

**Minnesota Department of Transportation
Revised 2009 Biannual Report to the Legislature in
Compliance with Minnesota Statutes 174.03, subd. 10 and 11**

Minnesota Statutes 174.03, subd.10. Highway construction training, requires the commissioner of transportation to utilize the maximum feasible amount of all federal funds available to this state under United States Code, title 23, section 140, paragraph (b), to develop, conduct, and administer highway construction training, including skill improvement programs; and to report by February 1 of each odd-numbered year to the house of representatives and senate committees having jurisdiction over transportation policy and finance concerning the commissioner's compliance with paragraph (a). The report must, with respect to each of the two previous calendar years:

- (1) describe the highway construction training and skill improvement programs the commissioner has conducted and administered;
- (2) analyze the results of the commissioner's training programs;
- (3) state the amount of federal funds available to this state under United States Code, title 23, section 140, paragraph (b); and
- (4) identify the amount spent by the commissioner in conducting and administering the programs.

Minnesota Statutes 174.03, subd. 11. Disadvantaged business enterprise program, requires the commissioner to include in each contract that is funded at least in part by federal funds, a sanction for each contractor who does not meet the established project disadvantaged business enterprise goal or demonstrate good faith effort to meet the goal; and to report by February 1 of each odd-numbered year to the house of representatives and senate committees having jurisdiction over transportation policy and finance concerning the commissioner's disadvantaged business enterprise program. The report must, with respect to each of the two previous calendar years:

- (1) state the department's annual overall goal, compared with the percentage attained;
- (2) explain the methodology, applicable facts, and public participation used to establish the overall goal;
- (3) describe good faith efforts to meet the goal, if the goal was not attained;
- (4) describe actions to address overconcentration of disadvantaged business enterprises in certain types of work;
- (5) state the number of contracts that included disadvantaged business enterprise goals, the number of contractors that met established disadvantaged business enterprise goals, and sanctions imposed for lack of good faith effort; and
- (6) describe contracts with no disadvantaged business enterprise goals, and, of those, state number of contracts and amount of each contract with targeted groups under section 16C.16.

The following is a list of the Minnesota Department of Transportation (Mn/DOT) On-the-Job Training Programs and Disadvantaged Business Enterprise programs administered by the Office of Civil Rights. The total amount spent on these programs in 2007 and 2008 is \$657,136.55.

On-the-Job-Training Programs

Program	Description	Analysis of Results	Cost in 2007-08
On-the-Job Training (OJT)	Goals consisting of number of bodies and hours are set on all federally funded Mn/DOT construction projects of over \$1 mil. and 100 working days. Contractors may include in their bid \$1 to \$3 per OJT hr worked to be reimbursed as incentive for hiring OJT trainees.	2007 – 93 trainees (64 minorities / 29 women) 2008 - 77 trainees (68 minorities / 9 women)	The cost during 2007-08 was approximately \$10,000.00
ROADS	The Office contracted with Merrick Community Services to recruit and train women and minorities for employment in the highway heavy construction trades. Merrick provides a ten week, full time course in basic construction skills and safety. ROADS assists Mn/DOT contractors by providing a steady pool of qualified minority and women candidates for employment.	During 2007-08, 42 women and minority trainees completed ROADS training	The cost during 2007-08 was \$53,750.00
Transportation Opportunities Training	The purpose of this program is to provide fully qualified diverse candidates for employment with highway heavy contractors or with Mn/DOT maintenance. Two training programs were provided, the first in Detroit Lakes in partnership with MNSCU and White Earth Reservation and the second in partnership with Century College, Merrick and the Mpls. Urban League. The programs provided basic math and soft skills and 4 weeks behind the wheel truck driving training.	During 2008, 24 trainees received their Commercial Drivers Licenses. Of these 2 were hired by Mn/DOT (10 Native Americans, 2 Somali, 1 Liberian, 5 African American, 3 Caucasians, 1 Asian and 1 Ethiopian)	Total cost during 2007-08 was \$159,825.71 (Detroit Lakes cost - \$73,195.00 Metro cost - \$86,630.71)
Tribal Summer Transportation Institutes	FHWA provides grants to historically minority institutes of higher learning to develop and host Summer Transportation Institute programs. MN has 4 such institutes; 2 of which received grants in 2007 and 2008. White Earth Tribal and Community college offered a 3 week day camp each year and Fond du Lac Tribal and Community College offered a 2 week residential camp each year.	White Earth served 13 Native American youth each year and Fond du Lac served 36 students in 2007 and 32 in 2008. A total of 94 students were served in 2007-08	Total cost during 2007 and 2008 was \$151,025.54
EEO Compliance Reviews	Fourteen in-depth EEO compliance reviews were conducted each year on contractors working on Mn/DOT projects. When issues are found contractors are put on a corrective action plan and if they do not improve they are referred to the MN Department of Human Rights (MDHR) which can pull their Human Rights Certificate preventing them from bidding on Mn/DOT projects.	During 2007-08, 7 contractors were under corrective action plans; and none were referred to MDHR.	No cost other than staff salaries.
Total OJT Program Costs in 2007 and 2008 was \$320,851.25			

Overall Annual DBE Goals

Year	Federal Highway		Federal Transit	
	Goal	DBE Attainment	Goal	DBE Attainment
2007	6.27%	8.2%	8.3%	7.04%
2008	12.8%	3.7%	6.4%	3.75%

Note: Federal DBE regulations require DBE attainment to be calculated on the basis of all federally funded contracts closed that year. Because there are times when a hold is put on a contract due to a contractor claim, an audit, or prevailing wage investigation etc. contracts are not always closed out in the year the project is finished. In 2008, several contracts were closed out for projects that ended in 1998 and 1999 when Mn/DOT's DBE program was enjoined due to the *Sherbrooke* litigation. In addition, although the 1-35W Bridge project was completed in 2008 the contract has not yet been closed and therefore the 14+% DBE participation on that project was not included in the official DBE report.

Mn/DOT uses the following good faith efforts to meet its annual overall goal.

- Providing capacity building training to DBEs so they can bid as Prime contractors;
- Encouraging Prime contractors to utilize DBE firms on contracts where no DBE goal was set;
- Working with Mn/DOT's Construction Office and the Cities and Counties to un-bundle large contracts into smaller feasible packages to make them more accessible to smaller DBE firms;
- Encourage prime contractors to subcontract work out to DBE firms rather than self-performing it;
- Encourage prime contractors to assist DBE firms with insurance or bonding;
- Providing informational and networking opportunities for DBE firms and Prime contractors;
- Providing annual training to Mn/DOT engineers and City and County engineers and staff on the DBE Program requirements;
- Administer a Mentor-Protégé Program, which encourages large contractors to mentor small DBE firms to increase their capacity and capabilities;
- Publishes a quarterly Civil Rights Newsletter to keep DBEs informed;
- Gives an annual DBE award to the Prime contractor and DBE business who best exemplify the purpose and spirit of the DBE program.

Disadvantaged Business Enterprise Programs

Program	Description	Analysis of Results	Cost 2007-2008
Jumpstart DBE Training	The Office partners with MN State Colleges and Universities to provide DBEs with full-day Saturday classes in the construction off-season. This training includes: accounting, sales, consultant pre-qualification, Quickbooks, marketing, sales and presentation skills, financial planning, proposal development, spreadsheet preparation and analysis.	90 DBEs received training (45 each year in 2007 and 2008)	Total cost in 2007 and 2008 was \$179,663.30 (\$71,446.75 in 2007 and \$108,216.55 in 2008)
Bidding and Estimating Training	The Office partners with the Selby Area Community Development Corporation to provide DBEs with in-depth training in bidding, estimating and business planning. These classes cover how to prepare competitive bids and proposals, total quality management, developing cost of living budget, cash flow and determination of mark-up.	47 DBEs received training during 2007 and 2008	Total cost in 2007 and 2008 was \$70,222.00 (\$35,111.00 each year)
Electronic Bidding and Estimating	The Office is providing electronic bidding training and a free 1-year license to DBEs who have completed this training and the Bidding and Estimating training.	158 individuals received training – 36 were DBEs	Cost of the program was \$86,400.00. The value of each license is \$720.00 and began to be given out in 2009.
The Cost of the DBE Program in 2007 and 2008 was \$336,285.30			

Year	Number of Federal Contracts with Numeric DBE Goals	Number of Contractors that Met Established DBE Goals	Sanctions Imposed for Lack of Good Faith Efforts
2007	163	60 met or exceeded goals	No sanctions imposed
2008	128	51 met or exceeded goals	1 sanction imposed for \$200,000.00

Note: DBE contracts without numeric DBE goals are considered to have Race/Gender Neutral Goals and contractors are still required to make a good faith effort to solicit DBE participation. The State Targeted Group Economically Disadvantaged Small Business Program which is managed by the MN Department of Administration (MDA) and provides up to a 6% preference to certified TG/ED Businesses on State funded contracts. This program has not been applied to Mn/DOT state funded contracts since the *Sherbrooke* decision due to the lack of a current disparity study. The MDA is currently in the process of completing a disparity study and the program should be running later this year.

Outreach

In addition to the programs listed above, the Office of Civil Rights has initiated a number of outreach efforts to inform communities about Mn/DOT programs. During 2007 and 2008 the Office of Civil Rights provided DBE training or hosted an informational booth at multiple events around the State. The following is a list of some of these events:

- **Informational/Recruitment Event** on employment opportunities with Mn/DOT, at the Minneapolis Urban League - February 13, 2007;
- **Native American Employment** - February 15, 2007: Civil Rights staff met with District Engineers and White Earth TERO Officer to discuss ways to improve Mn/DOT performance in employment of Native Americans, St Cloud;
- **Crosstown Pre-Letting Meeting** - March 14, 2007: DBEs were invited to the podium to give a brief description of their company, the work they perform and contact information to primes who were interested in bidding on the Crosstown project;
- **Construction Success-Getting in the Game** – the Office of Civil Rights co-sponsored a DBE training and networking event at the Minneapolis Metrodome on March 16, 2007. Other co-sponsors were Association of Women Contractors (AWC), Association of General Contractors (AGC), National Association of Minority Contractors (NAMC), City of St. Paul, Hennepin County, Metropolitan Airports Commission (MAC), Small and Disadvantaged Business Opportunity Council (SADBOC), Metropolitan Economic Development Association (MEDA), Metropolitan Council, Minnesota Ballpark Authority, Ramsey Regional Rail Authority, Rani Engineering (DBE firm) and University of Minnesota;
- **Government Procurement Fair** - April 10, 2007: Civil Rights Director gave a presentation on the DBE program and how to get certified. Event was sponsored by the Mille Lacs Band of Ojibwe;
- **I-35W Bridge Informational Meeting** - August 16, 2007: A public meeting for DBEs and prime contractors interested in working on the I-35W bridge project and included a chance for all the DBE to introduce themselves and their company to the prime contractors;
- **I35W Bridge Networking Event** - August 28, 2007: Allowed DBEs to give a short presentation about their businesses to prime contractors bidding on the project;
- **DBE Presentation to American Indian Chamber of Commerce** - October 10, 2007;
- **DBE Training** - October 17, 2007: For electrical and mechanical contractors interested in bidding on the Northstar Commuter Rail project;
- **Native American Employment Outreach** – October 26, 2007: Staff gave presentation on the OJT and ROADS programs to the American Indian Occupational Industry Center, the Minneapolis American Indian Center, and the Mille Lacs Band of Ojibwe Urban Workforce Center;

- **MN Open for Business** - February 11, 2008: Conference on accessing state and local government contracts. Civil Rights DBE Specialist gave a presentation on how to do business with Mn/DOT;
- **SADBOC Procurement Fair** - April 29, 2008: Offices of Civil Rights and Construction staff gave a presentation on how to do business with Mn/DOT and hosted an informational booth to provide businesses with information on the DBE program, and hand out DBE applications and materials;
- **Trade Unions Build Employment Bridges with Tribal Governments** – June 11, 2008; Office of Civil Rights staff provided educational session on laborers trades. The Laborers Union Statewide Educational Director and Business Agent addressed requirements, expectations salary, employee protections, work benefits, training and career opportunities;
- **Advocacy Council for Tribal Transportation** – July 11, 2008: Director gave presentation on Mn/DOT OJT and DBE programs;
- **Resource and Government Procurement Fair** -August 21, 2008: Civil Rights DBE Specialist gave a presentation on the DBE program and how to become certified. Event was sponsored by Bois Forte Band of Chippewa;
- **22nd Annual Executive Leadership Institute** at the Humphrey Institute of Public Affairs on October 3, 2008. Civil Rights Director and 2 DBE Specialists gave Presentation on DBE success on the I-35W Bridge Project which achieved over 14% DBE participation;
- **Mn Public Transit Conference** - September 29, 2008: Mn/DOT Civil Rights Office hosted an informational booth, spoke with transit oriented businesses and passed out DBE applications;
- **Economic Development and Poverty Issues** – October 14, 2008: Civil rights Director spoke on a panel. Event was sponsored by the Council on Black Minnesotans;
- **Highway Heavy Laborers and Carpenters Union Career Opportunities Event** – October 21 2008 at Red Lake Reservation: Unions explained the process and job/career opportunities and presented a National Labor Union and Tribes Partnership Model;
- **Summit Academy OIC Partnership Breakfast** – Meeting of contractors and community partners to receive an update on the 100 Hard Hats Partnership and discuss employment programs, goals and achievements.
- The Office regularly attends the National Association of Minority Contractors and Association of Women Contractors monthly meetings and networking events.