Disadvantaged Business Enterprise and Workforce Advisory Committee

May 16, 2019
Today’s Topics

- Welcome
- Advisory Committee Introduction
- Green Line Overview
- SWLRT Project Overview
- DBE and Workforce Overview
- Civil Construction: Opportunities and Challenges
- Moving Forward Together
- Adjourn
DBE & Workforce Advisory Committee Introductions
DBE & Workforce Advisory Committee Charter

• Review of Charter

• Committee decision-making

• Charter adoption
2019 Meeting Schedule

• 3rd Thursday of the Month, 2-4pm
• Southwest Project Office, 5th Floor
  6465 Wayzata Blvd., Suite 500
  St. Louis Park, MN 55426

• Upcoming Meetings:
  ▪ July 18
  ▪ August 15
  ▪ September 19
  ▪ October 17
  ▪ November 21
  ▪ December 19
Central Corridor Green Line Overview
Central Corridor Green Line Overview

• 11 miles, 18 new stations
• $957 million project budget
• $115 million+ paid to MN based DBEs
• 135+ DBES worked on the Green Line
• 5,000+ construction jobs created
• $252+ million in construction payroll
• Authentic engagement of community partners
• “Great minds” gatherings to discuss strategies
• Joint oversight committee
Construction Realities

- $45 million in CCLRT contract changes
- 24 DBEs (18%) did not get work
- 67 DBE subcontracts (31%) were added post award
- 28% of added subcontracts were added in the 4th quarter of construction
CCLRT Lessons Learned

- DBE contractors
- Council construction managers
- Workforce advocates
- Prime contractors
DBE Feedback

• If scope is too large, DBE can communicate right away to negotiate just a portion of scope
• Long pay cycles and retainage negatively impact business operation
• Increased visibility achieved by displaying logos on equipment and safety gear
Council Construction Staff Feedback

• Clear understanding of scope and specifications
• Know prime’s schedule and staging of work
• Safety first! Wear safety equipment
Prime Contractor Feedback

• Bid early and be competitive
• Understand the contract
• Know prime contractors expectations
SWLRT Project Overview
Nov 2018: SWLRT Groundbreaking!
METRO Green Line Extension

• Opening in 2023
• 14.5 miles
• 16 stations
• Will provide single seat trips to downtown Minneapolis, U of M and St. Paul
• Connections to the Airport and Mall of America via the Blue Line
SWLRT and Equity

• Race and Ethnicity:
  ▪ SWLRT corridor as a whole is generally more diverse than the seven-county Twin Cities metro area

• Income:
  ▪ Nearly one-third of households in the corridor have incomes less than 60 percent of the median income
  ▪ Roughly one-fifth of the corridor population have family incomes less than 150 percent of the federal poverty threshold
SWLRT Equity Commitments

- Work with community organizations, technical & community colleges, unions to grow the qualified workforce and meet hiring goals
- Include community-based groups in transit service planning prior to revenue service
- Advocate for a dedicated transit sales tax to grow the transit system
- Help facilitate the resolution of land use differences around the Bassett Creek Valley Station
# Overall Project Schedule

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**ROD**: Record of Decision  
**AROD**: Amended ROD  
**LONP**: Letter of No Prejudice  
**FFGA**: Full Funding Grant Agreement
Funding Sources

$1.074 Billion Local Funds Committed

FTA $928.8 M (46%)
CTIB $217.4 M
Henn. Co. $592.9 M
HCRRRA $199.5 M
EPTC: $7.7 M ($6.14M CMAQ, $1.54M EP)
State: $30.3 M
Henn. Co and Cities: $26.4 M

$2.003 Billion
Local Project Partners

• Hennepin County/Hennepin County Regional Railroad Authority
• Cities of Eden Prairie, Minnetonka, Hopkins, St. Louis Park, Minneapolis
• MnDOT
• Three Rivers Park District, Minneapolis Park Board
• Riley Purgatory, Nine Mile, Minnehaha, and Bassett Creek Watershed Districts
Decision-Making Process

Issue Resolution Process

- Issue Resolution Teams (IRT)
- Technical Project Advisory Committee (TPAC)
- Advisory Committees
- Corridor Management Committee (CMC)
- Met Council
Business & Community Advisory Committees

IRTs  TPAC  BAC/CAC  CMC  Met Council

Advisory committee discussion and input
Corridor Management Committee

- SWLRT Corridor Management Committee advises the Metropolitan Council on all issues relating to the design and construction of the rail line.
Civil Construction Scope

• Lunda/CS McCrossan Joint Venture: $799.5M
• 16 new stations
• 44 structures
  ▪ 29 new bridges: LRT, pedestrian, roadway, freight
  ▪ 7 existing bridges with modifications
  ▪ 6 pedestrian tunnels
  ▪ 2 cut and cover tunnels:
    o TH62 582 ft., Kenilworth 2,236 ft.
Civil Construction Scope

- 15 at-grade LRT crossings
- Over 100 retaining walls
- LRT & freight rail track: ~182,000 TF
- 7.8 mi shared LRT and freight rail corridor
SWLRT Project Overview

- Demolition of 24 existing buildings on 19 parcels
- Soil improvements
- Roadways, curb, gutter, sidewalks, trails
- Traffic signals, striping and signage
- System-wide cable trough/ductbank/foundations
- Utilities and drainage
- Urban design and landscaping
- Freight: BNSF, TCWR and CP
SWLRT Project Overview

- 16 Stations
  - Vertical circulation
    - West Lake Street
    - Bryn Mawr
    - Bassett Creek Valley
SWLRT Project Overview

- Park-and-rides with 2,700 spaces
  - 7 surface lots
  - 1 structure at SouthWest Station with 2 elevators
LNTP: Work and Schedule

• Council issued LNTP on Dec 20, 2018
• Contractor allowed to perform work up to $216 M
• LNTP activities include:
  ▪ Utility & demolition work, clearing brush
  ▪ Grading and bridge/wall foundations
  ▪ Contractor mobilization: arrange staffing, develop schedules, prepare submittals
Civil Construction

Excelsior Blvd & TH169: Hopkins Depot Looking West

May 13: Rail Delivery in St. Louis Park
DBE Overview
DBE Program

• A Federal program for increasing the participation of women and minority owned businesses in the award of federally assisted contracts

• Office of Equal Opportunity sets project goals based on the scope of work, DBE firms available, and past achievement
  - OMF demolition: 17%
  - Civil construction: 16%
  - Systems: 12%
DBE Participation Reporting

• Goal represents the amount of DBE credit received for payments to DBEs
• Percentage is the amount paid to DBEs compared to the total contract amount
• Example
  ▪ Total contract payments: $1000
  ▪ Total DBE credit for payments to DBEs: $100
  ▪ DBE achievement to date: 10%
• Reporting reflects official numbers submitted to FTA
  ▪ 2 month lag
DBE Participation Reporting

• What happens when achievement falls short of the DBE goal?
  ▪ Monitor and document contractor’s Good Faith Efforts
  ▪ Advisory committee and contractor to identify opportunities and solutions
Common Activities at Construction Initiation

- DBE achievement tends to be low
- Construction mobilization
  - Setting up fences
  - Setting up of the field office
  - Clearing and demolition
## Construction DBE Achievement

- Feb 2019 data prepared for the April 2019 report

<table>
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<tr>
<th>Contractor</th>
<th>Contract Description</th>
<th>Contracts</th>
<th>$ DBE Goal</th>
<th>Billed to Date</th>
<th>% Billed to Date</th>
<th>DBE Paid to Date</th>
<th>% DBE Paid to Date</th>
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<tr>
<td>LMJV</td>
<td>Civil</td>
<td>$799,514,338</td>
<td>$127,922,294</td>
<td>$15,825,469</td>
<td>1.98%</td>
<td>$0</td>
<td>0%</td>
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<td>Veit</td>
<td>OMF Demo</td>
<td>$440,078</td>
<td>$74,813</td>
<td>$353,960</td>
<td>80.43%</td>
<td>$69,151</td>
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<table>
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<tr>
<th>DBE Goals: Average to Date</th>
<th>Contracts</th>
<th>$ DBE Goal</th>
<th>Billed to Date</th>
<th>% Billed to Date</th>
<th>DBE Paid to Date</th>
<th>% DBE Paid to Date</th>
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<tr>
<td>16% Goal</td>
<td>$799,954,416</td>
<td>$127,997,107</td>
<td>$16,179,429</td>
<td>2.02%</td>
<td>$69,151</td>
<td>0.43%</td>
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Additional DBE Monitoring

• Office of Equal Opportunity (OEO) conducts construction site and office visits with DBEs during the life of a contract

• During the site visits, OEO:
  ▪ Verifies DBE is doing the work and complying with the regulations
  ▪ Verifies DBE is getting paid on time
Workforce Overview
Workforce Overview

• The MN Department of Human Rights’ Contract Compliance Division is now known as the **Office of Equity and Inclusion for Minnesota Businesses**

• This name emphasizes the Department’s commitment to partnering with businesses to have the intercultural competencies to create a more equitable and inclusive workforce that is free from discrimination

• This a commitment to ensuring all Minnesotans can thrive in the workplace by addressing racial/ethnic, gender and disability biases
Workforce Overview

• MN Department of Human Rights sets the goals for Workforce Participation for women and people of color on all state-funded or state-assisted construction contracts with a value over $100,000

• MN Statute § 363A.01 and the Minnesota Administrative Rules 5000.3400 – 5000.3600 govern the Department’s authority to set these goals
Workforce Overview: Goals

- July 17, 2017: MN Department of Human Rights increased the workforce participation goals for women and people of color for construction projects over $100,000 throughout the state
- These increased goals aim to:
  - Reduce barriers to workforce entry
  - Respond to demographic changes
  - Prepare for Minnesota’s emerging workforce shortage
  - Encourage equal employment opportunities
Workforce Overview: Goals

• For Hennepin and Ramsey Counties, the workforce participation goals are:
  ▪ 32% People of Color
  ▪ 20% Women

• Project Monitoring:
  ▪ Initially, the Prime Contractor submits a Pre-Construction Packet with information regarding the estimated start date, the projected hours for the Prime and all subcontractors, and the dollar amounts of the contract and all subcontracts
  ▪ The Pre-Construction Packet also includes the Prime’s and the subcontractors’ Work Plans and the Good Faith Efforts they made to meet the goals and DBE/Small Business participation
Workforce Overview: Reporting

- Monthly Reporting: During the life of the project, the Prime Contractor submits Monthly Reports listing the construction trade hours worked on the project the previous month by the Prime and its’ subcontractors
- Reports include:
  - Monthly Utilization Reports: Completed by the Prime and each subcontractor
  - Monthly Project Summary Report: Completed by the Prime. This Report totals the hours listed on all the Monthly Utilization Reports submitted to the Prime
  - Good Faith Efforts (GFEs): If the Monthly Reports indicate underutilizations for women and/or people of color, the Prime Contractor must also submit their GFEs on what they did or intend to do to address the underutilizations
Workforce Overview: On-Site Visits

• On-Site Project Reviews: MN Department of Human Rights will also be conducting On-Site Audits of the Project during the life of the project.

• The purpose of the On-Sites are to:
  ▪ Ensure the provisions of the Contractors’ Affirmative Action Plans, Construction contracts and Project commitments are being implemented
  ▪ Ensure the Contractor and its’ subcontractors are making Good Faith Efforts to meet the Workforce Participation Goals for the Project
  ▪ Allow the construction workers the opportunity to communicate with the MDHR Officers any issues they are having on the Project so it can be corrected; these interviews are confidential
Workforce example from 35W94 project
Lunda/CS McCrossan Joint Venture: DBE Plan Overview
LMJV DBE Plan

• Ensuring DBE performance issues are addressed
• Managing DBE participation for change order work
• Ensuring prompt payment to DBE subcontractors
• Utilizing the services of local small business assistance organizations
• Additional strategies
Addressing DBE Performance Issues

• Assigning Small Business Liaisons
  ▪ Single point of contact for each DBE

• Mentoring Small Businesses
  ▪ JV liaison will mentor and assist the DBE throughout the life of the project

• Holding Small Business Workshops
  ▪ JV will hold quarterly workshops for current and potential DBEs
  ▪ Will assist in learning about the project and future opportunities
DBE Participation For Change Order Work

- Goal is to achieve the same 16% participation level that was established for the project
- Identify multiple DBE firms that can perform a commercially useful function as related to a proposed change order
- Will require one on one meetings with a potential DBE to ensure scope, risk, and scheduling are understood
- Larger non-DBE subcontractors and suppliers will be required to provide DBE participation for work included in a change order
Ensuring Prompt Payment

- Payments will be made to DBE subcontractors no later than 10 days after LMJV receives payment.
- Focus on processing DBE subcontractor payments first when an approved payment is received.
- Willing to provide assistance if cash flow or payments are threatening the success of a DBE.
Utilizing Services of Local Small Business Assistance Organizations

• LMJV will invite and encourage attendance of local small business assistance organizations at the quarterly Small Business Workshops

• Minnesota District U.S. Small Business Administration
• Associated General JVs
• Association of Women JVs
• National Association of Minority JVs (NAMC) – Upper Midwest Chapter
• Minneapolis Regional Area Chamber of Commerce
• Minnesota Black Chamber of Commerce
• Latino Chamber of Commerce
• Minneapolis Department of Civil Rights

• MnDOT Department of Civil Rights
• MnDOT DBE Learning Hub and Small Business Resource Center
• Metropolitan Economic Development Association (MEDA)
• University of Minnesota Business & Community Economic Development (BCED)
• Northside Economic Opportunities Network (NEON)
• Minnesota Unified Certification Program (MNUCP)
Additional Strategies

• Partnering with DBE firms
• Assist with bonding, lines of credit, and insurance
• Establish a documented mentor-protégé relationship with all interested DBE firms
• Assist with equipment, supplies, materials
• Negotiate in good faith
Lunda/CS McCrossan Joint Venture: Workforce Plan Overview
Workforce Feedback from Advocates

• Utilize community partners to support participation goals
• Provide support to firms seeking to identify diverse candidates
• Prime hold all contractors equally accountable for achieving goals
Workforce List of Community Based Organizations

- African Community Services
- American Indian OIC/Takoda
- Avivo (formerly RESOURCE)
- CLUES
- Coalition of Somali American Leaders
- Confederation of Somali in MN
- Construction Career Training Program Partner Development
- DEED
- Emerge MN
- Goodwill-Easter Seals
- HIRED
- Hmong American Partnership
- Hubert Humphrey Job Corps
- MAD DADs of Minneapolis
- Merrick Community Services
- Minneapolis American Indian Center
- Minneapolis Urban League
- Minnesota Street Works, Inc.
- St. Paul College - Trading Up Program
- Summit Academy OIC
- YWCA of St. Paul
Workforce List of Union Contacts

- 49ers
- Carpenters
- Cement Masons
- Electrical Workers
- Laborers
- Minnesota Pipe Trades
- Minnesota Tradeswomen
- Minneapolis Building & Construction Trades Council
- Operating Engineers
- St. Paul Building & Construction Trades Council
- Teamsters
LMJV Workforce Plan

• WF Plan includes:
  ▪ Attendance at Career Fairs
  ▪ Recruitment outreach to Unions (letters and in-person)
  ▪ Work with Unions to develop project specific safety training
  ▪ Recruitment outreach to Community Based Organizations’ (letters and in-person)
    o Training orientation
    o Mock Interviews
    o Guest Speaker
    o Attendance at graduations
    o Career Fairs

• Workforce activities to date include
LMJV Workforce Activities January 2019

• Jan 2019: Guest speaker at Dakota County Technical College School District Carpentry Program; addressed high school students

• Jan 11, 2019: Discussed SWLRT with Goodwill Easter Seals MN (GWESMN) staff during student mock interviews

• Jan 17, 2019: Discussed SWLRT with Summit Academy OIC (SAOIC) staff during student mock interviews

• Jan 25, 2019: Attended GWESMN graduation
LMJV Workforce Activities February/March, 2019

• Feb 12: Attended *Power of Partnership Breakfast* hosted by GWESMN; met w/Michael Wirth Davis, GWESMN President

• March 7: Met w/Kim Maher, WF Relations Coordinator & Tom Vivea Director of Contractor Relations
  ▪ Discussed specialized training curriculum for Laborers Local 563

• March 14: Attended Association of Women Contractors (AWC) Round Robin Event

• March 29: Guest Speaker MnDOT/DEED Orientation at Cement Mason Training Center
LMJV Workforce Activities April 2019

• April 9: Attended SAOIC Volunteer Appreciation Breakfast. Discussed SWLRT w/Tameeka Gamble, SAOIC Career Services Manager
• April 10: Attended HH Construction Career Event at L.J. Shosten Union Training Center
• April 15: Contacted Curt Sammann, State Project Manager, w/MnDOT/ DEED
• April 16: Follow-up meeting w/Local Laborers 563 to develop training outline and prioritize training courses
• April 16: Navigating EEO Compliance Training hosted by MnDOT/MDHR
LMJV Workforce Activities April 2019

• April 23: Attended *MN Construction Crew Hiring Expo* Minneapolis Armory MN National Guard
Civil Construction: Opportunities and Challenges
Committee Discussion

• Best Practices
  ▪ Promote Opportunities
  ▪ Address Challenges

• Potential topics for future meetings
Moving Forward Together
Committee Discussion

• Defining Success
Close of Committee Meeting

• Next Meeting Date: July 18, 2019
  ▪ Topics to add for the next agenda
  ▪ Actions items for the next meeting

• Adjourn
More Information

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