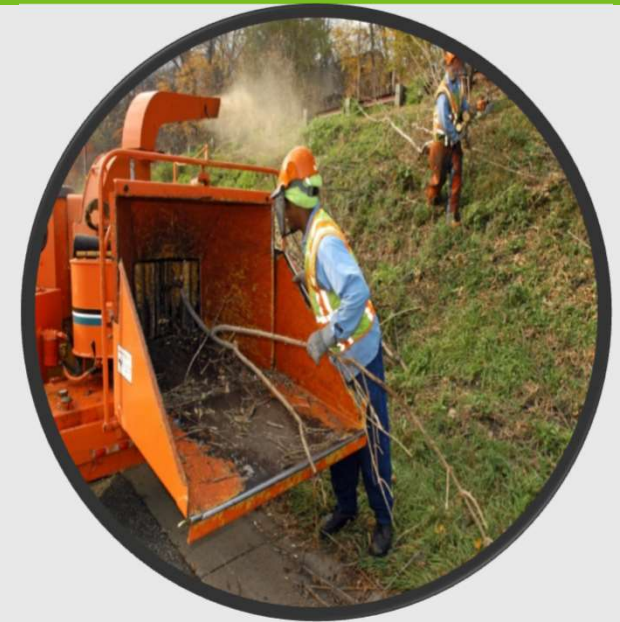
How are we using MnDOT contracting and purchasing power to advance equity?



\$ 3 b Construction



\$200 m Professional/Technical



\$10-20 m Maintenance

Focus for today:

MnDOT's track record

Strategies that work

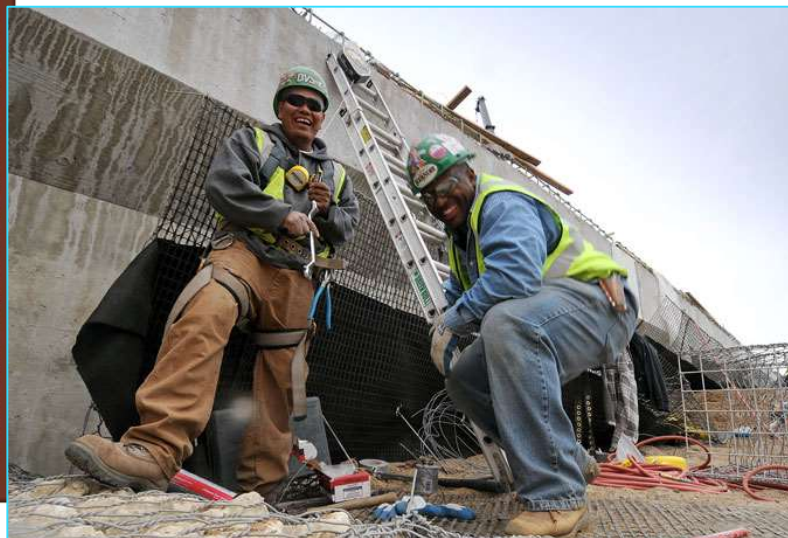
How we can collaborate

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

Economic disparities in MN affect MN's Construction industry and access to opportunity

Minnesota State Demographer
Total Pop, 2018: 5,629,416
+6.1% since 2010

Indicator	White not-Latino	Persons of color
Race/ethnicity, 2019	79.5%	20.5%
Per capita income, 7 cty metro	\$38,529	\$18,448
% below poverty threshold	8%	26%
% who own home	76.1%	41%



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

Advancing Equity Office

Developing Capacity | Increasing Access | Building Community

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



6/16/2021

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



16,781
establishments

125,337 employees

\$9.4 b annual payroll

MN Construction Business Patterns, 2018

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

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

Race/ethnicity and gender Minority Business Enterprise = MBE Women Business Enterprise = WBE	Number of firms (headcount)	Percent of firms
African American- owned - MBE	240	4.74%
Asian American-owned - MBE	101	1.99%
Hispanic American-owned - MBE	93	1.84%
Native American-owed - MBE	36	0.71%
White women only - WBE	925	18.27%
Available MBE and WBE	1,395	27.5%
Total majority	3,669	72.45%
Total all firms	5,064	100.00%
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	Marshall
Becker	Meeker
Big Stone	Morrison
Cass	Murray
Chippewa	Norman
Clearwater	Otter Tail
Cottonwood	Pine
Douglas	Pipestone
Faribault	Pope
Fillmore	Red Lake
Grant	Redwood
Hubbard	Renville
Jackson	Rock
Kanabec	Sibley
Kittson	Swift
Koochiching	Todd
Lac Qui Parle	Traverse
Lake of the Woods	Wadena
Lincoln	Watsonwan
Mahnomen	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?

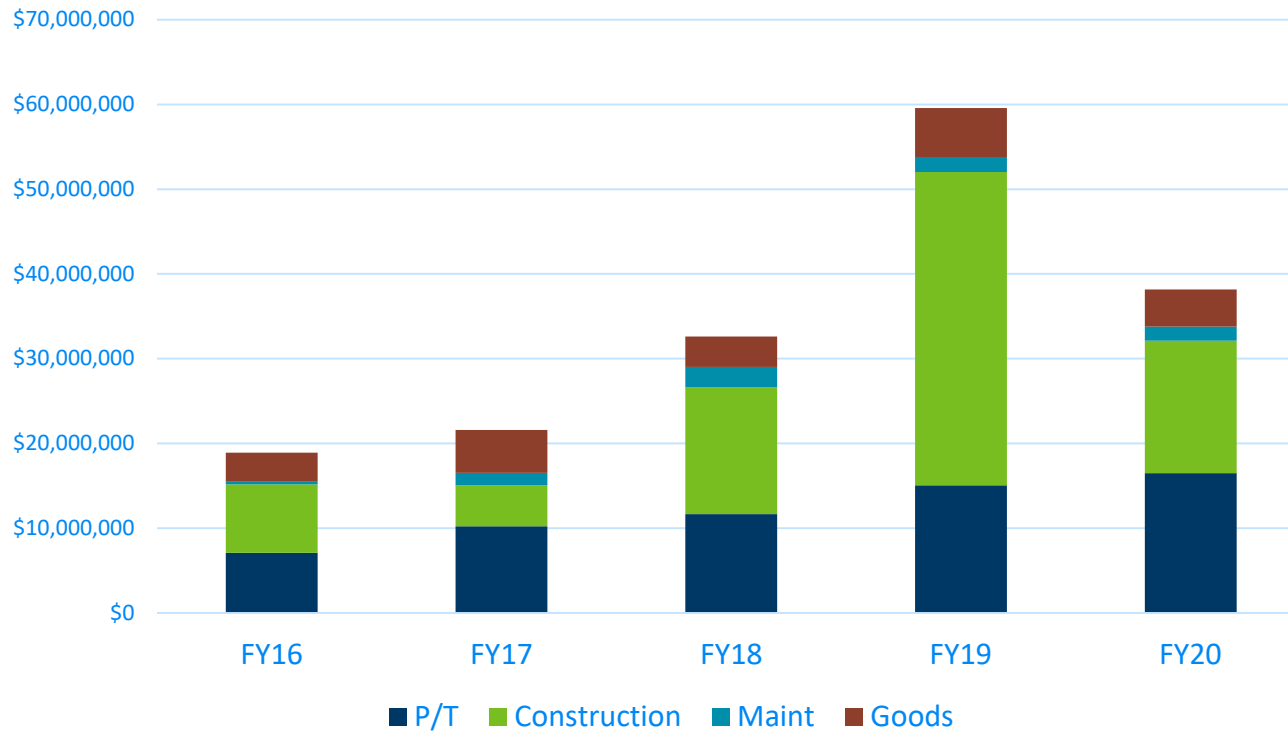
Refer them to MN Procurement Technical Assistance Center
PTAC

<https://mn.gov/admin/business/vendor-info/ptac/>

- 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



FY	P/T	Construction	Maint	Goods	
FY16	\$7,078,118	\$8,108,212	\$366,485	\$3,368,082	\$18,920,897
FY17	\$10,209,681	\$4,836,072	\$1,485,046	\$5,057,211	\$21,588,010
FY18	\$11,646,348	\$14,967,375	\$2,422,858	\$3,591,519	\$32,628,100
FY19	\$15,061,125	\$36,978,715	\$1,754,678	\$5,779,470	\$59,573,988
FY20	\$16,481,421	\$15,629,891	\$1,666,792	\$4,385,451	\$38,163,555
					<u>\$170,874,550</u>

Few under-utilized businesses win advertised low-bid contracts



Advertised Low-Bid TH Construction Contracts Awarded to TGB/Vet/ED/DBE Primes		
	FY19	FY20
Number contracts awarded	14	10
\$ value	\$31.7 m	\$10.7 m
Number T/V/D/ED contractors awarded	9	7
Excludes building projects (e.g. truck station) and NMCs		

Advertised Low-Bid Construction Contracts with Underutilized Businesses Metro District, FY20			
Description	\$ Value	Contractor	Demographics
Signing TH13 Dakota County	\$370,401	Night Train Trucking	Indigenous woman
Metrowide Traffic Control	\$99,000	Safety Signs	White woman
TH35W at 5 th St. SE landscaping	\$51,965	Landbridge Ecological	White woman

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!

	FY19	FY20
Number of NMCs awarded	109	119
Value of NMCs awarded	\$6,373,763	\$8,349,930
Number (%) awarded to Underutilized businesses	56 (51.3%)	62 (52.1%)
Value(%) awarded to Underutilized businesses	\$2,569,091 (40.3)	\$3,894,428 (46.6%)



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

State Statute 161.32(subd.2)

<https://www.revisor.mn.gov/statutes/cite/161.32>

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.

MnDOT use of Negotiated Contract for Maintenance and Construction (NMC)

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.



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

Average \$60,000

1-2 week duration typical

NMCs by Districts, FY20

District	Number NMCs Awarded	Number Awarded to Under-utilized
D1	1	0
D2	3	0
D3	11	1
D4	7	5
Metro	80	53
D6	7	1
D7	9	1
D8	1	0
	119	62

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)



Estimated Prime Professional-Technical Contracts with under-utilized consultant firms - all MnDOT

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

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

Engineering	Traffic studies	Real Estate appraisals
Photogrammetry services	Bridge, roadway, culvert designs	Surveys
Asbestos and regulated waste assessments	Construction inspection	Historic preservation
Meeting facilitation	Inventories (e.g., ADA, guardrail, fencing)	Planning assistance
Communications	Public engagement	Graphic design
Load rating analysis	Environmental Impact	Process assessments
Travel demand forecasting	Transcription services	Building facility designs
Regulated waste removal oversight	Project schedule review	Technical writing
GIS tools	Data analysis	Digital photography/video production

How can we increase diversity of MnDOT's Prequal Program?

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

Total Firms	Total T/V/D	White Woman	Asian American	Latinx or Hispanic American	Black	Native American	Vet
316	65	39	10	4	3	2	6
	20.6%	12%	3%	1%	1%	½%	2%

TGB/DBE/Vet/ED Prequal Program Contractors by Work Types

Category	Work Type	Total # Firms	Total # T/D/V
2.11	Highway Design Level 3	49	10
2.13	Highway Design Level 1	24	2
6.1	Geotechnical Studies	23	3
6.2	Ground Penetrating Radar	5	0
7.11	Transportation Planning class 1	34	4
7.12	Transportation Planning class 2	40	7
8.3	Field Title Investigation	14	2
8.52	ROW Appraisal level 2	50	7
9.5	ROW surveys	15	3
11.8	ADA construction inspection	6	3
14.41	Traffic Control level 1	20	2
20.11	Project Scheduling L1	15	2
21.1	Communications & Public Engagement Project Management	17	3

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.

Watch for an upcoming training on “P/T Contracting Equity”

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

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!

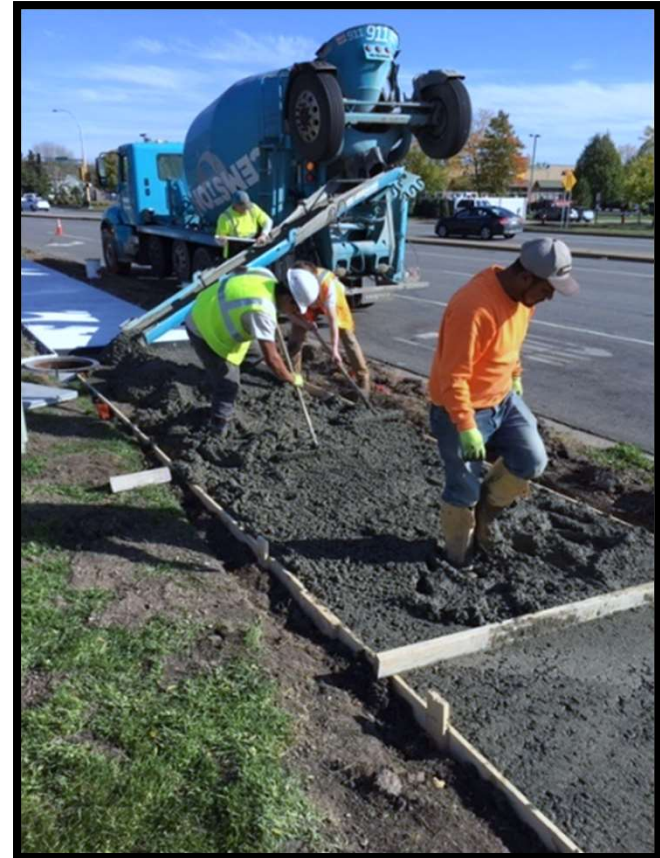
MnDOT ADA Small Business Opportunity Program

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

ADA Hands-on Training

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



Midwest Select



Simmonds Contracting Services

Pride Cleanup



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

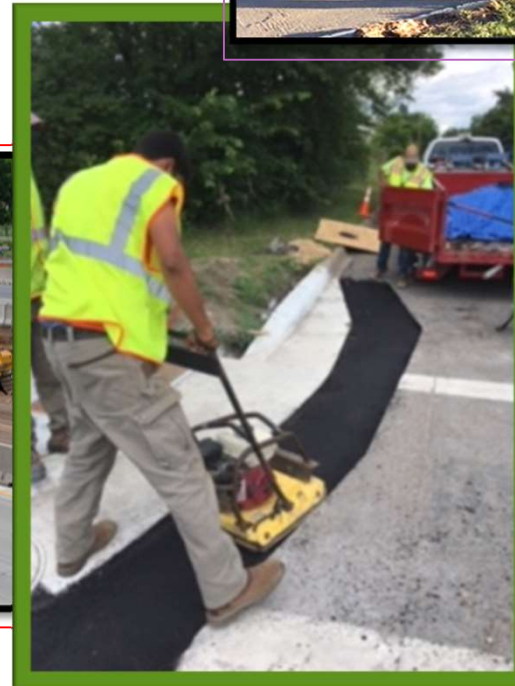
Contact Advancing Equity Office so we can help determine:

- 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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Mindy Heinkel – Supervisor Mindy.Heinkel@state.mn.us

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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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