



## Highway Construction Training and Disadvantaged Business Enterprise (DBE) Program

February 2011



*Your Destination... Our Priority*



# TABLE OF CONTENTS

Report Costs Page 3

Executive Summary Page 4

- Purpose and Scope of Report
- Transformational and Sustainable Change
- Programs
- Preliminary Results

Highway Construction Training Page 5

- Description of Program
- Training and Skill Improvement Programs
- Results of Training Programs
- Federal Funds Available
- Amount Spent by Mn/DOT

Disadvantaged Business Enterprise (DBE) Program Page 15

- Description of Program
- DBE Definition
- Requirements for DBE Participation
- Annual Goal and Attainment Rates
- Goal Methodology and Public Participation
- Good Faith Efforts
- Overconcentration
- Contractor Performance
- Contracts with No DBE Goals

Acronyms Page 25

Minnesota Statute §174.03, Subd.10-11 Page 26

## Attachments

Attachment A: Minnesota Department of Transportation DBE Program  
Goal Setting Methodology for Federal Fiscal Year 2009

Attachment B: Minnesota Department of Transportation DBE Program  
Goal Setting Methodology for Federal Fiscal Year 2010

Attachment C: Office of Civil Rights Organization Chart- January 31, 2011

Attachment D: Office of Civil Rights Marketing, Outreach and Training FY 2009-2010

Attachment E: Veterans Preference Program Participation Report

## Cost of completing this report

As required in Minnesota Statute §3.197, this document must contain the cost of preparing the report at the beginning of the report, including any costs incurred by another agency or another level of government

The estimated costs associated with the preparation of this report are:

Staff Time	\$ 4,000
------------	----------

Prepared by the Minnesota Department of Transportation  
Office of Civil Rights  
395 John Ireland Boulevard  
Saint Paul, Minnesota 55155-1899  
Phone Toll-Free: 1-800-657-3774  
TTY, Voice or ASCII: 1-800-627-3529  
[www.dot.state.mn.us/civilrights](http://www.dot.state.mn.us/civilrights)

# **Executive Summary**

## **Purpose and Scope of Report**

This Highway Construction Training and Disadvantaged Business Enterprise (DBE) Programs Report is submitted by the Commissioner of the Minnesota Department of Transportation (Mn/DOT) in response to the requirements specified in Minn. Stat. §174.03, Subd.10 and 11. The Commissioner is required 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 respect to the two previous calendar years. The information in this report covers 2009 and 2010 and is current as of November 2010. Please note that those programs which are federally funded have a defined fiscal year which runs from October 1 through September 30. Other programs which are State funded, have a defined fiscal year which runs from July 1 through June 30.

## **Transformational and Sustainable Change**

During the past two years, Mn/DOT has been committed to transformational change in the areas included in this report. The Mn/DOT Office of Civil Rights administers all state and federally mandated programs to ensure nondiscrimination in the award and administration of DOT-assisted contracts in the Department's highway, transit, airport, and highway safety financial assistance programs. Mn/DOT implemented organizational changes in the office in order to have our efforts fully integrated into the communities in which we serve. The Disadvantaged Business Enterprise and Workforce Collaborative (Collaborative) group (established by Minn. Stat. §174.186) is a flagship initiative for the Department. The Mn/DOT Stewardship Council monitors the initiatives of this group and the overall objective is to implement sustainable solutions that benefit all and are developed with input from the stakeholders affected.

The Collaborative brings together representatives of eight broad stakeholder groups including general contractors, DBE contractors, training organizations, unions, business/workforce advocates, non-union contractors/workforce, the Federal Highway Administration (FHWA) and Mn/DOT. This group has developed a mission and formed eleven project teams instrumental to Mn/DOT's external civil rights program; benefiting all stakeholders including the public. These project teams include:

- Results Transparency
- On-The-Job Training (OJT) Program to increase a diverse workforce on projects
- OJT Trainee Tracking and Retention
- DBE Program and Good Faith Efforts
- Mentor Protégé Program for DBEs
- Working Capital Loan Fund for DBEs
- Pilot Project
- Coordinated Access Point for potential DBEs and diverse workforce recruitment;
- Civil Rights Program Training
- Targeted Group Business (TGB) for State Funded Projects
- Veteran's Preference Program for State Funded Projects
- Construction Pilot Project.



## **Programs**

### **Highway Construction Training**

The Federal Highway Administration (FHWA) regulations for the On-the-Job Training (OJT) Program requires Mn/DOT to establish apprenticeship and training programs for women, minorities, and disadvantaged persons to gain entry-level positions in the construction trade and acquire the necessary skills to reach journey level status to ensure that a competent workforce is available. The intent of the program is to address the historical under-representation of members of these groups in highway construction skilled crafts. The OJT Program has several major components and respective responsibilities are shared between FHWA, Mn/DOT, and the contractor.

### **Disadvantaged Business Enterprise (DBE)**

The U.S. Department of Transportation (USDOT) requires Mn/DOT comply with the DBE Program on federally funded projects. 49 CFR Part 26 govern regulations requiring state/local agencies which receive USDOT financial assistance to establish goals for the participation of DBEs. Three major USDOT operating administrations are involved in the oversight of the DBE program: the Federal Highway Administration (FHWA), the Federal Aviation Administration (FAA) and the Federal Transit Administration (FTA). The DBE Program prohibits discrimination in the award and performance of USDOT-assisted contracts. Its objective is to increase participation of women and minority-owned small business enterprises in state and local procurement by:

- ensuring that small disadvantaged business enterprises (DBE) can compete fairly for federally funded transportation-related projects;
- ensuring that only eligible firms participate as DBEs; and
- assisting DBE firms in competing outside the DBE Program.

In addition to establishing project goals, Mn/DOT must identify eligible DBEs through a certification process. The certification of DBEs through the Minnesota Uniform Certification Process (Minnesota UCP) applies to businesses owned by socially and economically disadvantaged persons, women and minority-owned business as defined in 49 CFR Part 26. The Minnesota UCP makes its determination through the Certification Application Committee (CAC). CAC members submit recommendations based on on-site visits, personal interviews, reviews of licenses, stock ownership, equipment, bonding capacity, work completed, resumes of principal owners and financial capacity.

Minnesota's DBE goal is a single goal which includes firms owned by women and minority group members operating as primes or subcontractors. The DBE goal for Federal Fiscal Year's (FFY) 2010 and 2011 is 8.7 percent. Federal regulations require the setting of statewide goals every 3 years. Minnesota's DBE goal for FFY 2012 will be submitted prior to September 30, 2011.

## **Preliminary Results**

This report outlines progress made as a result of the OCR reorganization, the DBE and Workforce Development Collaborative, increased enforcement, new training programs, revised special provisions for each program and the work of stakeholders across the State of Minnesota. We have a long way to go, however, the successes achieved in the past two years indicate that we are heading in the right direction as is indicated by the following:

- Increase of forty-one (41) minority and women OJT trainees placed on projects (Seventy (70) in 2009 and one-hundred eleven (111) in 2010).
- Minority participation on Mn/DOT projects increased from 6.1 percent in 2009 to 7.5 percent in 2010 and women participation increased slightly from 3.3 percent to 3.9 percent.

- Increase in DBE Subcontractor awards from 9.2 percent in Federal Fiscal Year (FFY) 09 to 13.2 percent in FFY 10.
- Increase in total DBE contract awards (prime and subcontractors) from 3.6 percent in FFY09 to 5.6 percent in FFY 10.

## **HIGHWAY CONSTRUCTION TRAINING**

### **Description of Program**

The Federal Highway Administration (FHWA) regulations for the On-the-Job Training (OJT) Program requires Mn/DOT to establish apprenticeship and training programs for women, minorities, and disadvantaged persons to gain entry-level positions in the construction trade and acquire the necessary skills to reach journey level status to ensure that a competent workforce is available. The intent of the program is to address the historical under-representation of members of these groups in highway construction skilled crafts.

The OJT Program involves several major components and shared responsibilities between the FHWA, Mn/DOT, and the contractor. These components include:

- a. Development of Statewide Training Goals – FHWA requests Mn/DOT to submit a recommendation of calendar year goals for approval.
- b. Assignment of Contract Training Goals – Mn/DOT selects contracts that will include a training goal and assigns the training goals on a contract-by-contract basis. Goals are determined based on:
  - Availability of minorities and women in the project vicinity
  - Potential for effective training
  - Duration of the contract(s)
  - Dollar value
  - Total anticipated workforce
  - Geographical location
  - Type of work
  - Need for journeyman in the area and by type of trade
  - Statewide goal
  - Satisfactory ratio of journeymen to trainee expected during normal operation of the construction project (ordinarily in the range of 10:1 to 4:1).

The OJT Program requires that a special provision be placed in the contract which specifies the number of trainees that are to be assigned to various appropriate highway construction skilled crafts for actual hands-on experience. If a contractor does not attain the contract training goal for the project, the contractor could be subject to monetary penalties.

Authority: 23 CFR Part 230 Subpart A  
 23 U.S.C. 140(a) – Federal-aid Highway Act of 1968 (OJT Program)  
 23 U.S.C. 140(b) – Federal-aid Highway Act of 1970 (OJT Supportive Services Program)

### **(1) Describe the highway construction training and skill improvement programs the commissioner has conducted and administered;**

## Training and Skill Improvement Programs

**Class A Commercial Drivers License (CDL) Training Programs** – Mn/DOT partnered with community organizations to recruit and provide training to women and minority candidates seeking a Class A CDL. The organizations included Tribal Employment Rights Offices (TERO), Minnesota State Colleges and Universities (MnSCU), Leech Lake Tribal College and community organizations. The training focused on teaching the skills required to obtain a Class A CDL, math and reading and developing related soft skills needed to gain employment and retention in the industry.

The Leech Lake TERO conducted the recruitment, screening, placement and retention services. In the metro area these services were conducted by Merrick Community Services and the Minneapolis Urban League. Instructors from the Leech Lake Tribal College and MnSCU provided classroom training which focused on soft skills, math, reading and Class A permit preparation. Behind-the-Wheel instructors from the Leech Lake Public Works Department, Dakota County Technical College (DCTC) Truck Driver Training Program, Century College Truck Driver Training Program and Mn/DOT worked with students to provide them with the necessary hands-on experience to prepare them for the test. The testing was administered by the Department of Public Safety. The goal of the five week program was to provide graduates with the necessary credentials to be employed by Mn/DOT in the Transportation Associate Series, Tribal Public Works Departments, City and County Public Works Departments, trucking companies and Highway Heavy contractors. Classes were held at the Century College Truck Driver Training Center in Afton, the DCTC Training Center in Rosemount, and the Leech Lake Reservation in Cass Lake.

Based on the success of this program, Mn/DOT plans to conduct similar CDL classes in 2011 for District 1 and the Fond Du Lac Band of Lake Superior, Chippewa, District 6 and southern Minnesota area community organizations will follow in FY 2012.

### Results:

- Number of participants served: **52**
- Number of participants enrolled: **52**
- Number of participants who completed training: **44**
- Retention Rate: **84.6 percent**
- Number employed by Mn/DOT: **6**
- Number placed in jobs: **24**

**Road Opportunities and Diversity Success (ROADS)** – Mn/DOT contracted with Merrick Community Services in St. Paul to provide Highway Heavy construction orientation and skills training by partnering with the St. Paul Building Trades as part of their Brownsfield training initiative in both 2009 and 2010. The five month training program included: soft skills, mock interviews, math, reading, financial responsibility and eight weeks of hands-on construction-related training to develop the entry-level skills and awareness to work on Mn/DOT highway heavy construction projects. The construction training was conducted by trainers from various trade unions. Merrick provided the recruitment and screening, classroom training and placement with industry contractors. They also coordinated the construction training with the unions.

Contractors/employers were able to communicate directly with the participating community-based organization (CBO) to seek out prospective workers.

The training created a pool of qualified females and minorities ready, willing, and able to work. Participants were provided with employment counselors who provided specialized job assistance and employment-related supportive services. Supportive services included, ongoing job counseling, placement assistance, and case management, basic support services, including material and financial assistance to help candidates successfully transition into highway heavy construction jobs, and tracking of recruits up to six months to evaluate progress and ensure higher success/retention rates.

Results:

- Merrick recruited 20 participants.
- Seven (7) minority and females participants were placed on highway heavy construction projects.
- Other individuals enrolled in the program were able to gain employment in other facets of construction such as vertical construction and over-the-road hauling.

Note: For Mn/DOT purposes only, those employed by contractors performing on Mn/DOT projects were tracked and monitored.

**Highway Heavy Partnering Program** – Mn/DOT provided funding to organizations with programs that prepare individuals for employment in highway heavy construction. Through this initiative, Summit Academy Occupational and Industrialization Center (Summit Academy) and the Operating Engineers Local 49 Training and Apprenticeship Program (Local 49) partnered to create a program designed to supply contractors with qualified minority and women apprentices. The first class of enrolled candidates completed their training in early July, 2010 and are available for employment with contractors holding or receiving Mn/DOT highway heavy contracts. This program is twenty weeks in duration. Fifteen weeks of training were held at Summit Academy and the last five weeks at the Local 49 Training Center in Hinckley. All program candidates were required to satisfy the Local 49 Apprenticeship Program's existing prerequisites. Summit's training curriculum was designed in conjunction with Local 49 and is geared to immediately begin hands-on-training in actual industry equipment. The training at Summit included the following subjects: OSHA 10, First Aid CPR, Competent Person Coursework, training on John Deere Heavy Equipment Simulators and construction mathematics and basic job site preparation. The Local 49 Apprenticeship Coordinator also spent classroom time educating students about employer and union expectations, the career realities of an operating engineer, including weather impacts, job location, professionalism on the job, production, attitude, safety, promptness and the need for life-long training throughout their career. The five week intensive hands-on training at the Local 49 Training Center included MSHA 3-Day Minor, Grades and Stakes, Confined Space, Hazardous Waste, Safety around Earthmoving Equipment, and 80 hours of hands on training on loaders, rollers and off-road trucks. Another class will begin in February of 2011.

Results:

- Number of participants served: **19**
- Number of participants enrolled: **19**
- Number of participants who completed training: **19**
- Retention Rate: **100 percent**

10 of the 19 students were placed with highway heavy contractors working on Mn/DOT projects. Mn/DOT considers this significant progress considering that the class graduated late in the construction season when opportunities are limited, especially for apprentices.

**Tribal Employment Supportive Services (TESS) Program** – In 2009, Mn/DOT partnered with the White Earth, Leech Lake, Red Lake, Mille Lacs, Boise Forte and Fond Du Lac Tribal Employment Rights Offices, and the Tribal Colleges to conduct a five week program providing soft skill and construction industry training for Native American Men and Women. The Tribal Employment Rights Offices that participated were the White Earth, Leech Lake, Red Lake, Mille Lacs, Boise Forte and Fond du Lac. The trainers represented contractors and trade unions. The TERO's were responsible for recruitment and screening, placement, follow-up and case management. The Tribal Colleges were responsible for the soft skills training, math and reading curriculum. Industry experts were involved in the construction orientation and training to prepare students for entry-level OJT positions on Mn/DOT projects. The goal of the training was for participants to obtain the credentials to apply for jobs in the highway heavy construction trades and then continue to work on upgrading their skills to achieve journey level status. Graduates of the program received Flagger's Certification and OSHA safety training. Representatives of Carpenter's Local 606 and the Operating Engineers Local 49 also shared with students the benefits of joining a union. The TERO's maintain a pool of candidates for contractors to access when they are looking to fill positions. The TERO's were also able to provide assistance with equipment needs such as steel toed boots, safety glasses, etc.

**Results:**

- Bois Forte (Nett Lake) – recruited 15 participants and placed one (1) Native American male.
- White Earth (Mahnomen) recruited 10 participants and placed three (3) Native American males and females in highway heavy construction.
- Fond du Lac – recruited 11 participants and place one (1) Native American laborer.

Note: Programs awarded and expected to begin in 2011: Red Lake and Mille Lacs.

**Internship Program** – In 2010 Mn/DOT provided funding to pay half of the wages for candidates recruited from Mn/DOT sponsored highway construction training programs and employed by contractors for up to six months. Any employer that employed graduates of these programs is eligible to receive reimbursement for half the wages paid to these individuals for up to six months. The intent is to provide an incentive for contractors to recruit from programs that Mn/DOT and the USDOT have invested in, and to provide entry level employees with practical work experience. Subsequently, these experienced employees are prepared for new opportunities that arise in the construction industry and the employee then earns full-scale wages.

**Big Step Program** – Developed in 2010 for 2011 implementation is the Highway-Heavy Opportunities in Training (HHOT) with the Minneapolis Urban League. The Urban League will establish a training outreach and assistance program intended to provide the referral of competent and skilled individuals to Mn/DOT highway-heavy construction training partners. The program will connect Mn/DOT, contractors, unions and communities of color with the Urban League who will act as a liaison to bring minorities and women job seekers into the highway-heavy construction

employment pipeline. Mn/DOT and the Urban League have explored nation-wide best practices and this program will follow the model developed by BIG STEP in Milwaukee, WI. BIG STEP is a nationally recognized labor-management partnership and a market driven, industry led workforce intermediary dedicated to family sustaining jobs. Included in the program are case management and supportive services focused on employment tracking and retention of minorities and women in the workforce. The program will assist contractors in acquiring and maintaining a diverse and qualified workforce, and help improve contractor's performance in meeting and/or exceeding Equal Employment Opportunity (EEO) workforce goals.

**(2) Analyze the results of the commissioner's training programs;**

**Results of Training Programs**

Mn/DOT's goal for placing new minority and women trainees on federally funded projects has been 70 for each of the last 5 years. In FFY 2009, there were exactly 70 minority and women trainees placed on such projects. In FFY10, Mn/DOT filled 111 positions. **That is an increase of forty-one (41) OJT placements this past year.** OJT goals on selected federal-aid projects are assigned based on a number of factors including: a) project size/dollar amount, b) number of working days, c) type of project, and d) location.

A breakdown of OJT trainees by race (minority/non-minority), gender, and trade follows:

OJT TRAINEE DATA OCTOBER 1, 2008 -SEPTEMBER 30, 2009 (FFY 2009)				
OJT PROGRAM	NUMBER OF TRAINEES			
JOB CATEGORIES	NON-MINORITY		MINORITY	
	Male	Female	Male	Female
CRAFT				
CARPENTER	0	0	8	0
CEMENT MASON	0	1	2	0
ELECTRICIAN	0	2	0	0
IRON WORKER	2	0	0	0
LABORER	1	3	17	4
OPERATING ENGINEER	0	11	5	0
PIPELAYER	0	0	2	0
TRUCK DRIVER	0	6	4	1
OTHER TRADES	0	1	0	0
<b>TOTALS</b>	<b>3</b>	<b>24</b>	<b>38</b>	<b>5</b>

Tabulation based upon Federal Fiscal Year 2009

Annual Goal: 70 OJT Placements.

Total trainees as of 9/30/09 = 70. Total Minorities = 43 (61.43%). Total Females = 29 (41.43%).

Total Minority Females = 5 (7.14%). Non-Minority Males = 3 (4.30%).

Total Minority & Female OJT Participation for FFY 2009 = 67 or 95.7%.



OJT TRAINEE DATA OCTOBER 1, 2009 - SEPTEMBER 30, 2010 (FFY 2010)				
OJT PROGRAM	NUMBER OF TRAINEES			
JOB CATEGORIES	NON-MINORITY		MINORITY	
Craft	Male	Female	Male	Female
LABORER	0	26	39	6
OPERATING ENGINEER	0	13	12	2
PILE DRIVER	0	0	1	0
PIPELAYER	0	0	2	0
TRUCK DRIVER	0	2	3	0
OTHER TRADES	1	1	3	0
TOTALS	1	42	60	8

Tabulation based upon Federal Fiscal Year 2010

Annual Goal: 70 OJT Placements.

Total Trainees as of 9/30/09 = 111. Total Minorities (male & female) = 68 (61.2 percent).

Total Females (minority & white) = 50 (45.05 percent). Total Minority Females = 8 (7.2 percent). Non-Minority Males = 1 (0.9 percent)

Total Minority & Female OJT participation for FFY 2010 = 110 or 99.1%.

In addition, to the results of the OJT program, minority participation on Mn/DOT projects increased from 6.1 percent in 2009 to 7.5 percent in 2010 and women participation increased slightly from 3.3 percent to 3.9 percent. There were fifty-four (54) more minority and women on Minnesota construction jobs in the 2010 construction season than in the 2009 season. Mn/DOT is working towards making workforce data more available. One strategy under consideration is reviewing the top 10 Mn/DOT construction projects (based on awarded dollar value) and tracking the employment levels of minorities and women on those projects over the course of the construction season.

Also contributing to the improved results in training programs is the overall workforce program changes. These efforts are a result of the DBE and Workforce Development Collaborative, new special provisions and increased enforcement along with the new training programs. Mn/DOT sent letters to contractors holding contracts for the top ten (10) projects in the metro area and who were not meeting their DBE goals. The letters requested each make a business plan for meeting DBE goals, identify recruitment resources they will utilize, and provide projections for what they will achieve in terms of minority and women employment. Follow-up meetings were then scheduled with these contractors.

During FFY 2010, fifteen in-depth contract compliance reviews were completed by Mn/DOT's Office of Civil Rights. There were **15** prime contractors and **163** subcontractors reviewed. The 15 reviews resulted in two Corrective Action Plans for prime contractors. These corrective action plans are proving to be the most effective tools to assist prime contractors with increasing participation by using specific measures and result-oriented recommendations.

Additionally, Mn/DOT made the following program changes:

- **Effective June 5, 2009 On-the-Job Training (OJT) Program Plans are due at time of bid** – On federally funded contracts that include an OJT requirement, all bidders are required to submit an OJT Plan at time of bid opening. Failure to submit this data will result in a bid determined to be non-responsive.
- **Effective March 26, 2010 the length of time that an individual can remain enrolled as a trainee was extended to mirror the hours needed to complete a Certified Apprenticeship Program** – There are specific requirements in place that determine the amount of OJT hours required for an individual to complete a Certified Apprenticeship Program. Depending on the trade, the hours may range between 2000 - 8000. This step was taken to promote retention of minority and women apprentice members and trainees.
- **Effective July 23, 2010 a new Special Provision was incorporated that applies to projects where the apparent low bid is in excess of \$5 million** – On applicable projects the Apparent Low Bidder (ALB) has 5 business days to submit project and company workforce data to the Office of Civil Rights (OCR). The required data includes: the workforce statistics of the ALB during the previous 12 month period, a projection of minority and women employment hours they expect to achieve for the entire project (including subs), a contingency plan if they determine that their current workforce levels are insufficient to achieve the stated project goals and the recruitment sources they will use to recruit minority and women candidates. This requirement is a condition of award and must be received within the specified time frame by OCR.
- **August 2010 the reimbursement amount for hours worked on a federally funded project by trainees was increased** – Previous reimbursement amounts were between \$1 and \$3. Now, if a contractor employs a trainee who is a graduate of a Mn/DOT OJT Supportive Services (OJT SS) Program, they can be reimbursed at \$5 per each hour worked by these individuals on federally funded Mn/DOT projects. A contractor that provides a mentor for that same trainee will be reimbursed an additional \$5/hour for a maximum total of \$10 per hour worked by individuals recruited from Mn/DOT OJT SS Programs.

**(3) State the amount of Federal funds available to this state under United States Code, title 23, section 140, paragraph (b);**

**Federal Funds Available**

Congress established a source of funding for DOT's to develop training programs, to increase the effectiveness of construction training programs, and to increase the opportunities for minorities and women to gain entry into the highway heavy construction industry. This amount was capped at \$10,000,000. It is also a mechanism for Mn/DOT to assist contractors in meeting the goals and objectives of the OJT Program and nondiscrimination laws. Mn/DOT is able to apply for these funds to be used for the following initiatives: recruiting, counseling, remedial training, and OJT Program administration conducted by parties not employed by Mn/DOT. Mn/DOT is approved by FHWA to receive \$1,971,821 million dollars over the last 2 fiscal years. This includes: \$912,432 (ARRA/OJT/SS FY 10-11); \$772,577 (OJT/SS FY 11-12) and \$286,812 CDL/OJT/SS (FY09-10). These funds continue to be the driving force behind the construction training programs delivered thus far, and will be the emphasis for maintaining successful initiatives, along with efforts to inspire innovation for new construction training programs.

**(4) Identify the amount spent by the commissioner in conducting and administering the programs.**

**Amount Spent By Mn/DOT**

Mn/DOT has committed \$6.2 million over the five year period of 2009 through 2014 for workforce development, training and other DBE and Collaborative initiatives. Authorized by Chapter 36 from Laws of 2009 where: “the commissioner shall expend up to one-half of one percent of the federal appropriations under that paragraph as grants to opportunity industrialization centers for job training programs related to highway construction.” The chart below describes an increased training funding approach:

<b>State Road Construction Appropriation/Budget (SRC)</b> (In millions of dollars)					
	<b>Current 2010</b>	<b>Current 2011</b>	<b>Forecast 2012</b>	<b>Forecast 2013</b>	<b>Forecast 2014</b>
Highway User taxes (State Funds)	250.2	210.2	290.2	290.2	290.2
Federal Highway Aid	301.1	500.5	344.8	344.8	344.8
SRC Budget	551.3	710.7	635	635	635
½ of 1% of the Federal funds	1.5	2.5	1.7	1.7	1.7
Dedicated Amount	<b>0.7</b>	<b>1.2</b>	<b>1.2</b>	<b>1.4</b>	<b>1.7</b>

**In 2009/2010 the dedicated \$700,000 was utilized as follows:**

<b>State Fiscal Year</b>	<b>Program Type</b>	<b>Program Description</b>	<b>STIP Total</b>
2010	Workforce Development	Workforce Development – Six month Internships with trucking and highway heavy construction	\$384,000

2010	Workforce Development	Workforce Development – Heavy equipment operator training at Staples/Motley for minorities and women	\$250,000
2010	Workforce Development	Workforce Development – Minority and Women Outreach – West Metro	\$66,000
			\$700,000

**In 2010/2011 the dedicated \$1.2 million will be used as follows (this includes some DBE programs):  
Proposed Use of STIP Funding 2011**

State Fiscal Year	Program Type	Program Description	STIP Total
2011	Internship Reimbursements	Provide reimbursements to Prime Contractors for OJT Trainees – Placed FFY 2010 – 2011	\$150,000
2011	Construction/Project Management Education	Provide education tuition to women/minorities in construction/project management	\$75,000
2011	Commercial Driver's License Training	Provide CDL Training to women/minorities in District 1 (\$75,000), District 6 (\$75,000) and Metro Area Teamsters Union (\$100,000)	\$300,000
2011	Greater MN Outreach/OJT Training	Provide OJT training opportunities in Greater Minnesota area.	\$70,000
2011	Partnership w/ DHS	Provide OJT training opportunities focused on Native American and African American individuals.	\$100,000
2011	Intensive Bidding and Estimating Training	Provide intensive bidding and estimating training for certified Disadvantaged Business Enterprises (DBE). Work with potential contractor to develop 4-5 week training program to assist DBE's to become proficient at bidding and estimating.	\$110,000
2011	Business Development Services	Provide statewide business development services for certified DBE's businesses. Expand existing DBE business development services to reach DBEs in out-state Minnesota	\$395,000
			\$1,200,000

# **DISADVANTAGED BUSINESS ENTERPRISE (DBE)**

## **PROGRAM**

### **Description of Program**

The U.S. Department of Transportation (USDOT) requires Mn/DOT comply with the Disadvantaged Business Enterprise (DBE) Program on federally funded projects. The DBE program prohibits discrimination in the award and performance of USDOT-assisted contracts. The objective of the DBE program is to increase the participation of women- and minority-owned business enterprises in state and local procurement. The DBE regulations require state and local transportation agencies that receive USDOT financial assistance to establish goals for the participation of DBEs. Three major USDOT operating administrations are involved in the oversight of the DBE program: the Federal Highway Administration (FHWA), the Federal Aviation Administration (FAA) and the Federal Transit Administration (FTA).

In addition to establishing goals, state and local recipients of USDOT funds identify eligible DBEs through a certification process. The certification of DBEs applies to businesses owned by socially and economically disadvantaged persons as defined in the federal regulations. Certifiers make the determinations based on on-site visits, personal interviews, reviews of licenses, stock ownership, equipment, bonding capacity, work completed, resumes of principal owners and financial capacity. The main objectives of the DBE Program are:

- To ensure that small disadvantaged business enterprises (DBE) can compete fairly for federally funded transportation-related projects.
- To ensure that only eligible firms participate as DBEs.
- To assist DBE firms in competing outside the DBE Program.

In Minnesota, there is a single DBE goal which includes firms owned by women and minority group members operating as prime or subcontractors. The DBE goal for Minnesota is 8.7 percent for FFY 2010 and 2011. Federal regulations require statewide goals be established every three years. Mn/DOT will submit the next goal request prior to September 30, 2011 for FFY 2012.

### **Definition of DBE**

DBEs are for-profit small business concerns in which socially and economically disadvantaged individuals own at least a 51 percent interest and control management and daily business operations.

African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and Women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged which is determined on a case-by-case basis.

### **Requirements for DBE Participation**

To participate in the DBE program, a small business owned and controlled by socially and economically disadvantaged individuals must receive DBE certification from the relevant state agency. In Minnesota, DBE certification is granted by the Minnesota Uniform

Certification Program (MnUCP) which is comprised of Mn/DOT, Metropolitan Council and Metropolitan Airports Commissioner.

An eligible owner must have a personal net worth that does not exceed \$750,000. A small business firm must meet SBA size criteria and have average annual gross receipts not to exceed \$22.41 million. Size limits for the airport concessions DBE program are higher.

**1) State the department's annual overall goal, compared with the percentage attained:**

**Annual Goal and Attainment Rates**

The Federal Highway Administration DBE goal approved for Minnesota in FFY 2009 was 15.3 percent. The achievement rate was 3.6 percent. For FFY 2010 and 2011, the DBE goal is 8.7 percent. The achievement rate for FFY 10 was 5.6 percent.

Minnesota's next DBE goal request is due on September 30, 2011 for FFY 2012.

**2) Explain the methodology, applicable facts, and public participation used to establish the overall goal:**

**Goal Methodology and Public Participation**

Mn/DOT's Office of Civil Rights established the overall goal of 15.3 percent for **FFY 2009** using the factors described in 49 CFR Part 26.45. The Minnesota Department of Transportation DBE Program Goal Setting Methodology for Federal Fiscal Year 2009 document (Attachment A) provides details of the methodology used, all applicable facts and public participation solicited to establish the overall goal of 15.3 percent. This methodology included the use of the 2005 NERA Economic Consulting availability study entitled "Race, Sex and Business Enterprise: Evidence from the State of Minnesota. "

Mn/DOT's Office of Civil Rights established the overall goal of 8.7 percent for **FFY 2010** using the factors described in 49 CFR Part 26.45. The Minnesota Department of Transportation DBE Program Goal Setting Methodology for Federal Fiscal Year 2010 document (Attachment B) provides details of the methodology used including, all applicable facts such as data charts and public participation solicited. This methodology incorporated;

- 1) NERA, Study used in 2009 (15.3 percent)
- 2) The U.S. Census Bureau Data and The DBE Directory provided information on DBEs who were ready, willing and able to perform construction and construction-related work on Mn/DOT projects sorted by NAICS codes. The analysis yielded a 2 percent relative availability of DBEs.
- 3) The Bidders List methodology examined data on federally funded contracts awarded by Mn/DOT local jurisdictions during a fifteen month period. This resulted in a data point of 8.8 percent relative availability of DBEs.

These three data points were then averaged to arrive at the overall DBE goal for FFY 2010 8.7 percent.



Goal Calculation	
Averaging Data Points	DBE Goal
15.3% + 2% + 8.8% = 26.1 (÷ 3) =	8.7%

**(3) Describe good faith efforts to meet the goal, if the goal was not attained.**

**Good Faith Efforts**

Mn/DOT has a combination of ongoing good faith efforts initiatives intended to assist in reaching Minnesota’s DBE goal including:

- 1) Implementing recommendations of the DBE and Workforce Development Collaborative Group and the work of the eleven (11) project teams,
- 2) Formed the Pilot Project Team to assess the feasibility of trying a different project management approach on Mn/DOT projects in a manner that would increase the likelihood of DBE’s participation on projects and/or participate as primes. This team was formed in August 2010.
- 3) Promote earlier involvement in order to maximize DBE participation on Mn/DOT projects.
- 4) Providing training to DBE’s on ‘How to Use Bid Express’ for those who expressed a desire to learn more about Mn/DOT’s electronic procurement tool when submitting quotes/bids for consideration.
- 5) A targeted approach to increasing DBE participation focusing on three specific areas:
  - a) Develop and improve DBE Business Development Program services;
  - b) Improve and increase DBE Good Faith Efforts enforcement to ensure DBE businesses have equal access to work on Mn/DOT projects; and
  - c) Increase and target DBE outreach efforts to grow the pool of available DBEs.

DBE and Workforce Collaborative Group

The Disadvantaged Business Enterprise & Workforce Collaborative focuses on the Mn/DOT’s strategic direction of transparency. Mn/DOT leadership and the Office of Civil Rights are committed to working with stakeholders, including general contractors, DBEs, community/business advocates, unions, non-union contractors and the FHWA in identifying and implementing innovative solutions to increase participation of DBEs on Mn/DOT projects.

During the 2010 Legislative Session, the Minnesota Legislature passed §174.186 Disadvantaged Business Enterprise Collaborative, directing Mn/DOT to convene the Collaborative and to report back on its progress during the 2011 Legislative Session. The members of the Collaborative, working with an independent facilitator, built trust and shared ownership of the common goal of improving the DBE Program. A staff person from the Office of Civil Rights Office is assigned to each project team. The Collaborative 11 project teams are:

- Results Transparency
- Coordinated Access Point for potential DBEs and diverse workforce recruitment;
- On-The-Job Training (OJT) Program to increase a diverse workforce on projects
- Civil Rights Program Training

- OJT Trainee Tracking and Retention
- DBE Program and Good Faith Efforts
- Mentor Protégé Program for DBEs
- Working Capital Loan Fund for DBEs
- Targeted Group Business (TGB) for State Funded Projects
- Veteran's Preference Program for State Funded Projects
- Construction Pilot Project.

### Office of Civil Rights Restructuring

In May 2009, Mn/DOT's internal Office of Civil Rights was restructured with input from Disadvantaged Business Enterprises, Community Based Organizations, DBE and Workforce Development Advisory Team Members, Association of General Contractors, Subcontractors, Unions, Department of Human Rights, Affirmative Action Office, Individual Employee Meetings, and Construction Project Personnel. Mn/DOT took an extensive review of other states organizational structures. Attachment C is the current OCR organizational chart. The current structure aligns the Office's programs, products and services to meet:

- External customer/partner/stakeholder needs
- Expansion of a DBE Business Development Program
- Internal Accountability
- Advanced Data Reporting Capability
- Regionalization of the DBE and Contract Compliance Specialists to strengthen relationships with all partners
- Development of employee skill sets

The DBE Section of the Office of Civil Rights has a new supervisor and is fully staffed as of October 30, 2010. The state is divided into four regions with one specialist assigned to each area. It is critical to work with the primes and DBEs located in those regions. The Veteran's Preference Program enacted in 2009 is assigned a specialist and the proposed Targeted Group Business Program will also be managed under this unit. The Business Development Section has a new supervisor and staff that include a Business Development Specialist, Contract and Grants Administrator, Program Outreach Coordinator, and Civil Rights and Labor Management Systems and Data Administrator. A great portion of this structure includes outsourcing all federal grants and Mn/DOT funds to community organizations and private businesses.

### Targeted Approach

Mn/DOT uses a targeted approach that focuses on three specific areas to increase DBE participation in the delivery of federally funded projects.

#### **1. Enhance and improve DBE Business Development Program services to increase pool of available DBE's.**

Mentor Protégé Program (Collaborative Project Team) - The Mentor/Protégé Program will assist DBEs to become more proficient in their respective area of work or increase their capabilities. The program will focus on increasing the volume of work that emerging DBEs are capable of obtaining to broaden the base of their business activities, and increasing the number and long term stability of certified DBE firms. A Mentor/Protégé arrangement exists when an experienced company or individual (Mentor) provides assistance and training to a certified DBE (Protégé). The Mentor Protégé arrangement can range from technical to management assistance, or the creation of a new, jointly-owned firm or agreement. All applications for the Mentor/Protégé Program are reviewed on a case-by-case basis.

- Developed the Mentor Protégé program. Mn/DOT as part of the Minnesota Unified Certification Program worked with Met Council and MAC to develop streamlined processes to accept Mentor and Protégé applications, agreements and UCP approvals. The objective was to have 10 Mentor Protégé agreements executed by December 2010. The project executed 11 agreements.
- Identified 114 Highway Heavy contractors as possible mentors.
- Twenty-seven protégé applications have been received and are waiting to be paired with mentors. Identified 299 Highway Heavy DBEs.
- Mn/DOT received a federal grant of \$200,000 to provide reimbursement to mentors for assistance provided to protégés.
- The marketing and outreach efforts have been established and will develop a networking group format.
- Developed a directory for approved Mentor/Protégés.
- Mentor protégé brochure marketing the program was completed.
- Established an agreement with South Central College to conduct classes with approved protégés to assist with enhancing their business plans with emphasis on business development objectives and goals.

Working Capital Loan Fund (WCLF) (Collaborative Project Team) - The program provides short-term working capital loans to certified DBE firms on specified Mn/DOT projects. The goal of the program is to enable DBEs to successfully expand and grow their businesses. The WCLF began with a small pool of state funds with the potential for minimal growth with the addition of interest on repaid loans. The WCLF will be operated using loan fund industry standards and will require DBEs to have some creditworthiness to be eligible for a loan. The fund currently has \$218,000 for the first year of operation and is developing a plan to increase this amount.

## **2. Improve and increase DBE Good Faith Efforts (GFE) enforcement to ensure DBE businesses have equal access to work on Mn/DOT projects.**

As mentioned earlier, OCR is reorganized which included assigning DBE Specialists by Region. The DBE specialists have been focusing in 2010 on working directly with Minnesota's prime and sub contractors, along with the DBEs available in that region, to suggest ways to increase DBE participation on individual projects.

Mn/DOT implemented revised DBE Special Provisions effective with the October 22, 2010 letting. The goal of the changes is to increase enforcement of the program guidelines and increase DBE participation.

### DBE Special Provisions Goals:

The goals of the revised DBE Special Provision are to maximize all feasible opportunity for DBEs and small businesses to participate in contracts financed in whole or in part with federal funds and are intended to achieve the following objectives:

1. Promote earlier involvement in order to maximize DBE participation on projects;
2. Increase the number of contractors meeting and exceeding their DBE commitment at the time of bid letting;

3. Shift good faith efforts to before the bid submittal thus eliminating most 0 percent commitment rates submitted in bids (an established performance measure)

#### DBE Special Provisions Summary:

1. Sets clear expectations, timelines and assessments pertaining to meeting the goal or GFE.
2. Modifies a current three day provision regarding the submission of GFE documentation to five enforceable business days.
3. Provides for the Office of Civil Rights to work diligently at complete GFE processes within the scope of 10-12 business days whenever possible.
4. The Special Provisions have been reconciled with the current terminology provided for within 49 CFR Part 26 and Appendix A.
5. Sets clear protocol, policy and provision regarding the Apparent Low Bidder (ALB)'s reconsideration due process rights.

#### DBE Special Provisions Implementation Timeline:

1. Letter to Primes, DBE's, Mn/DOT, State, City, County, Project Managers, etc. went out August 31, 2010 announcing and attaching a new DBE Special Provision, training announcement and flowchart of the new process. (See, <http://www.dot.state.mn.us/civilrights/dbe/index.html>)
2. Training for all on the DBE Program, DBE Special Provision and Business Development Programs was conducted on September 21, 2010.
3. In September and October internal changes to all websites and internal policies and procedures were completed.
4. October 22, 2010-DBE New Special Provision implemented.
5. A thorough and detailed letter was sent to all Contractors on October 27, 2010 from the Office Director clearly stating the changes taking place and reiterates what the good faith efforts contract clearance process includes.

#### Pre-Qualification Program Participation

1. Mn/DOT has convened a DBE Professional/Technical Consultant Roundtable which has been meeting quarterly this past year. This group consists of DBEs and members of Mn/DOT to specifically address and discuss:
  2. Questions, issues and concerns from DBEs
  3. Consultant collaboration updates and initiatives
  4. Consultant contracting news
  5. Possible development of a pilot project to incorporate more small business participation in Mn/DOT's Pre-qualification Program
  6. Specific ways that DBE's can increase their chances of being awarded a professional/technical contract.

### **3. Increase and target DBE Outreach efforts to grow the pool of available DBE's.**

Mn/DOT contracted with an outside consultant, The Dieringer Group, to conduct an in-depth needs assessment for both the DBE Program and Workforce/On-the-Job Training Program. The information obtained from the needs assessment provided valuable insight into DBE businesses. It also called attention to the concerns of OJT providers regarding success and barriers. This information will be used in 2010 to revise various business development outreach and training strategies for implementation in 2011.

#### Coordinated Access Point for Recruitment (Collaborative Project Team)

Create a single point of entry for major certifications in Mn/DOT construction project procurement. A proposal to create a single certification has been developed and approved by the collaborative. The intent is to grow the number and variety of

certified DBEs bidding on projects and develop a user-friendly and effective DBE directory that is useful to both contractors and DBEs.

Enhance Mn/DOT's DBE directory: Work with internal and external clients to develop a more effective DBE directory. Mn/DOT is currently implementing a new database system titled the Civil Rights Labor Management System (CRLMS) that will allow access to improved information about DBE businesses. CRLMS is currently in the beta testing stage and will be ready for full implementation in December 2011. Revisions to the DBE Directory section will come after this phase.

Develop targeted outreach efforts to increase DBE pool

Work with industry-specific outreach events to host various industry unions and associations to reach a broader DBE audience. Research and identify under-represented work types on Mn/DOT projects. Mn/DOT staff has begun discussions with representatives from local Heavy Equipment Operators union and the Electrical Contractors Association to develop DBE education and outreach event for potential DBE businesses. Mn/DOT Office of Research conducting gap analysis of DBE's for use in developing targeted DBE Outreach. OCR attended December 17<sup>th</sup> Heavy Equipment Operator Union DBE Outreach event for current union members interested in becoming a certified DBE. Approximately 20 people in attendance.

Continue working with the three selected organizations to conduct DBE Outreach and Business Assistance: Midwest Construction Group/Association of Women Contractors, Performix Business Services and Selby Area Community Development Center. These organizations will develop a coordinated strategy using the gap analysis information to outreach to potential DBE's identified as a need within Mn/DOT.

There have been many DBE outreach and awareness events in which Mn/DOT staff has participated. Approximately, 300 DBE applications have been distributed at these events. Approximately, 50 firms have submitted DBE applications as a result of these efforts. Provide a DBE orientation for newly certified and re-orientation for currently certified DBE firms that covers "What it means to be a DBE," this orientation will also include a needs assessment for newly certified firms and an evaluation for current non-bidding DBE firms to identify the training path which will enable the DBE firms to overcome their social and economic disadvantage.

Provide training sessions to enhance technical expertise of DBE firms in areas such as financial management, bookkeeping, accounting, marketing, risk management, bidding and estimating, Mn/DOT's pre-qualification program, and individualized training to enhance the technical training provided when necessary. Mn/DOT staff along with Business Development consultant contractors has presented over 30 training sessions to over 600 DBE participants on topics ranging from accounting, financial skills and sales presentation to the Mn/DOT Pre-Qualification program. See Attachment D, Office of Civil Rights Marketing, Outreach and Training FY 2009-2010, for specific marketing, outreach and training activities.

**4) Describe actions to address overconcentration of disadvantaged business enterprises in certain types of work.**

## Overconcentration

### Description

The DBE Program is not to exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by this part on the basis of race, color, sex, or national origin. In administering the DBE program, Mn/DOT must not, directly or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the program with respect to individuals of a particular race, color, sex, or national origin.

Mn/DOT's Disadvantaged Business Enterprise (DBE) Program maintains a commitment to ensuring that DBEs have the opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with Federal funds. It does so by providing a level playing field for small minority- and women-owned companies wanting to do business with Mn/DOT and other agencies receiving federal funds. The federal regulations address the issue of overconcentration at 49 CFR §26.33.

If there is a determination made by Mn/DOT that DBE firms are so over-concentrated within a certain type of scope of work as to unduly burden the opportunity of non-DBE firms to participate within the same type of work, Mn/DOT must devise appropriate measures to address this overconcentration. Measures may include the use of incentives, technical assistance, business development programs, mentor protégé programs, and other appropriate measures designed to assist DBEs in performing work outside of the specific field in which you have determined that non-DBEs are unduly burdened. Mn/DOT may also consider varying its use of contract goals, to the extent consistent with §26.51 (race-neutral means of facilitating DBE participation), to insure that non-DBEs are not unfairly prevented from competing for subcontracts. Proposed measures to address issues of overconcentration and the determination that such a need exists must be approved by the Federal Highway Administration (FHWA). Once approved, the measures become part of the DBE program.

### Action Steps

The DBE Directory is comprised of approximately 625 disadvantaged business enterprises. These DBEs represent highway heavy and professional service DBEs who do business with Mn/DOT, Metropolitan Airport Commission (MAC) and The Metropolitan Council (MET Council). The following is its demographic profile:

- Women-owned (non-minority) DBEs – 295 or 47.2 percent of the total DBEs
- Latino/Hispanic DBEs – 65 or 10.4 percent of the total DBEs
- African American DBEs – 150 or 24 percent of total DBEs
- Asian/Pacific Islanders – 60 or 9.6 percent of total DBEs
- Native American DBEs – 53 or 8.5 percent of total DBEs
- Other (those identifying themselves as other ethnic groups) DBEs – 2 or .32 percent of total DBEs.

Mn/DOT projects for FY2009 show the greatest DBE participation within the following scopes of work:



Fencing	Striping
Trucking	Traffic Control
Site Preparation	Erosion Control
Landscaping	Electrical Supplies

In 2009, DBE participation occurred most frequently in the following areas of work: trucking, landscaping, traffic control and electrical supplies. It is unclear whether this is the result of solicitation by contractors only within these areas of work or whether it indicates an overconcentration of certified DBEs in these entry points in the highway heavy/road construction industry.

Mn/DOT projects for FY2010 show the greatest DBE participation within the following scopes of work:

Trucking	Pavement Marking
Traffic Control	Erosion Control
Site Preparation	Fabrication of Metals
Landscaping	Electrical Supplies

In 2010, DBE participation occurred most frequently in the following areas of work: trucking, traffic control, pavement marking, landscaping and electrical supplies. As stated above, it is unclear whether this is the result of solicitation by contractors only within these areas of work or whether it indicates an overconcentration of certified DBEs in these entry points in the highway heavy/road construction industry. These issues are currently under review. Mn/DOT will develop a plan to determine whether there is an over-concentration and the appropriate steps for corrective action.

The highway heavy and road construction industry often requires emerging small businesses to have access to financial liquidity and collateral to secure significant amounts of capital funding in advance of performance. These financial requirements may function as a barrier to women and members of communities of color who historically have not had the same access to the credit market. Therefore, it is common to have an overconcentration within scopes of work that do not a large amount of capital. These areas of work are generally within landscaping, trucking, pavement marking, concrete cutting and other general scopes of concrete work, fencing, traffic control, grading and site prep work, grading/excavation and general construction clean up. There is also an increased likelihood of over-concentration of DBEs in the material supplies as this usually does not require large sums of start-up capital.

Mn/DOT responded by taking the following steps:

1. Mn/DOT piloted a new approach to managing its overall goal setting. The process was implemented in goal setting for the 2011 construction season. The DBE Program revisited the designation of contracts as race-gender neutral. Previously, contracts for \$350,000 or less were automatically identified as race-neutral for DBE participation purposes. For the 2011 construction season, the determination of whether the contract includes DBE goals will be made by considering DBE capacity rather than a set dollar amount. This strategy should increase the number of DBEs who have the capacity to participate as primes on smaller sized Mn/DOT projects.
2. The Mentor Protégé Program discussed previously, assists in addressing some of the barriers experienced by emerging DBE businesses. The program helps them to expand into non-traditional areas of work or compete in the marketplace outside the DBE Program through means such as training and assistance from other firms. The

Mentor/Protégé Program assists DBEs to become more proficient in their respective area of work. More importantly, the program is able to work in collaboration with the DBE Program in implementing alternative strategies which address issues of over-concentration within respective scopes of work caused by barriers commonly faced by DBEs. These include a lack of financial support, lack of basic business management skills, strategic marketing, etc. The Mentor Protégé Program focuses on increasing the volume of work that emerging DBE's are capable of obtaining, broadening the activities, and increasing the number and long term stability of certified DBE firms.

3. Also noted previously, the Working Capital Loan Fund (WCLF) Program provides short-term working capital loans to certified DBE firms on specified Mn/DOT projects. The goal of the program is to enable DBEs to be successful and to expand and grow their businesses. The WCLF operates by using loan fund industry standards and require DBEs to have some creditworthiness to be eligible for a loan. All loan requests are reviewed by an independent credit committee for approval.

**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 efforts.**

### **Contractor Performance**

#### 2009 Data

In 2009, approximately 483 Mn/DOT projects had proposed DBE goals on them. Of the 483 contracts with DBE goals, contractors met the goal in 102 contracts or 21 percent of them.

#### 2010 Data

In 2010, approximately 226 Mn/DOT projects had proposed DBE goals on them. Of the 226 contracts with DBE goals, contractors met the goal in 119 contracts or 53 percent of them.”

The federal regulations require contractors who fail to meet the DBE goal on a project provide evidence to demonstrate that they made adequate good faith efforts to do so despite being unsuccessful. A contractor's failure to meet this standard will result in the rejection of its bid. Mn/DOT did not reject bids in 2009 or 2010 for a failure to make adequate good faith efforts.

The federal regulations allow Mn/DOT to impose monetary sanctions or withhold progress payments for failure to make adequate good faith efforts after the contract has been awarded. Mn/DOT did not impose sanctions against any contractors for failing to make good faith efforts.

**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.**

## Contracts with No DBE Goals

In accordance with the requirements of Minn. Stat. §16C.16 Mn/DOT committed to ensure that all minority-owned, women-owned or veteran-owned small businesses have the opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with federal or state funds. Mn/DOT implemented a Veterans Preference Program and proposing legislation which reinstates its Targeted Group Business (TGB) Program in 2011.

### Veterans Preference Program

Since the program's inception in February of 2010, a total of 107 state funded Mn/DOT projects included either a veteran participation goal or was subject to a veteran preference. The Veterans Preference Program Participation Report (Attachment E) details the contract dollars on Mn/DOT projects.

- A total of 107 projects were given a veteran goal.
- The contractors met or exceeded the goal on 33 contracts, or 31 percent of the time.
- 2 contractors self-identified as a veteran-owned business to receive the veteran's preference on the state funded Mn/DOT project.

Minn. Stat. §161.321 Subd. 2, (2) sets forth a goal for the use of veteran-owned small business. Specifically, it applies to recently separated veterans who have served in active military service at any time, those who have been discharged under annual honorable condition, and Veterans who meet other statutory requirements.

Mn/DOT's Veterans Preference Program is managed by the Office of Civil Rights. The program is structured as a hybrid of the approach used by Admin and the DBE Program. The program allows for a 6 percent Veteran preference that applies solely for the purpose of evaluating proposals; and the value of which was not to exceed \$60,000. It is not used to determine the contract award amount or payment due to the contractor under the contract. There are also veteran goals set on projects falling under the auspices of Minn. Stat. §161.321 Subd. 2.

## Acronyms

ALB – Apparent Low Bidder  
ARRA – American Recovery and Reinvestment Act of 2009  
CAC – Certification Application Committee  
CBO – Community Based Organization  
CDL – Commercial Drivers License  
CFR – Code of Federal Regulations  
CPR – Cardio Pulmonary Resuscitation  
CRLMS – Civil Rights Labor Management System  
DBE – Disadvantaged Business Enterprise  
DCTC – Dakota County Technical College  
EEO – Equal Employment Opportunity  
FAA – Federal Aviation Administration  
FFY – Federal Fiscal Year  
FHWA – Federal Highway Administration  
FTA – Federal Transit Administration  
GFE – Good Faith Efforts  
HHOT – Highway Heavy Occupations Training  
MAC – Metropolitan Airports Commission  
MEDA – Metropolitan Economic Development Association  
Mn/DOT – Minnesota Department of Transportation  
MnSCU – Minnesota State Colleges and Universities  
Mn/UCP – Minnesota Unified Certification Program  
MSHA – Mine Safety and Health Administration  
NAICS – North American Industry Classification System  
OCR – Office of Civil Rights  
OFCCP – Office of Federal Contract Compliance Programs  
OJT – On the Job Training  
OSHA – Occupational Safety and Health Administration  
ROADS – Road Opportunities and Diversity Success  
SALT – State Aid for Local Transportation  
STIP – Statewide Transportation Improvement Program  
TERO – Tribal Employment Rights Offices  
TESS – Tribal Employment Supportive Services  
TGB – Targeted Group  
USDOT – United States Department of Transportation  
WCLF – Working Capital Loan Fund

## **Minnesota Statute §174.03, Subd. 10-11**

### **Subd. 10. Highway construction training; report.**

(a) The commissioner of transportation shall 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.

(b) The commissioner of transportation must 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.

### **Subd. 11. Disadvantaged business enterprise program; report.**

(a) The commissioner shall 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.

(b) The commissioner of transportation shall 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](#).



**MINNESOTA DEPARTMENT OF TRANSPORTATION'S DBE PROGRAM  
GOAL SETTING METHODOLOGY FOR FEDERAL FISCAL YEAR 2009**

The Minnesota Department of Transportation's (Mn/DOT) Office of Civil Rights (OCR) submits this methodology to the U.S.DOT's Federal Highway Administration (FHWA) for review and approval pursuant to 49 C.F.R §26.45 – "*Participation by Disadvantaged Business Enterprises In Department of Transportation Financial Assistance Programs – How Do Recipients Set Overall Goals.*" For Federal Fiscal Year (FFY) 2009, Mn/DOT has established a proposed overall DBE goal of 15.3%, which includes no adjustments.

**I. Goal Setting Methodology (49 C.F.R. §26.45)**

In developing its overall DBE goal for FY 2009, Mn/DOT used the factors described in 49 C.F.R. §26.45. A detailed discussion of the methodology is presented below.

**A. Step One – Base Figure**

Mn/DOT commissioned NERA Economic Consulting to conduct an availability study on the relevant businesses owned by minorities and women in Mn/DOT's marketplace. This study, entitled, "Race, Sex and Business Enterprise: Evidence from the State of Minnesota," was used by Mn/DOT to establish the DBE Goal.

NERA examined data on federally funded contracts awarded by Mn/DOT through bid lettings between Federal Fiscal Years (FFY) 2000 through 2004. The data was obtained from Mn/DOT staff and databases. Mn/DOT has collected and retained key information on the first tier subcontractors and suppliers for all construction projects. These records include each firm's unique business identification number, business name, business address, contract award amount and DBE status. This data was cross referenced with Mn/DOT vendor records, Dun & Bradstreet, and ABI-Inform in order to obtain a primary Standard Industrial Classification (SIC) code for each firm. This process was followed for both construction and consultant related contracts.

**Distribution of Mn/DOT Contracting Dollars - Weighting Factors**

Based on the SIC codes assigned to each firm in the Master Contract/Subcontract database, NERA estimated product market weights according to the proportion of total dollars attributable to each SIC code. These weights show the relative importance, in dollars, of the activity represented in each SIC code. In construction, NERA identified 102 distinct SIC codes within the 780 contracts they studied. Of these 102 SIC codes, however, 35 account for more than 95% of the total dollars spent. NERA took these 35 SIC codes to represent Mn/DOT's Construction product market. In consulting, NERA identified 30 distinct codes within the 3,740 codes studied. Of these 30 SIC codes, only 9 account for more than 95% of the total dollars spent. NERA took these 9 SIC codes to represent Mn/DOT's consulting product market.

The top 35 construction SIC codes and their corresponding distribution percentages of construction contracting dollars are listed below in Table A. The top 9 consultant SIC codes and their corresponding distribution of contracting dollars are listed below in Table B.

<b>TABLE A – CONSTRUCTION CONTRACTING DOLLARS</b>		
<b>SIC Codes</b>	<b>Title</b>	<b>Distribution of Mn/DOT Contracting</b>
1611	Highway, Street & Bridge Construction	70.1%
1731	Electrical Work	5.6%
1771	Concrete Work	5.0%
1542	Nonresidential Construction	2.7%
1791	Structural Steel Erection	1.6%
1629	Heavy Construction	1.6%
1794	Excavation Work	1.6%
0782	Lawn and Garden Services	1.3%
0783	Ornamental Shrub and Tree Services	1.3%
3272	Concrete Products	0.9%
5032	Brick, Stone, and Related Construction Materials	0.8%
3993	Signs and Advertising Displays	0.7%
4212	Local Trucking Without Storage	0.7%
4213	Trucking, Except Local	0.7
1721	Painting	0.6
8711	Engineering Services	0.5
3441	Fabricated Structural Metal	0.5
3444	Sheet Metal Work	0.5
3446	Architectural Metal Work	0.5
5051	Metals, Service Centers and Offices	0.5
1623	Water, Sewer, and Utility Lines	0.4
1711	Plumbing, Heating, and Air Conditioning	0.3
5063	Electrical Apparatus and Equipment, Wiring Supplies & Construction Materials	0.2
1799	Special Trade Contractors	0.2
7359	Equipment Rental and Leasing	0.2
1442	Construction Sand and Gravel	0.2
1622	Bridge, Tunnel, and Elevated Stonework	0.1
1741	Masonry and Other Stonework	0.1
7353	Heavy Construction Equipment Rental and Leasing	0.1
3669	Communication Equipment	0.1
5193	Flowers, Nursery Stock, and Florist's Supplies	0.1
1796	Installing Building Equipment	0.1
3271	Concrete Brick and Block	0.1
5084	Industrial Machinery and Equipment	0.1
5031	Lumber, Plywood, Millwork, and Wood Panels	0.1
	<b>Total of Top 35 DBE Mn/DOT Construction SIC Codes</b>	<b>100%</b>

The top SIC codes for consultants are listed below.

SIC Codes	Title	Distribution of Mn/DOT Contracting
8711	Engineering Services	55.1
0783	Ornamental Shrub and Tree Services	11.8
8712	Architectural Services	10.9
1611	Highway and Street Construction	7.0
8713	Surveying Services	5.0
6531	Real Estate Agents and Managers	4.0
3669	Communications Equipment	3.0
8734	Testing Laboratories	2.0
8731	Commercial Physical and Biological Research	1.4
	<b>Total of Top 9 DBE Mn/DOT Consultant SIC Codes</b>	<b>100%</b>

#### Geographic Market Definition

NERA made a determination of the geographic dimensions of Mn/DOT's contracting markets. NERA used the master contract/subcontract database, as described earlier, to obtain the zip codes for each contractor and subcontractor in the database. NERA then disaggregated the database by state, highway district and county and calculated the percentage of Mn/DOT contract dollars awarded to businesses in different geographical areas. Table C presents the results of these calculations. Businesses located in Minnesota account for the vast majority of Mn/DOT's contracting expenditures, regardless of category. Mn/DOT awarded 89.4% of its construction dollars during the study period to contractors with businesses located in Minnesota. For consultant contracts, the figure was 90.7% and the combined figure is 89.5%. Based on these results, NERA defined Mn/DOT's geographic market to be the State of Minnesota for purposes of estimated availability.

Location	Construction (%)	Consultant (%)	Combined (%)
Inside Minnesota	89.4	90.7	89.5
Outside Minnesota	10.6	9.3	10.5
Metropolitan	71.1	93.1	72.6
Non-Metropolitan	28.9	6.9	27.4

#### Identifying Businesses in the Relevant Markets

The DBE availability percentage (unweighted) is defined as the number of DBEs divided by the total number of businesses in the counties and industries relevant to Mn/DOT's contracting activities. NERA used Dun & Bradstreet's MarketPlace database to determine the total number of businesses operating in the relevant geographic and product markets. NERA used the MarketPlace database to identify the total number of businesses in each SIC code to which NERA had assigned a product market weight. Table D listed below shows the number of businesses identified in each SIC code, along with associated industry weight, all contracts combined.

**TABLE D – BUSINESS DISTRIBUTION**

<b>SIC Codes</b>	<b>SIC Descriptions</b>	<b>Number of Establishments</b>	<b>Industrial Weight</b>	<b>Industry Weight (Cumulative)</b>
1611	Highway, Street & Bridge Construction	501	65.8	65.8
1731	Electrical Work	2009	5.2	71.0
1771	Concrete Work	930	4.7	75.7
8711	Engineering Services	1193	4.2	79.9
1542	Nonresidential Construction	1243	2.5	82.4
0783	Ornamental Shrub and Tree Services	441	2.1	84.4
1791	Structural Steel Erection	55	1.5	85.9
1629	Heavy Construction	304	1.5	87.4
1794	Excavation Work	1134	1.5	89.0
0782	Lawn and Garden Services	1818	1.2	90.2
3272	Concrete Products	102	0.8	91.0
5032	Brick, Stone & Related Construction Materials	226	0.7	91.8
8712	Architectural Services	558	0.7	92.5
3993	Signs and Advertising Displays	582	0.6	93.2
4212	Local Trucking Without Storage	2182	0.6	93.8
4213	Trucking, Except Local	1322	0.6	94.4
1721	Painting	1620	0.6	95
3441	Fabricated Structural Metal	164	0.6	95.4
3444	Sheet Metal Work	238	0.5	95.9
3446	Architectural Metal Work	67	0.5	96.3
5051	Metals, Service Centers and Offices	198	0.4	96.8
1623	Water, Sewer, and Utility Lines	307	0.4	97.1
8713	Surveying Services	139	0.3	97.5
1711	Plumbing, Heating & Air Conditioning	2692	0.3	97.8
3669	Communications Equipment	32	0.3	98.1
6531	Real Estate Agents and Managers	537	0.3	98.4
5063	Electrical Apparatus & Equipment, Wiring Supplies & Construction Materials	443	0.2	98.6
1799	Special Trade Contractors	1978	0.2	98.7
7359	Equipment Rental and Leasing	823	0.2	98.9
1442	Construction Sand and Gravel	84	0.2	99.1
8734	Testing Laboratories	179	0.1	99.2
1622	Bridge, Tunnel, and Elevated Stonework	28	0.1	99.3
1741	Masonry and Other Stonework	753	0.1	99.4
7353	Heavy Construction Equipment Rental & Leasing	66	0.1	99.6
8731	Commercial Physical and Biological Research	245	0.1	99.7
5193	Flowers, Nursery Stock & Florist's Supplies	134	0.1	99.7
1796	Installing Building Equipment	56	0.1	99.8
3271	Concrete Brick and Block	29	0.1	99.9
5084	Industrial Machinery & Equipment	1129	0.1	99.9
5031	Lumber, Plywood, Millwork & Wood Panels	438	0.1	100.0
	<b>Total</b>	<b>26,979</b>		

MarketPlace was not the only source for identifying potential DBE contractors. In addition to the above, NERA conducted intensive regional search for minority owned and women owned businesses in Minnesota. A large number of public and private entities were contacted to extract information concerning additional potential DBE contractors. These entities included state, county, and various other directory sources. After all potential sources were exhausted, NERA listed DBEs according to SIC codes. This list is provided in Table E below.

TABLE E – POTENTIAL DBES BY SIC CODE				
SIC Codes	SIC Descriptions	Number of Establishments	Industrial Weight	Industry Weight (Cumulative)
1611	Highway, Street & Bridge Construction	30	65.8	65.8
1731	Electrical Work	140	5.2	71.0
1771	Concrete Work	48	4.7	75.7
8711	Engineering Services	99	4.2	79.9
1542	Nonresidential Construction	70	2.5	82.4
0783	Ornamental Shrub and Tree Services	16	2.1	84.4
1791	Structural Steel Erection	9	1.5	85.9
1629	Heavy Construction	15	1.5	87.4
1794	Excavation Work	57	1.5	89.0
0782	Lawn and Garden Services	131	1.2	90.2
3272	Concrete Products	4	0.8	91.0
5032	Brick, Stone & Related Construction Materials	17	0.8	91.8
8712	Architectural Services	61	0.7	92.5
3993	Signs and Advertising Displays	85	0.6	93.2
4212	Local Trucking Without Storage	125	0.6	93.8
4213	Trucking, Except Local	78	0.6	94.4
1721	Painting	117	0.6	95.0
3441	Fabricated Structural Metal	13	0.5	95.4
3444	Sheet Metal Work	19	0.5	95.9
3446	Architectural Metal Work	8	0.5	96.3
5051	Metals, Service Centers & Offices	15	0.4	96.8
1623	Water, Sewer & Utility Lines	27	0.4	97.1
8713	Surveying Services	14	0.3	97.5
1711	Plumbing, Heating & Air Conditioning	114	0.3	97.8
3669	Communications Equipment	10	0.3	98.1
6531	Real Estate Agents & Managers	59	0.3	98.4
5063	Electrical Apparatus & Equipment, Wiring Supplies & Construction Materials	37	0.2	98.6
1799	Special Trade Contractors	127	0.2	98.7
7359	Equipment Rental and Leasing	79	0.2	98.9

1442	Construction Sand and Gravel	1	0.2	99.1
8734	Testing Laboratories	26	0.1	99.2
1622	Bridge, Tunnel, and Elevated Stonework	4	0.1	99.3
1741	Masonry and Other Stonework	36	0.1	99.4
7353	Heavy Construction Equipment Rental & Leasing	7	0.1	99.6
8731	Commercial Physical & Biological Research	27	0.1	99.6
5193	Flowers, Nursery Stock & Florist's Supplies	21	0.1	99.7
1796	Installing Building Equipment	2	0.1	99.8
3271	Concrete Brick & Block	0	0.1	99.9
5084	Industrial Machinery and Equipment	73	0.1	99.9
5031	Lumber, Plywood, Millwork & Wood Panels	27	0.1	100.0
	<b>Total</b>	<b>1,848</b>		

If the firms listed in the previous table as potential DBEs are all DBEs, and are all the only DBEs among all the businesses identified in Table D, then an estimate of listed DBE availability would be calculated by simply the number of listed DBEs divided by the total number of businesses in the relevant market. However, for two reasons this is not an accurate representation. The first reason for not calculating the DBE availability in this fashion is that the potential DBEs listed are not necessarily minority or woman owned. The second reason is it is likely that there are additional unlisted DBEs among all the businesses included in Table D. Such businesses do not appear in any of the directories gathered by NERA. Therefore additional steps are required to arrive at a narrowly tailored representation of DBE availability in the State of Minnesota.

#### Verify Listed DBEs and Estimate Unlisted DBEs

To determine how often DBE and non-DBE business ownership was misclassified or unclassified by race and/or sex, NERA conducted 6,000 phone interviews of listed DBEs and unclassified businesses. During telephone surveys, up to ten attempts were made to reach each business in a given random sample and speak with an appropriate respondent. Attempts were scheduled for a mix of day and evening, weekdays and weekends, and appointments were scheduled for callbacks when necessary. Approximately two thirds of the sample was comprised of firms that were unclassified by race or sex (putative white males) and the remaining one third was made up of firms that were classified putatively as minorities or white females. The first part of the survey tested whether the samples of listed DBEs were correctly classified by race and/or sex. The second part tested whether the unclassified firms could all be properly classified as non-DBEs. Table F & G summarize the putative DBE survey and putative non-DBE survey, respectively.



TABLE F – PUTATIVE DBE SURVEY				
Putative Race/Sex	Percentage White Male	Percentage of Other DBE Type	Percentage Correctly Classified	Number of Businesses Interviewed
White Female	23.8	4.0	72.2	1,147
Black (either sex)	17.0	7.5	75.5	200
Hispanic (either sex)	38.0	8.2	53.8	292
Asian (either sex)	18.7	7.8	73.5	219
Native Americans (either sex)	27.5	7.7	64.8	91
Unspecified Minority (either sex)	20.0	80.0	0.0	20
All DBE Types	24.8	6.3	68.9	1,969

TABLE G – PUTATIVE NON-DBE SURVEY				
Putative Race/Sex	Percentage White Female	Percentage Minority	Percentage Correctly Classified	Number of Businesses Interviewed
White Male	8.3	2.8	88.9	4,399

As NERA did with the surveys of listed DBEs, NERA assigned probability values (probability actually white male owned, probability actually white female owned, probability actually black owned, etc.) based on the interview process. Putative white male firms were assigned a probability of 88.9% that they were actually white male owned, 8.3% that they were actually white female owned, and 2.8% that they were actually minority owned. Taking these percentages into consideration, over 11% of firms are owned by white females or minority owned.

Estimating Baseline DBE Availability

Table H summarizes the results from each step previously taken to calculate DBE availability. These results are from Mn/DOT federally assisted contracting activity.

TABLE H – BASELINE DBE AVAILABILITY		
Step/Calculation	Number of Businesses	Percentage of Total
All Businesses	26,979	
Listed DBEs	1,848	6.85
Listed DBEs (with industry weights)	1,714	6.35
Listed DBEs (corrected for misclassification)	1,410	5.23
Listed DBEs (corrected for misclassification with Industry weights)	1,415	5.24
Unlisted DBEs (corrected for misclassification)	2,799	10.37
Unlisted DBEs (corrected for misclassification with industry Weights)	2,712	10.05
All DBEs (final, unweighted)	4,209	15.60
All DBEs (final, with industry weights)	4,127	15.30

Table H shows a total of 26,979 businesses operating in the 40 SIC codes within Mn/DOT's geographic market. Of these, 6.85 percent were listed DBEs. With industry weights, the percentage shrinks to 6.35 percent. This decrease occurs primarily because the proportion of listed DBEs in certain industries is less than the overall average. The misclassification survey found that approximately 25 percent of listed DBEs were not actually DBEs. The survey also found that approximately 11% of unclassified firms were DBEs. When NERA combines these two groups of DBEs, the sum yields availability of 15.60%, which then falls slightly to the final overall baseline availability figure of 15.30% once industry weights are applied.

The final results of NERA's baseline DBE availability analysis for Mn/DOT is shown in Table I. Availability for construction contracts is estimated to be 15.18%. Availability for consulting contracts is estimated to be 16.58%. Overall, DBE availability for Mn/DOT contracts is estimated to be 15.3%.

TABLE I – ESTIMATED DBE AVAILABILITY FOR MN/DOT			
Mn/DOT Districts	Overall Percentage	Construction Percentage	Consulting Percentage
Metro	16.57	16.36	17.79
District 3	13.61	13.54	15.18
District 1	16.94	17.16	13.22
District 4	15.69	15.78	13.20
District 8	12.14	12.03	15.05
District 7	14.38	14.41	13.63
District 6	12.67	12.63	13.34
District 2	16.83	16.82	17.06
<b>Total for Entire Geographic Market Area</b>	<b>15.30</b>	<b>15.18</b>	<b>16.58</b>



## **B. Step 2 Consideration of Adjustment to the Base Figure**

Step 2 requires that Mn/DOT examine all evidence available in its jurisdiction to determine what adjustment, if any, is needed to the base figure to arrive at the overall goal. Included among the types of evidence that must be considered pursuant to 49 C.F.R. §26.45 are the current capacity of DBEs to perform work on Mn/DOT's federally assisted contracts, as measured by the volume of work DBEs have performed in recent years, and evidence from disparity studies conducted anywhere within Mn/DOT's jurisdiction, to the extent not already accounted for in the base figure. Mn/DOT must also consider any available evidence from related fields that affect the opportunities for DBEs to form, grow and compete. These include, but are not limited to, statistical disparities in the ability of DBEs to get the financing, bonding, and insurance required to participate in the program, and data on employment, self employment, education, training, and union apprenticeship programs, to the extent relevant to the opportunities for DBEs to perform in the program. The federal regulations caution that any adjustment to the base figure to account for the continuing effects of past discrimination or the effects of an ongoing DBE program must be based on "demonstrable evidence that is logically and directly related to the effect for which the adjustment is sought." 49 C.F.R. §26.45(d)(3). Each of these categories is discussed separately below.

1. Past DBE Utilization - Mn/DOT considered the current capacity of DBEs to perform on its federally assisted contracts, measured by the volume of work DBEs have received in recent years. For FFYs 2000-2007, DBEs received 5.5% of the contract commitments (\$179,259,011.26 of the \$3,283,179,190.60 total awards).
2. Evidence from Local Disparity Studies - Some Twin Cities area governments conducted studies since *City of Richmond v. J. A. Croson* to examine the extent, if any, that construction industry discrimination has affected DBES. These studies suggest anecdotally that the availability of DBEs continues to be affected by the persistent effects of discrimination. However, Mn/DOT is not relying upon these studies because of their age and statistical methodology.
3. Study's Statistical Evidence of Disparities - To provide a quantitative analysis of the effects of discrimination in Mn/DOT's marketplace, the NERA study examined disparities in Minnesota in earnings and business formation rates between DBEs and non-DBEs based upon the 2000 PUMS and Census Bureau's Current Population Survey (CPS).
  - a. Disparities in Earnings - The NERA study analyzed whether minority and female entrepreneurs earn less from their businesses than do their white male counterparts. Other things being equal, if minority business owners as a group have lower earnings from their businesses than comparable non-minorities, economic theory suggests that minority business failure rates will be higher and minority business formation rates will be lower than those that would be observed in a race neutral marketplace. Applying linear regression to assess whether minorities earn less than whites with similar characteristics, the NERA study concluded that similarly situated minorities and women, especially blacks, earn less than their comparable white male counterparts.
  - b. Disparities in Business Formation - Likewise, the NERA study examined whether more minority businesses would have been formed if minorities were as likely to own their own businesses as were similarly situated white males, and if so, how many more such businesses would have been expected to be formed but for discrimination. Using Probit regression to control for age, industry, and education, the Study found large and statistically significant disparities in the business formation rates for DBEs.
  - c. DBE Availability "But For" Discrimination - Using the statistical data on disparities, the study estimated that DBE availability in Minnesota in a race neutral market would be approximately

54.6% higher than the Step 1 estimate for an estimated availability of DBEs “but for” discrimination of 23.4% in a fully race neutral, remediated, and non-discriminatory market. The base figure is depressed because discrimination has impacted the likelihood that minorities and women will become entrepreneurs and that when they do those firms are likely to be less profitable and to fail more frequently.

4. DBE Utilization on Contracts with Race/Gender Neutral Goals - One indicator of the need to continue to apply race conscious measures is the participation of DBEs in the absence of those measures. The results of unremediated markets were an important component of Illinois’ successful defense of the DBE Program in the Northern Contracting case.

The precipitous decline in DBE participation after Mn/DOT’s DBE Program was enjoined was noted by the courts in the Sherbrooke, Western States and Northern Contracting cases in holding the revised Part 26 to be facially constitutional because race neutral measures have proven to be inadequate to ameliorate discrimination. The Eighth Circuit in the Sherbrooke case further relied upon this evidence in holding Mn/DOT’s implementation of the new regulations to be constitutional as applied.

Likewise, expert testimony in the *BAGC v. Chicago* trial documented the experiences of other state and local governments whose race conscious programs have either been enjoined or that do not set goals on locally funded transportation contracts. In the absence of DBE programs, utilization of non minority and women owned construction firms dropped dramatically below availability in all jurisdictions.

The Study compared DBE participation during the period when Mn/DOT’s DBE Program was enjoined post Sherbrooke I (October 1998 through December 1999) to participation after the revised DBE program was adopted (January 2000 – September 2004). During this period, Mn/DOT awarded 7 federally assisted prime contracts and 22 associated subcontracts. DBE participation on those contracts was less than 0.008% or \$13,000 out of \$16M. Mn/DOT also awarded 5 non-federally assisted contracts and 10 associated subcontracts during this period, DBE participation on those contracts was \$0 out of \$7.8M. In contrast, DBE participation on federally assisted contracts awarded after Mn/DOT adopted a new DBE Program in conformance with 49 C.F.R. Part 26 and based upon the 2000 NERA study, was 5.2% on contracts with goals and 2.5% on contracts without goals.

5. Step 2 Adjustment Evaluation - Mn/DOT determined that the past participation of DBEs should not be used to adjust the Step 1 base figure. First, there is no evidence that DBEs are being over utilized relative to their availability and capacity. To the contrary, Mn/DOT’s utilization of DBEs is below the baseline estimate of DBE availability. Therefore, relying upon past participation to define current capacity in determining the goal for a non-discriminatory market is inapposite for Mn/DOT.

All of the evidence described above supports the qualitative judgment that, but for the continuing effects of discrimination, the availability of minorities and women to participate on Mn/DOT’s contracts would be considerably higher than 15.3% in a race/gender-neutral, non-discriminatory market. The Study provides a quantitative estimate of the degree to which discriminatory factors artificially depress DBE participation in Mn/DOT’s marketplace. While the statistical disparities established by the Study could serve as the basis for an upward adjustment of the base figure, for an overall goal of 24.3%, Mn/DOT believes that the increase over prior years’ goals to 15.3% is currently sufficient to meet the objective of further remedying discrimination against DBEs, and that an upward adjustment of the base figure is not warranted, in view of the low utilization of DBEs in FY 2007 and the low number of DBEs bidding on federally assisted contracts.

## **II. Projection of Race/Gender-Neutral vs. Race-Conscious Goal Attainment**

Mn/DOT will meet the maximum feasible portion of its overall goal through race/gender-neutral means. Ongoing initiatives seek to reduce discriminatory barriers, increase capacity and level the playing field for the participation of DBEs and other small contractors. They are also designed to assist Mn/DOT in meeting the increased goal for DBE participation as prime contractors and subcontractors and to increase race-neutral participation on its contracts.

**A. Race/Gender-Neutral initiatives**

1. DBE Support Services – During 2008, Mn/DOT's Office of Civil Rights entered its sixth year of partnership with the Minnesota State Colleges and Universities (MnSCU) to provide business development services to Mn/DOT's certified DBE and other small businesses in highway heavy construction industries. The Jumpstart Program was implemented as an outgrowth of Mn/DOT's Business Development Program. It includes a series of skills building courses that are designed to teach business owners the tools to enhance their business capabilities and capacity. The Jumpstart Program includes a business assessment for each participant, classroom learning and individual business site visits and consultations conducted by the MnSCU instructors assigned to work with each participant. Courses include beginning and advance courses in Quickbooks; financial planning and spreadsheet preparation and analysis; sales; presentation and marketing skills development; accounting; business planning; risk management; and estimating, bidding and proposal development.
2. Emerging Contractors Support Initiatives - To increase competition for Mn/DOT's prime contracts and opportunities for DBEs and newer, smaller firms, Mn/DOT is taking action to reduce barriers to participation as prime contractors. These include DBE/Prime Contractor networking events for large contracts.
3. Electronic Bidding - Mn/DOT has also adopted an electronic bidding program, Bid Express, which allows prime contractors to submit their bids to Mn/DOT electronically. The Mn/DOT Office Of Civil Rights and the Construction Office have been working together to expand this program to add a Small Business Network (SBN) tab, which will allow DBEs and other small businesses to submit their bids electronically to prime contractors. This feature should be operational in FFY 2009. This program will allow Mn/DOT to track which DBEs are bidding as well as which prime contractors are not considering reasonable DBE bids for subcontract work.
4. Bidding and Estimating Classes – In FFY 2008, Mn/DOT's Office of Civil Rights contracted with the Selby Area Community Development Corporation to conduct training for DBEs involved in highway construction work on how to prepare profitable and competitive bids. Each session consisted of four three-hour classes, which were held over a period of one month. Following the completion of each session, the instructors met with each DBE personally to provide individualized training and support. Mn/DOT will be providing this training again during FFY 2009. The training sessions will be expanded to include training DBEs on how to navigate Mn/DOT'S electronic bidding system.
5. Mentor-Protégé Program - To increase DBEs' business capacities and contracting opportunities for DBEs, Mn/DOT is encouraging Mentor-Protégé arrangements between DBEs and prime contractors. This Program provides DBEs the opportunity to work with established firms to enhance their capabilities to perform as subcontractors and prime contractors. Starting in FFY 2009, Mn/DOT, with FHWA approval, will increase its marketing efforts to encourage prime contractors and DBEs to enter into Mentor-Protégé agreements.
6. Complaint Procedures - Mn/DOT has implemented procedures to process complaints of discrimination in the operation of the Program and against contractors receiving Mn/DOT contracts. These procedures

ensure prompt, uniform and fair responses to allegations of unlawful conduct so that DBEs, non-DBEs and interested persons can have confidence in the integrity of Mn/DOT's operations.

6. Non-Discrimination Assurances - To ensure that its prime contractors are providing full and fair opportunities for DBEs to compete and succeed, Mn/DOT will continue to mandate that bidders regularly maintain and make available, at Mn/DOT's request, evidence that they are soliciting and evaluating subcontractors on a non-discriminatory basis in their daily business activities in the public and private sectors. On all federally-assisted projects, Mn/DOT requires bidders to submit a Bidders List indicating all firms that bid on the project and a Certificate of Good Faith Efforts indicating all firms the bidder solicited for work.
7. Prompt Payment - Mn/DOT continues to enforce its prompt payment provisions and processes. It impresses upon its personnel and prime contractors the necessity and importance of meeting these requirements. Under Minnesota's prompt payment law, contractors are required to pay their subcontractors within ten days of receiving payment from Mn/DOT. The Office of Civil Rights monitors these payments by requiring contractors to submit Contractor Payment Reports on all federally assisted contracts.

Based on the above analysis, Mn/DOT has established an overall goal for FFY 2009 of 15.3%. Mn/DOT anticipates meeting 13.6% of this goal through race/gender conscious measures and 1.7% through race/gender neutral measures, as indicated below in Table J.

TABLE J - ANNUAL GOAL CALCULATION	
2009 OVERALL DBE GOAL	15.3%
RACE/GENDER CONSCIOUS Means	13.6%
RACE/GENDER NEUTRAL Means	1.7%

#### B. Estimate of Race/Gender-Neutral Participation

Mn/DOT will meet the maximum feasible portion of its overall annual goal through these race/gender-neutral measures. While Mn/DOT's current vigorous race/gender-neutral efforts will continue and new initiatives are being implemented, contract goals are needed to ensure non-discrimination and to level the playing field for DBEs. Therefore, Mn/DOT intends to meet the proposed annual goal through 1.7% race/gender neutral means.

To estimate the portions of the goal to be met through race-neutral and race-conscious measures, Mn/DOT evaluated past race/gender-neutral DBE participation as defined in 49 C.F.R §26.51(a). In prior years, Mn/DOT has attained the following percentages of the overall DBE goals through race/gender neutral means: FFYs 2000 (2.25%); 2001 (1.25%); 2002 (0.82%); 2003 (0.33%); 2004 (0.74%); 2005 (0.82%); 2006 (0); 2007 (1.7%); and 2008 (0.24%).

Mn/DOT's Office of Civil Rights analyzed the relevant contract data for FFY 2008 and found that only 0.24% DBE participation was achieved through race/gender neutral means. The majority of this participation was achieved on contracts that had race conscious DBE goals where prime contractors exceeded the established goals (0.21% race/gender neutral DBE participation). This figure was calculated by adding the total amounts achieved in excess of the established DBE goal on Mn/DOT's federally assisted contracts and then calculating the percentage that this figure comprised of the total contracting dollars. There was little DBE participation on contracts with no race conscious goals (0.0265%). In reviewing the

contracting patterns on the race/gender neutral achievements, Mn/DOT found that there were few DBEs bidding on Mn/DOT contracts with no race conscious goals and that prime contractors generally did not solicit DBEs on these contracts.

Despite the low DBE participation levels achieved through race/gender neutral means, Mn/DOT believes that due to the increased outreach and training initiatives planned for 2009, it can meet 1.7% of its annual goal through race/gender neutral means, and therefore, Mn/DOT projects that it will meet 1.7% of its 15.3% overall goal through race/gender neutral measures and 13.6% through race conscious measures. Mn/DOT will monitor the DBE participation throughout the year and will adjust its use of race conscious goals to ensure that their use does not exceed the overall goal.

### **III. Public Participation**

To satisfy the public consultation requirements of the regulations, Mn/DOT's Office of Civil Rights is publishing the proposed annual goal of 15.3% for FFY 2009 in the Minnesota State Register and is inviting public comments and inspection of the goal methodology for a 45-day period. The Office of Civil Rights will hold a Stakeholders' meeting on September 15, 2008, to explain the methodology used to establish the goal and take public comments. The Office of Civil Rights will invite all of the certified DBEs listed in the Mn/UCP Directory; the Minnesota Chapters of the Associated General Contractors (AGC), Association of Women Contractors (AWC), and the National Association of Minority Contractors (NAMC) and other interested stakeholders. The 45 day review period will end on September 11, 2008. Mn/DOT will take public comments until that time. Based on comments received, the Office of Civil Rights may revise the goal. After the public review period, Mn/DOT will submit the proposed goal, methodology and comments received to the FHWA for approval.



## Goal Setting Methodology for 2010 Federal Fiscal Year

The Minnesota Department of Transportation (Mn/DOT) Office of Civil Rights (OCR) submits this methodology to the U.S.DOT's Federal Highway Administration (FHWA) for review and approval pursuant to §26.45 of 49 Code of Federal Regulations (CFR) Part 26 - "*Participation by Disadvantaged Business Enterprises In Department Of Transportation Financial Assistance Programs*". For federal fiscal year (FFY) 2010, Mn/DOT has established a proposed DBE overall goal of **8.7%**, which includes no adjustments.

To calculate the proposed overall DBE goal for FFY 2010, Mn/DOT considered the 2005 Availability Study conducted by the National Economic Research Associates (NERA), entitled, "*Race, Sex and Business Enterprise: Evidence from the State of Minnesota*," which recommended an overall goal of 15.3%, and two additional data points. The data points were derived by examining DBE availability utilizing the U.S. Census and DBE Directory as well as the Bidders List Methodology. These methodologies are approved methodologies under 49 C.F.R. §26.45(c). The three data points were then averaged to arrive at the overall DBE goal for FFY 2010.

### **I. Step One: Determining Base Figure for DBE Availability**

As indicated above, Mn/DOT utilized three (3) data points to determine the Step One base figure of relative DBE availability. The analysis for determining each data point is discussed below.

#### **(A) First Data Data Point – 2005 NERA Availability Study**

The first data point considered was the 2005 NERA Availability Study on the relevant businesses owned by minorities and women in Mn/DOT's marketplace. Through this Study, NERA calculated a relative DBE availability of 15.3%. To arrive at this figure, NERA examined data on federally funded contracts awarded by Mn/DOT through bid lettings between Federal Fiscal Years (FFY) 2000 through 2004. Mn/DOT routinely collects and retains key information on the first tier subcontractors and suppliers for all construction projects. These records include each firm's unique business identification number, business name, business address, contract award amount and DBE status. NERA cross referenced this data with Mn/DOT's vendor records, Dun & Bradstreet, and ABI-Inform in order to obtain a primary Standard Industrial Classification (SIC) code for each firm. This process was followed for both construction and consultant related contracts.

#### **Distribution of Mn/DOT Contracting Dollars - Weighting Factors**

Based on the SIC codes assigned to each firm in the Master Contract/Subcontract database, NERA estimated product market weights according to the proportion of total dollars attributable to each SIC code. These weights showed the relative importance, in dollars, of the activity represented in each SIC code. In construction, NERA identified 102 distinct SIC codes within the 780 contracts they studied. NERA determined that 35 accounted for more than 95% of the total dollars spent. NERA took these 35 SIC codes to represent Mn/DOT's Construction product market. NERA identified 30 distinct codes within the 3,740 codes studied, and found that only 9 SIC codes accounted for more than 95% of the total dollars spent. NERA took these 9 SIC codes to represent Mn/DOT's consulting product market.

The top 35 construction SIC codes and their corresponding distribution percentages of construction contracting dollars are listed below in Table A. The top 9 consultant SIC codes and their corresponding distribution of contracting dollars is listed in Table B.

<b>TABLE A – CONSTRUCTION CONTRACTING DOLLARS</b>		
<b>SIC Codes</b>	<b>Title</b>	<b>Distribution of Mn/DOT Contracting</b>
1611	Highway, Street & Bridge Construction	70.1%
1731	Electrical Work	5.6%
1771	Concrete Work	5.0%
1542	Nonresidential Construction	2.7%
1791	Structural Steel Erection	1.6%
1629	Heavy Construction	1.6%
1794	Excavation Work	1.6%
0782	Lawn and Garden Services	1.3%
0783	Ornamental Shrub and Tree Services	1.3%
3272	Concrete Products	0.9%
5032	Brick, Stone, and Related Construction Materials	0.8%
3993	Signs and Advertising Displays	0.7%
4212	Local Trucking Without Storage	0.7%
4213	Trucking, Except Local	0.7
1721	Painting	0.6
8711	Engineering Services	0.5
3441	Fabricated Structural Metal	0.5
3444	Sheet Metal Work	0.5
3446	Architectural Metal Work	0.5
5051	Metals, Service Centers and Offices	0.5
1623	Water, Sewer, and Utility Lines	0.4
1711	Plumbing, Heating, and Air Conditioning	0.3
5063	Electrical Apparatus & Equipment, Wiring Supplies & Construction Materials	0.2
1799	Special Trade Contractors	0.2
7359	Equipment Rental and Leasing	0.2
1442	Construction Sand and Gravel	0.2
1622	Bridge, Tunnel, and Elevated Stonework	0.1
1741	Masonry and Other Stonework	0.1
7353	Heavy Construction Equipment Rental and Leasing	0.1
3669	Communication Equipment	0.1
5193	Flowers, Nursery Stock, and Florist's Supplies	0.1
1796	Installing Building Equipment	0.1
3271	Concrete Brick and Block	0.1
5084	Industrial Machinery and Equipment	0.1
5031	Lumber, Plywood, Millwork, and Wood Panels	0.1
	<b>Total of Top 35 DBE Mn/DOT Construction SIC Codes</b>	<b>100%</b>

The top SIC codes for consultants identified by NERA are listed below.

<b>TABLE B – CONSULTANT CONTRACTING DOLLARS</b>		
<b>SIC Codes</b>	<b>Title</b>	<b>Distribution of Mn/DOT Contracting</b>
<b>8711</b>	Engineering Services	55.1
<b>0783</b>	Ornamental Shrub and Tree Services	11.8
<b>8712</b>	Architectural Services	10.9
<b>1611</b>	Highway and Street Construction	7.0
<b>8713</b>	Surveying Services	5.0
<b>6531</b>	Real Estate Agents and Managers	4.0
<b>3669</b>	Communications Equipment	3.0
<b>8734</b>	Testing Laboratories	2.0
<b>8731</b>	Commercial Physical and Biological Research	1.4
<b>Total of Top 9 DBE Mn/DOT Consultant SIC Codes</b>		<b>100%</b>

NERA then determined that during the study period, Mn/DOT awarded 89.4% of its construction dollars and 90.7% of its consultant dollars to firms located in Minnesota, resulting in a combined figure of 89.5%. Based on these results, NERA defined Mn/DOT's geographic marketplace to be the State of Minnesota for purposes of estimated availability.

Next, NERA used various databases to determine Mn/DOT's actual and potential DBEs. This process involved reviewing Mn/DOT's databases as well as Dun & Bradstreet and MarketPlace databases. NERA did a regional search for minority and female owned businesses and also contacted a number of private and public entities to identify potential DBE contractors. This research yielded 1848 potential DBEs, which were then listed by SIC Codes. NERA further refined this data to eliminate potential misclassifications and made a final availability determination after applying the requisite industry weights.

The final results of NERA's baseline availability analysis for Mn/DOT were 15.18% for construction contracts and 16.58% for consultant contracts, for an overall estimated DBE availability of 15.3% for Mn/DOT contracting, as noted below in Table C.

<b>TABLE C – ESTIMATED DBE AVAILABILITY FOR MN/DOT</b>			
<b>Mn/DOT Districts</b>	<b>Overall Percentage</b>	<b>Construction Percentage</b>	<b>Consulting Percentage</b>
Metro	16.57	16.36	17.79
District 3	13.61	13.54	15.18
District 1	16.94	17.16	13.22
District 4	15.69	15.78	13.20
District 8	12.14	12.03	15.05
District 7	14.38	14.41	13.63
District 6	12.67	12.63	13.34
District 2	16.83	16.82	17.06
<b>Total for Entire Geographic Market Area</b>	<b>15.30</b>	<b>15.18</b>	<b>16.58</b>



**(B) Second Data Point – U.S. Census Bureau Data and Mn/UCP DBE Directory**

The second data point Mn/DOT considered in Step One for determining the relative availability of DBEs was a comparison of U.S. Census Bureau data and the Minnesota Unified Certification Program) Mn/UCP DBE Directory. This analysis yielded a 2% relative availability of DBEs. To determine this data point, Mn/DOT applied the methodology described in 49 C.F.R. §26.45 (c)(1). First, Mn/DOT identified ready, willing and able DBEs in the Mn/UCP DBE Directory that perform construction and construction-related work on Mn/DOT projects and identified the NAICS Codes under which these businesses work. Next, Mn/DOT examined the latest U.S. Census Bureau County Business Pattern (CBP) Data (2006) to determine the number of all ready, willing and able businesses in Mn/DOT's market that performed work under the same NAICS Codes. Mn/DOT then divided the number of DBEs by the number of all businesses in the relevant NAICS Codes to arrive at a base figure of 1.55% relative availability of DBEs. This figure was established as the second data point and was utilized for the initial proposed DBE goal (8.55%) that was published in the Minnesota State Register. However, after further review of the data, Mn/DOT determined that the NAICS Codes and businesses included in the initial calculation were over-inclusive. Mn/DOT revised the data and arrived at a 2% relative availability of DBEs, which was the figure determined to be the second data point for the final goal calculation. Table D below shows the DBE Directory and U.S. Census Bureau distributions. The full distribution of Mn/UCP DBE Directory and all businesses by NAICS Code can be viewed in Exhibit A at the end of this report.

<b>TABLE D – U.S. CENSUS DATA &amp; DBE DIRECTORY</b>		
<b>All Business from 2006 US Census Data</b>	<b>Mn/DOT DBE (from Mn/UCP DBE Directory)</b>	<b>% Mn/DOT DBEs to Total Businesses</b>
29,343	587	$(587 \div 29,343) = 2\%$

**(C) Third Data Point – Bidders List Methodology**

The third data point Mn/DOT considered in step one was calculated by utilizing the Bidders List methodology to determine the relative availability of DBEs, which resulted in a data point of 8.8% relative availability of DBEs. Mn/DOT examined data on federally funded contracts awarded by Mn/DOT through bid lettings and requests for proposals (RFP) as well as those awarded by local jurisdictions on Mn/DOT's behalf through the Delegated Contracting Process (DCP) during the following fifteen month period: October 1, 2007 through December 31, 2008. This data was obtained from Mn/DOT's Contract Administration, State Aid for Local Transportation (SALT) and Consultant Services. OCR also utilized data on contracts cleared for award from Mn/DOT OCR's Excel spreadsheets and its BIZTRAK® database of prime contractors/consultants and subcontractors, DBE subcontract awards and race-gender neutral achievements on contracts awarded.

**(1). Application of NAICS Codes and Determining Weighting Factors**

Mn/DOT calculated the weighting factors by using the most current NAICS codes for contractors bidding on Mn/DOT contracts. These included the U.S. Census Bureau's 2007 NAICS Codes. The analysis of Mn/DOT's 2008-2009 contracting indicates that 66.27% of Mn/DOT contracts, based on contract dollar amounts, fall under one NAICS Code, 237310 "Highway, Bridge and Street Construction." The remaining Mn/DOT contracts are distributed over an additional 81 NAICS Codes of which only ten additional codes yielded contracting thresholds exceeding one percent (1%). For weighting purposes, only these top eleven (11) NAICS codes were considered statistically significant, and were utilized to determine the weighting factors. The remaining contract dollars were spent in 71 additional NAICS codes. The composite distribution of Mn/DOT's contracting in these twelve NAICS Codes is listed below in Table E.

TABLE E – 2008/2009 MN/DOT CONTRACTING		
2007 NAICS Code	Title	Distribution of Mn/DOT Contracting
237310	Highway, Street & Bridge Construction	66.27%
238910	Site Preparation Contractors	6.87%
541330	Engineering Services	4.27%
238120	Structural Steel & Pre-cast Concrete Contractors	3.45%
332312	Fabricated Structural Metal Manufacturing	2.93%
238210	Electrical Contractors	2.44%
238110	Poured Concrete Foundation & Structure Contractors	2.36%
237110	Water and Sewer Line and Related Structures Construction	1.8%
237990	Other Heavy & Civil Engineering Construction	1.64%
325211	Plastics Material and Resin Manufacturing	1.18%
484220	Specialized Freight (except Used Goods) Trucking, Local	1.15%
		Total = 94.36%
71	All Other Mn/DOT Contracting (combined)	5.64%

**(2) Mn/DOT's Marketplace**

To ascertain its marketplace, Mn/DOT analyzed its contract awards and determined that the agency awarded 91.4% of its contract dollars to firms located in Minnesota, which includes both prime and subcontract awards. Therefore, Mn/DOT determined that its marketplace is the geographic boundaries of the State of Minnesota.

**(3) Calculation of Third Data Point**

Based on the above distribution of Mn/DOT'S contracts, Mn/DOT identified the following weighting factors in Table F to be used to calculate third data point for the 2010 goal. Using the total Federal dollars awarded to primes and subcontractors, Mn/DOT calculated the weighting factors by determining the percentage of DBEs and non-DBEs doing prime and subcontract work on federally funded Mn/DOT projects.

TABLE F - WEIGHTING FACTORS (2010)		
2007 NAICS Code	Title	Weighting Factors for Mn/DOT Contracting
237310	Highway, Street & Bridge Construction	.6627
238910	Site Preparation Contractors	.0687
541330	Engineering Services	.0427
238120	Structural Steel & Pre-cast Concrete Contractors	.0345
332312	Fabricated Structural Metal Manufacturing	.0293
238210	Electrical Contractors	.0244
238110	Poured Concrete Foundation & Structure Contractors	.0236
237110	Water and Sewer Line and Related Structures Construction	.0180
237990	Other Civil Engineering Construction	.0164
325211	Plastics Material and Resin Manufacturing	.0118
484220	Specialized Freight (except Used Goods) Trucking, Local	.0115

The data point was calculated by applying the weighting factors to the availability of prime contractors and subcontractors bidding on Mn/DOT contracts for each NAICS determined to be statistically significant. The calculations are noted below in Table G.

TABLE G					
ANNUAL GOAL CALCULATION					
NAICS Code	Formula	Calculation <sup>1</sup>	Result	Multiply by Weighting Factor	Decimal Percentile
237310	$\frac{\text{DBE Bidders}}{\text{Total Bidders}} \times \text{Weighting Factor}$	$\frac{9 \text{ DBE Bidders}}{190 \text{ Bidders}}$	= [.04737]	X (.6627)	.0313921
238910	Same	$\frac{8 \text{ DBE Bidders}}{88 \text{ Bidders}}$	= [.09412]	X (.0687)	.0064660
541330	Same	$\frac{11 \text{ DBE Bidders}}{26 \text{ Bidders}}$	= [.42308]	X (.04270)	.0180655
238120	Same	$\frac{5 \text{ DBE Bidders}}{15 \text{ Bidders}}$	= [.33333]	X (.0345)	.0114999
332312	Same	$\frac{0 \text{ DBE Bidders}}{15 \text{ Bidders}}$	= [- 0 -]	X (.0293)	- 0 -
238210	Same	$\frac{4 \text{ DBE Bidders}}{35 \text{ Bidders}}$	= [.11429]	X (.0244)	.0027887
238110	Same	$\frac{8 \text{ DBE Bidders}}{38 \text{ Bidders}}$	= [.21053]	X (.0236)	.0049685
237110	Same	$\frac{2 \text{ DBE Bidder}}{38 \text{ Bidders}}$	= [.05263]	X (.0180)	.0009473
237990	Same	$\frac{2 \text{ DBE Bidders}}{14 \text{ Bidders}}$	= [.14286]	X (.0164)	.0023429
325211	Same	$\frac{0 \text{ DBE Bidders}}{7 \text{ Bidders}}$	= [- 0 -]	X (.0118)	- 0 -
			<b>Total</b>	<b>=</b>	<b>.0876709 (8.76709%)</b>
			<b>3<sup>rd</sup> Data Point = 8.8%</b>		
NAICS Codes Listed Above	<u>515</u> Total Bidders:	49 DBE Bidders 466 Non-DBE Bidders			
All Other NAICS Codes	<u>194</u> Total Bidders:	40 DBE Bidders 154 Non-DBE Bidders			

Based on the availability produced through Mn/DOT's contracting databases regarding the contractors bidding on Mn/DOT prime contracts and subcontracts, the third data point base figure for DBE availability is 8.8%.

<sup>1</sup> The totals listed in these calculations include both successful and unsuccessful bidders.

**(D) Calculation of 2010 Overall DBE Goal**

To calculate the 2010 overall DBE goal, Mn/DOT averaged the three data points noted above and divided the resulting figure by three to arrive at overall DBE goal of 8.7%.

TABLE H – GOAL CALCULATION	
Averaging Data Points	DBE Goal
$15.3\% + 2\% + 8.8\% = 26.1$ (+ 3) =	8.7%

**II. Step Two Adjustment:**

In deciding whether to apply an adjustment before arriving at the final overall goal, the Federal regulations allow recipients to consider several factors (See 49 C.F.R. §26.45(d)). The factors include such things as evidence from a disparity study conducted within the jurisdiction; the current capacity of DBEs to perform work on Mn/DOT's federally funded contracts as well as "evidence from related fields that affect the opportunities for DBEs to form, grow and compete." Mn/DOT considered these factors and concluded that an adjustment is not warranted for the reasons listed below:

**(A) 2005 NERA Availability Study** – 49 C.F.R. §(d)(1)(i) states that evidence from a disparity study anywhere in the jurisdiction "to the extent it is not already accounted for in your base figure" can be examined to determine whether to adjust the base figure. Therefore, since Mn/DOT utilized the 2005 NERA Availability Study in calculating the Step One base figure, it did not rely on this Study to determine whether to adjust the base figure.

**(B) DBE Certifications** – The formation of the Mn/UCP in March 2002 has resulted in an increased number of certified DBEs that were potentially eligible to perform on Mn/DOT contracts. Mn/DOT considered the increased number of firms certified DBEs by the Mn/UCP and its outreach efforts as factors for adjusting the overall goal and determined that this could not be used for an upward adjustment to the annual goal for the following reasons. Despite the outreach efforts to increase the numbers of certified DBEs, Mn/DOT has not realized a substantial increase in DBE certifications by firms eligible to perform on Mn/DOT projects since 2000. Additionally, the anticipated increase in the number of DBEs potentially eligible to bid on Mn/DOT's contracts through the implementation of the Mn/UCP has not occurred. As discussed below in section (II)(d), Mn/DOT found that while the number of certified DBEs has increased, the number of DBEs eligible to participate on Mn/DOT contracts is actually lower than the number of firms certified under the Mn/UCP and has decreased by almost 12% since FFY 2004.

**(C) DBEs Bidding on Mn/DOT Work** – Mn/DOT examined contracting data on DBEs that are currently participating on Mn/DOT contracts. This evidence indicates that a substantial majority of DBEs (86%) bidding on federally funded Mn/DOT contracts are securing contracts. The contracting trends indicate that generally those DBEs that are not successful in their initial bid submissions, gain expertise in bidding and estimating through, for example, repeated bidding and participation in Mn/DOT's business development classes. As a result, they are subsequently successful in obtaining contracts as they continue to bid. An examination of the bidders lists submitted by prime contractors during the contract clearance (review of good faith efforts) process indicates that, despite solicitations by prime contractors, many DBEs are electing to not bid on Mn/DOT contracts.

**(D) DBEs Eligible to Perform on Mn/DOT Contracts** - During the process of calculating its FFY 2004 annual goal, Mn/DOT examined the areas of work performed by firms listed in the Mn/UCP Directory of Certified DBEs to determine the actual number of DBEs that were eligible to perform work on Mn/DOT contracts. As noted in (b) above, Mn/DOT has not realized a substantial increase in DBE certifications by DBEs eligible to perform on Mn/DOT contracts. In fact, Mn/DOT has seen a steady decrease in DBE certified firms performing Mn/DOT work. For example, during the FFY 2004 goal submission, there were 314 certified DBE firms in the Mn/UCP, but only 274 of these firms were eligible to perform on Mn/DOT's highway construction and construction-related contracts. Likewise, during the 2005 goal submission, Mn/DOT determined there were 330 certified DBEs, but only 273 performed the work involved in Mn/DOT contracting. For the FFY 2010 DBE goal, Mn/DOT found that there are currently a total of 455 DBE certified firms in the Mn/UCP but only 242 of these firms are eligible to bid on Mn/DOT contracts (See Table I below).<sup>2</sup> However, despite the potential availability of 242 DBEs that can bid on Mn/DOT contracts, the analysis of Mn/DOT's contracting data revealed that during the relevant period examined for purposes of calculating the 2010 overall goal, only 89 of these certified DBEs actually bid on Mn/DOT contracts. This participation continues to be substantially below the 242 DBE eligible to bid on Mn/DOT contracts. Based on the continued low number of DBEs bidding on Mn/DOT contracts, Mn/DOT Has concluded that it cannot justify an upward adjustment based on this factor.

<b>TABLE I</b>	
<b>Mn/UCP Directory of Certified DBEs</b>	
Total Number of Certified DBEs	<b><u>455</u></b>
Total Number of DBEs Eligible to Perform Mn/DOT Work	<b><u>242</u></b>
Out of State DBEs = 48	
Minnesota DBEs = 194	
DBEs Bidding on Mn/DOT Contracts	<b><u>89</u> (36.8%)</b>

**(E) Business Development and Outreach** – Over the past several years, Mn/DOT has implemented a comprehensive business development program for the Mn/UCP- certified DBEs and other small businesses. Mn/DOT will continue its efforts and strategies to increase the pool of ready, willing and able DBEs that can bid on Mn/DOT contracts in the upcoming federal fiscal year and to work with the pool of certified DBEs to enhance their capacity and capabilities. However, Mn/DOT determined that these strategies were not quantifiable into a statistically reliable decimal percent that could be applied for an upward adjustment.

**(F) Public Participation:** On Monday, July 6, 2009, Mn/DOT's OCR published the proposed annual goal for FFY 2010 in the Minnesota State Register, and invited public comments and inspection of the goal methodology for a 45-day period. OCR held a Public Stakeholders meeting on July 16, 2009 to explain the methodology used to establish the goal and take public comments. OCR invited all of the certified DBEs listed in the Mn/UCP DBE Directory; the Minnesota Chapters of the Associated General Contractors, Association of Women Contractors (AWC), and the National Association of Minority Contractors. There were ten attendees at this meeting from the DBE and non-DBE communities. The 45-day comment period expired on August 20, 2009. Mn/DOT received six comments received from stakeholders, all of which urged Mn/DOT to keep the DBE goal at the 15.3% threshold recommended by the 2005 NERA Availability Study. Exhibit

<sup>2</sup> The companies that were excluded from Mn/DOT's list of qualified DBEs include those that are in industries unrelated to the types of transportation construction and construction related work involved in Mn/DOT contracting, for example, airport concessionaires, temporary employment services, residential/commercial construction, building rehabilitation, airport planners, trainers, car rental agencies, and the like.



B of this Report lists the comments received by Mn/DOT. Mn/DOT considered these comments but determined that given the DBEs' historical participation in Mn/DOT contracting, an upward adjustment to the base figure could not be made.

### **III. Projection of Race/Gender Neutral Attainment**

Mn/DOT will meet the maximum feasible portion of its overall goal through race/gender-neutral means. Mn/DOT'S new and ongoing initiatives seek to reduce discriminatory barriers, increase capacity and level the playing field for the participation of DBEs and other small contractors. They are also designed to assist Mn/DOT in meeting the goal for DBE participation as prime contractors and subcontractors and to increase race-neutral participation on its contracts.

#### **(A) Race/Gender-Neutral Initiatives**

1. DBE Support Services – During 2009, Mn/DOT's Office of Civil Rights entered its sixth year of partnership with the Minnesota State Colleges and Universities (MnSCU) to provide business development services to Mn/DOT's certified DBE and other small businesses in highway heavy construction industries. The Jumpstart Program was implemented as an outgrowth of Mn/DOT's Business Development Program, and included a series of skills building courses that are designed to teach business owners the tools to enhance their business capabilities and capacity. Courses included beginning and advance courses in Quickbooks; financial planning and spreadsheet preparation and analysis; sales; presentation and marketing skills development; accounting; business planning; risk management; and estimating, bidding and proposal development. During FFY 2010, the Jumpstart Program will no longer be operational. Instead, a new program, the Business Development & Assistance Program will be phased in.
2. Business Development & Assistance Program – Under this new program, each newly certified DBE that performs Mn/DOT work and existing DBEs that have been unsuccessful in bidding will undergo an assessment of business and skills needs. Training classes will be developed and scheduled based on these assessments. Ongoing classes that will be offered include the following: Pro-Bid Bidding and Estimating; Bid Express Small Business Network (electronic bidding for subcontractors); Accounting, Quickbooks; and Marketing.
3. Mentor-Protégé Program - To increase DBEs' business capacities and contracting opportunities for DBEs, Mn/DOT has focused its efforts to increase the numbers of Mentor-Protégé arrangements between DBEs and prime contractors. This Program provides DBEs the opportunity to work with established firms to enhance their capabilities to perform as subcontractors and prime contractors. Starting in FFY 2009, the Mn/UCP streamlined the Mentor-Protégé Program and Mn/DOT increased its marketing efforts and funding to encourage prime contractors and DBEs to enter into Mentor-Protégé agreements.
4. DBE Re-Orientations – Mn/DOT's OCR is conducting quarterly training meetings for certified DBEs that have not bid. The purpose of these classes is to identify the reasons and challenges the DBEs are having with bidding process and to provide the DBEs with tangible solutions so that they can actively participate in the DBE Program and become successful contractors.
5. DBE Program Informational Meetings -In an effort to increase the numbers of certified DBEs that perform Mn/DOT work, Mn/DOT's OCR has started holding monthly meetings at Mn/DOT to educate interested firms about the DBE Program and certification process.
6. Complaint Procedures - Mn/DOT has implemented procedures to process complaints of discrimination in the operation of the Program and against contractors receiving Mn/DOT contracts. The procedures ensure prompt, uniform and fair responses to allegations of unlawful conduct so that DBEs, non-DBEs and interested persons can have confidence in the

integrity of Mn/DOT's operations. For example, when the Mn/DOT OCR receives a complaint from a DBE against a contractor on a project (or vice versa), the DBE Specialist assigned to that project first takes a statement from the complainant. The Specialist contacts the appropriate Mn/DOT Construction project staff and a meeting is scheduled with the parties in an effort to resolve the matter informally. If the matter is not resolved at this level, the DBE is advised of their right to seek private counsel or file a complaint with appropriate agency, such as the Minnesota Department of Human Rights (MDHR). Similar procedures are utilized by the Contract Compliance Unit for employment-related complaints on Mn/DOT projects.

7. Non-Discrimination Assurances - To ensure that its prime contractors are providing full and fair opportunities for DBEs to compete and succeed, Mn/DOT will continue to mandate that bidders regularly maintain and make available, at Mn/DOT's request, evidence that they are soliciting and evaluating subcontractors on a non-discriminatory basis in their daily business activities in the public and private sectors. On all federally-assisted projects, Mn/DOT requires bidders to submit a Bidders List indicating all firms that bid on the project and a Certificate of Good Faith Efforts indicating all firms the bidder solicited for work.
8. Prompt Payment - Mn/DOT continues to enforce its prompt payment provisions and processes. It impresses upon its personnel and prime contractors the necessity and importance of meeting these requirements. Under Minnesota's prompt payment law, contractors are required to pay their subcontractors within ten days of receiving payment from Mn/DOT. The Office of Civil Rights monitors these payments by requiring contractors to submit Contractor Payment Reports on all federally assisted contracts.

Based on the analysis of Mn/DOT's contracting data for prime contractors and subcontractors, OCR has established an overall goal for FFY 2010 of 8.7%. Mn/DOT anticipates meeting 7.5% of this goal through race conscious measures and 1.2% through Race/Gender Neutral measures. The race/gender neutral initiatives are discussed below in the next section.

TABLE J	
ANNUAL GOAL CALCULATION	
2010 OVERALL DBE GOAL	8.7%
RACE CONSCIOUS GOAL	7.5%
RACE/GENDER NEUTRAL GOAL	1.2%

**B. Estimate of Race/Gender Neutral Calculation:**

As noted above, Mn/DOT intends to meet the proposed annual goal through 1.2% Race/Gender Neutral means. To estimate the portion of the goal to be met through race-neutral and race-conscious measures, Mn/DOT evaluated past race/gender-neutral DBE participation, as defined in 48 C.F.R §26.51. In prior year submissions, Mn/DOT estimated the annual DBE goal would be met by using race/gender neutral means in the following percentages: FFYs 1999-2002 (2.6%); FFY 2003 (1.7%); FFY 2004 (1.04%); FFYs 2005 and 2006 (0.82%); FFY 2007 (2%); FFY 2008 (1.7%); and FFY 2009 (1.7%).

Mn/DOT's Office of Civil Rights analyzed the relevant contract data included in this goal submission (FFY 2008/2009) and found that only 0.83% DBE participation was achieved through race/gender neutral means. The majority of this participation was achieved on contracts that had race conscious DBE goals where prime contractors exceeded the established goals (0.79% race/gender neutral DBE participation). This figure was calculated by adding the total amounts

achieved in excess of the established DBE goal on Mn/DOT's federally assisted contracts and then calculating the percentage that this figure comprised of the total contracting dollars. There was little DBE participation on contracts with race/gender neutral DBE goals (0.034%). In reviewing the contracting patterns on the race/gender neutral achievements, Mn/DOT found that there were few DBEs bidding on Mn/DOT contracts with race/gender neutral goals and that prime contractors generally did not solicit DBEs on these contracts.

Despite the low DBE participation levels achieved through race/gender neutral means, Mn/DOT believes it can achieve its 2010 FFY annual goal through 1.2% race/gender neutral measures. Mn/DOT arrived at this figure by first calculating the median of the past years' race/gender neutral DBE participation. Mn/DOT's race/gender neutral achievements over the past several years are as follows: FFYs 2000 (2.25%); FFY 2001 (1.25%); FFY 2002 (0.82%); FFY 2003 (0.33%); FFY 2004 (0.74%); FFY 2005 (0.82%); FFY 2007 (1.7%)<sup>3</sup>, FFY 2008 (.24%) and FFY 2009 (.034%). Although the median of these figures is 0.84%, because of the increased outreach and training initiatives planned for 2010, which include the individualized DBE business assessments and training, bidding and estimating classes, and mentor-protégé agreements, Mn/DOT believes it can meet 1.2% of its annual goal through race/gender neutral means, and therefore, has established a race/gender neutral goal of 1.2% for FFY 2010.

In summary, Mn/DOT projects that it will meet 1.2% of 8.7% DBE Goal through Race/Gender Neutral measures and 7.5% through Race/Gender Conscious goals. Therefore, Mn/DOT respectfully submits this goal To FHWA for review and approval a **DBE overall goal for FFY 2010 of 8.7%**.

---

<sup>3</sup> Mn/DOT did not determine the race/gender neutral participation for FFY 2006 because the overall goal was not approved at the time the 2007 was submitted.



EXHIBIT A

CENSUS DATA & DBE DIRECTORY				
2007 NAICS Code	2007 NAICS Title	US Census Data 2006	Mn/DOT DBE	% Mn/DOT DBEs to Total
111421	Nursery & Tree Production	None	2	None
115112	Soil Preparation, Planting, & Cultivating	68	1	1.47%
212321	Construction S& & Gravel Mining	74	9	12.16%
236220	Commercial & Institutional Building Construction	733	11	1.50%
237110	Water & Sewer Line & Related Structures Construction	363	8	2.20%
237310	Highway, Street, & Bridge Construction	317	28	8.83%
237990	Other Heavy & Civil Engineering Construction	120	5	4.17%
238110	Poured Concrete Foundation & Structure Contractors	735	12	1.63%
238120	Structural Steel & Precast Concrete Contractors	47	11	23.40%
238140	Masonry Contractors	742	6	0.81%
238150	Glass & Glazing Contractors	83	2	2.41%
238190	Other Foundation, Structure, & Building Exterior Contractors	56	3	5.36%
238210	Electrical Contractors & Other Wiring Installation Contractors	1789	21	1.17%
238220	Plumbing, Heating, & Air-Conditioning Contractors	1928	5	0.26%
238320	Painting & Wall Covering Contractors	867	4	0.46%
238910	Site Preparation Contractors	920	33	3.59%
238990	All Other Specialty Trade Contractors	832	18	2.16%
327215	Glass Product Manufacturing Made of Purchased Glass	20	1	5.00%
327390	Other Concrete Product Manufacturing	50	1	2.00%
332212	H& & Edge Tool Manufacturing	28	2	7.14%
332213	Saw Blade & Handsaw Manufacturing	3	1	33.33%
332312	Fabricated Structural Metal Manufacturing	72	1	1.39%
332323	Ornamental & Architectural Metal Work Manufacturing	46	2	4.35%
332439	Other Metal Container Manufacturing	3	1	33.33%
332919	Other Metal Valve & Pipe Fitting Manufacturing	4	1	25.00%
332991	Ball & Roller Bearing Manufacturing	2	1	50.00%
332996	Fabricated Pipe & Pipe Fitting Manufacturing	11	1	9.09%
332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	111	3	2.70%
333120	Construction Machinery Manufacturing	32	2	6.25%
333515	Cutting Tool & Machine Tool Accessory Manufacturing	32	1	3.13%
335999	All Other Miscellaneous Electrical Equipment & Component Manufacturing	18	1	5.56%
336212	Truck Trailer Manufacturing	6	1	16.67%
336322	Other Motor Vehicle Electrical & Electronic Equipment Manufacturing	10	1	10.00%
336510	Railroad Rolling Stock Manufacturing	5	1	20.00%
337212	Custom Architectural Woodwork & Millwork Manufacturing	37	2	5.41%
339950	Sign Manufacturing	160	3	1.88%
423120	Motor Vehicle Supplies & New Parts Merchant Wholesalers	263	1	0.38%
423310	Lumber, Plywood, Millwork, & Wood Panel Merchant Wholesalers	204	2	0.98%
423320	Brick, Stone, & Related Construction Material Merchant Wholesalers	65	4	6.15%
423330	Roofing, Siding, & Insulation Material Merchant Wholesalers	44	3	6.82%
423390	Other Construction Material Merchant Wholesalers	50	8	16.00%
423410	Photographic Equipment & Supplies Merchant Wholesalers	15	1	6.67%
423440	Other Commercial Equipment Merchant Wholesalers	88	1	1.14%
423490	Other Professional Equipment & Supplies Merchant Wholesalers	56	1	1.79%
423510	Metal Service Centers & Other Metal Merchant Wholesalers	134	1	0.75%

EXHIBIT A

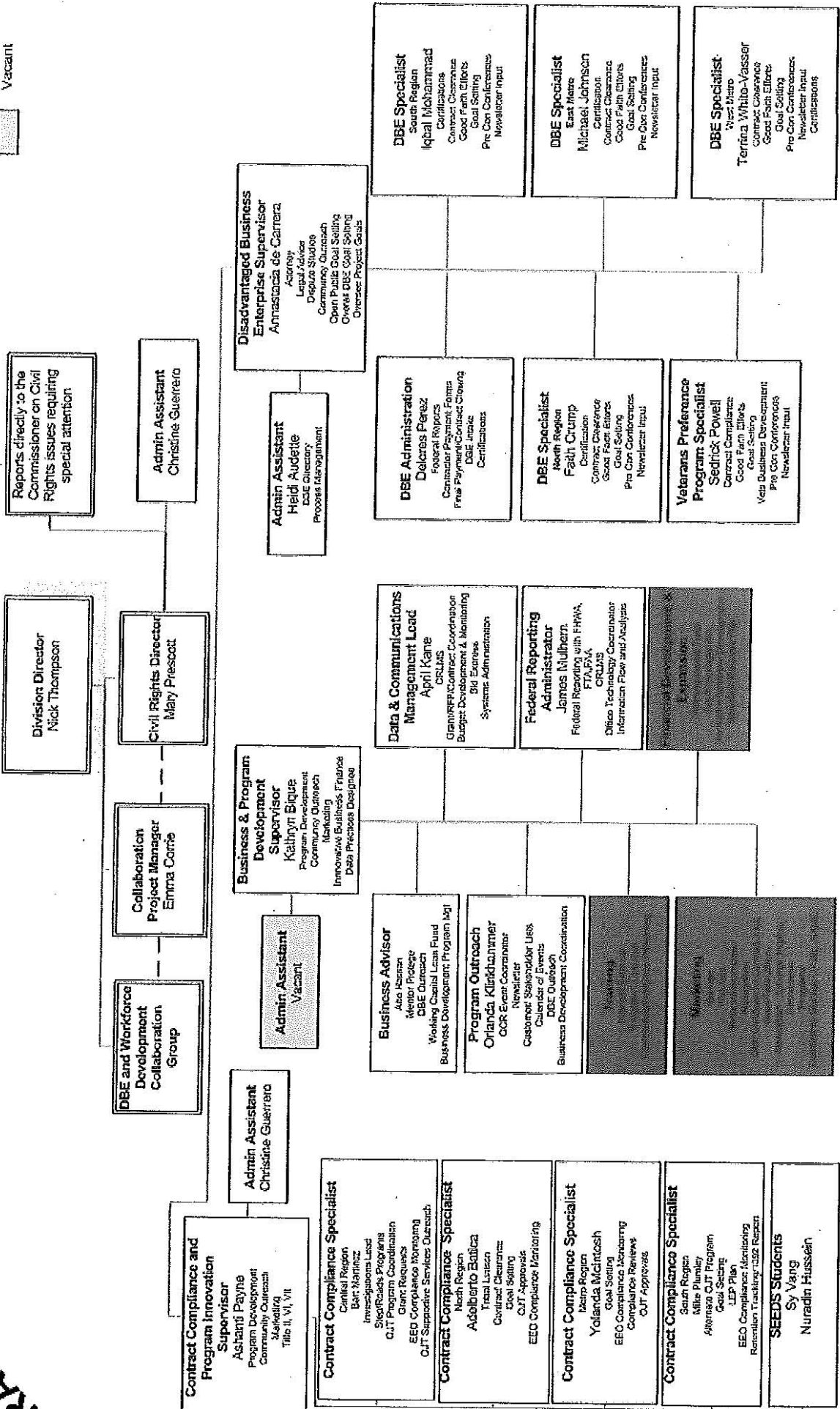
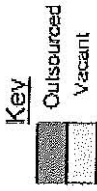
423610	Electrical Apparatus & Equipment, Wiring Supplies, & Related Equipment Merchant Wholesalers	235	7	2.98%
423620	Electrical & Electronic Appliance, Television, & Radio Set Merchant Wholesalers	27	1	3.70%
423690	Other Electronic Parts & Equipment Merchant Wholesalers	264	1	0.38%
423860	Transportation Equipment & Supplies (except Motor Vehicle) Merchant Wholesalers	21	2	9.52%
423990	Other Miscellaneous Durable Goods Merchant Wholesalers	217	1	0.46%
424610	Plastics Materials & Basic Forms & Shapes Merchant Wholesalers	53	1	1.89%
424690	Other Chemical & Allied Products Merchant Wholesalers	160	2	1.25%
424720	Petroleum & Petroleum Products Merchant Wholesalers (except Bulk Stations & Terminals)	51	1	1.96%
424910	Farm Supplies Merchant Wholesalers	280	2	0.71%
424930	Flower, Nursery Stock, & Florists' Supplies Merchant Wholesalers	67	1	1.49%
424990	Other Miscellaneous Nondurable Goods Merchant Wholesalers	220	1	0.45%
425120	Wholesale Trade Agents & Brokers	1472	1	0.07%
444220	Nursery, Garden Center, & Farm Supply Stores	458	5	1.09%
482111	Line-Haul Railroads	None	1	None
482112	Short Line Railroads	None	1	None
484110	General Freight Trucking, Local	697	14	2.01%
484121	General Freight Trucking, Long-Distance, Truckload	1025	4	0.39%
484122	General Freight Trucking, Long-Distance, Less Than Truckload	145	1	0.69%
484220	Specialized Freight (except Used Goods) Trucking, Local	748	39	5.21%
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance	224	5	2.23%
488410	Motor Vehicle Towing	114	1	0.88%
488490	Other Support Activities for Road Transportation	22	4	18.18%
488510	Freight Transportation Arrangement	344	3	0.87%
488999	All Other Support Activities for Transportation	1	1	100.00%
531320	Offices of Real Estate Appraisers	393	2	0.51%
532120	Truck, Utility Trailer, & RV (Recreational Vehicle) Rental & Leasing	99	3	3.03%
532412	Construction, Mining, & Forestry Machinery & Equipment Rental & Leasing	44	2	4.55%
532490	Other Commercial & Industrial Machinery & Equipment Rental & Leasing	102	1	0.98%
541310	Architectural Services	441	12	2.72%
541320	Landscape Architectural Services	89	12	13.48%
541330	Engineering Services	993	43	4.33%
541340	Drafting Services	89	6	6.74%
541360	Geophysical Surveying & Mapping Services	3	5	
541370	Surveying & Mapping (except Geophysical) Services	117	12	10.26%
541380	Testing Laboratories	96	3	3.13%
541611	Administrative Management & General Management Consulting Services	1156	21	1.82%
541613	Marketing Consulting Services	588	6	1.02%
541614	Process, Physical Distribution, & Logistics Consulting Services	169	12	7.10%
541618	Other Management Consulting Services	164	21	12.80%
541620	Environmental Consulting Services	139	10	7.19%
541690	Other Scientific & Technical Consulting Services	446	13	2.91%
541720	Research & Development in the Social Sciences & Humanities	36	6	16.67%
541820	Public Relations Agencies	130	8	6.15%
541910	Marketing Research & Public Opinion Polling	117	6	5.13%
541990	All Other Professional, Scientific, & Technical Services	523	5	0.96%
561410	Document Preparation Services	111	2	1.80%
561612	Security Guards & Patrol Services	91	1	1.10%

**EXHIBIT A**

561720	Janitorial Services	1015	10	0.99%
561730	Landscaping Services	1862	16	0.86%
561990	All Other Support Services	422	2	0.47%
562112	Hazardous Waste Collection	7	1	14.29%
562119	Other Waste Collection	29	2	6.90%
562910	Remediation Services	58	4	6.90%
562998	All Other Miscellaneous Waste Management Services	29	1	3.45%
611430	Professional & Management Development Training	115	6	5.22%
811310	Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance	543	2	0.37%
	<b>Total Mn/DOT DBE/Total MN Business</b>	<b>29,343</b>	<b>587</b>	<b>2%</b>

Office of Civil Rights  
January 31, 2011

DRAFT





Educational Activity	Date	Education Type	Attended
Accounting Basics for the Small Business Owner	2/27/10	DBE Educational Program	31
Showcasing Your Financial Strength to Lenders	3/13/10	DBE Educational Program	28
QuickBooks Workshops	3/27/10	Business Development	47
Legal Aspects of Successful Bidding	4/3/10	Business Development	35
Pre-Qualification Program Overview	4/22/10	DBE Education Program	10
Business Development DBE Orientation Program	4/24/10	DBE Education Program	7
Creating a Quick & Effective Survival Plan	5/1/10	Business Development	24
Personal Sales & Presentation Skills	5/22/10	Business Development	16
DBE Orientation Program	6/5/10	DBE Education Program	20
Starting Your Business Out Right	7/7/10	Business Development	7
Starting Your Business Out Right	7/14/10	Business Development	6
DBE Special Provisions Training	9/21/10	DBE Education Program	148
Bonding Training	10/13/10	Business Development	17
Accounting Fundamentals Simplified Workshop (Financial)	10/23/10	Business Development	35
Critical Skills for Small Business Owners Workshop (Financial)	11/13/10	DBE Education Program	19
Title VI Training	11/19/10	OCR Training	69
Working Capital Fund Loan Training	11/20/10	DBE Education Program	14
Local 49 DBE Seminar	12/16/10	DBE Education Program	30
Bidding and Estimating Classes	2010	DBE Educational Program	45

January 27, 2011

Office of Civil  
RightsEducation  
Activities

2010

For More  
Information Contact:

Mary Prescott, Director  
Mn/DOT Office of Civil Rights  
651-366-3150  
[mary.prescott@state.mn.us](mailto:mary.prescott@state.mn.us)

Kathryn Bique, Business  
Development Supervisor  
651-366-3326  
[Kathryn.bique@state.mn.us](mailto:Kathryn.bique@state.mn.us)

Your Destination...Our Priority







Educational Activity	Date	Education Type	Attended
Bidding and Estimating Class	1/6,13,20,27/09	DBE Educational Program	5
Bidding and Estimating Class	1/8,15,22,29/09	DBE Educational Program	5
Accounting Fundamentals Accounting Simplified	1/10/2009	Business Development	14
Business Planning and DBE Orientation	1/24/2009	Business Development	23
DBE Professionals Day	2/14/2009	Business Development	35
Bidding and Estimating Class	3/10,17,21,24/09	DBE Educational Program	3
Bidding and Estimating Class	3/4,11,18,25/09	DBE Educational Program	3
Bidding and Estimating Class	3/5,12,19,26/09	DBE Educational Program	9
DBE Professionals Day/Pre-Qual Program	2/14/2009	Business Development	35
Understanding Legal Aspects of Bidding, Bidding Conventions, and Successfully Interacting With the Prime	3/14/2009	Business Development	19
Bidding and Estimating Class	3/18-19/09	DBE Educational Program	8
DBE Orientation Educational Workshop	3/21/2009	DBE and Business Development Information	34
Bidding and Estimating Class	3/23-24/09	DBE Educational Program	7
Trucking Training	4/2/2009	Business Development	17
QuickBooks Training	4/8,15/09	Business Development	32
Bidding and Estimating Class	4/23-24/2009	DBE Educational Program	10
Unified Certification Program Meeting	4/13/2009	DBE Training for Transit Project Managers	10
Transit DBE Workshop Training Bemidji	4/17/2009	DBE Training for Transit Partners	15
Spring Transit Workshop Mankato	4/23-24/09	DBE firms	25
Business Development & Assistance Program Workshop	4/30/2009	Increasing Business opportunities and networking	18
Small Business Network Electronic Bidding System Tool	5/23/2009	Orientation & Assessment for Newly Certified DBE firms	13
New DBE Orientation & Assessment Training	6/1/2009	DBE and Business Development Information	19

January 27, 2011

Office of Civil Rights

Education Activities

2009

For More Information Contact:

Mary Prescott, Director  
Mn/DOT Office of Civil Rights  
651-366-3150  
[mary.prescott@state.mn.us](mailto:mary.prescott@state.mn.us)

Kathryn Bique, Business Development Supervisor  
651-366-3326  
[Kathryn.bique@state.mn.us](mailto:Kathryn.bique@state.mn.us)

Your Destination... Our Priority





Event	Date	Activity Description
Hastings Design Meet and Greet	1/26/10	Meet & Greet for Prime Contractors and DBE's
CRLMS Kickoff	1/27/10	Data program for Primes and DBE's will be using
DBE Information Meeting	2/18/10	Certification Process
Engineer Board Meeting	3/24-25/10	Informational Meeting regarding the DBE Program
DBE Information Meeting	3/25/10	Certification Process
Synergies Cultural/LR Central Corridors & a Global Metro Area" -Sen. Torres-Ray	4/9/10	DBE Outreach
DBE Information Meeting	4/22/10	Certification Process
Procurement Technical Assistance Center (PTAC) Fair - Twin Cities	4/28/10	DBE Outreach
Veterans Job Fair	5/5/10	Veterans Outreach
DBE Information Meeting	5/20/10	Certification Process
Design Build Meet and Greet in Rochester	6/16/10	Introduce the Elk Run Project
DBE Information Meeting	6/17/10	Certification Process
Design Build Meet and Greet 169/149	6/18/10	Introducing the 169/149 Project
FHWA DBE Training for the Collaborative	6/30/10	DBE Program
DBE Information Meeting	7/15/10	Certification Process
Twin Cities Small Business Day: Connecting Businesses with Opportunities	7/26/10	DBE Outreach
8th District Small Business Day: Connecting Businesses with Opportunities	8/9/10	DBE Outreach
Procurement Technical Assistance Center (PTAC) Fair - Carlton, MN	8/17/10	DBE Outreach
DBE Information Meeting	8/19/10	Certification Process
DBE Meet and Greet THW 13/110	8/27/10	Introduce the THW 13/110
Business Resource Fair	9/15/10	DBE Outreach
DBE Information Meeting	9/16/10	Certification Process
University of Minnesota Construction Expo	10/7/10	DBE Outreach
Resident Engineer's	10/14/10	Training Outreach on the DBE Program
DBE Information Meeting	10/21/10	Certification Process
DBE Information Meeting	11/18/10	Certification Process
Local 49'ers DBE Seminar	12/16/10	Certification Process

January 27, 2011

Office of Civil Rights

Marketing and Outreach Activities

2010

For More Information Contact:

Mary Prescott, Director  
Mn/DOT Office of Civil Rights  
651-366-3150  
mary.prescott@state.mn.us

Kathryn Bique, Business Development Supervisor  
651-366-3326  
Kathryn.bique@state.mn.us

Your Destination...Our Priority





Event	Date	Activity Description
Meet & Greet for SP 2771-38 (TH 610 in Metro)	04/01/09	Meet & Greet for Prime Contractors and DBE's
Meet & Greet for SP 5080-156 (190 in District 6 - Rochester)	04/01/09	Meet & Greet for Prime Contractors and DBE's
Meet & Greet for SP 0406-53 (TH 2 in District 2)	04/01/09	Meet & Greet for Prime Contractors and DBE's
Meet & Greet for SP 5209-64 (TH 169 in St Peter)	04/01/09	Meet & Greet for Prime Contractors and DBE's
Unified Certification Program Meeting	04/09/09	Discussion/Planning DBE Certification Program
Certification Application Committee Mtg.	04/15/09	Certification Application Committee Meeting
Design Build Meet & Greet Rochester	04/16/09	Meet & Greet for Prime Contractors and DBE's
Spring Transit Workshop Mankato	04/17/09	DBE Training for Transit Partners
Meeting of Great Minds	04/20/09	DBE Unified Certification Program Exchange
DBE Information Meeting	04/22/09	DBE Outreach
Construction Managers Group Meeting	04/28/09	OCR Representation at CMG
OCR Presentation for Resident Engineers	04/30/09	OCR Presentation for Resident Engineers
Community Outreach OCR Programs Information Exchange South Minneapolis - April	04/01/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
Community Outreach OCR Programs Information Exchange North Minneapolis - April	04/01/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
OJT Supportive Services Assisting Contractors to meet OJT Objectives	05/01/09	Assisting Contractors to meet OJT Objectives
Community Outreach OCR Programs Information Exchange East Side St. Paul - May	05/01/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
Latino Economic Development Center DBE Outreach Efforts	05/01/09	Outreach to Potential Latino DBE's
DBE Forum	05/01/09	Understanding the Dynamics of the DBE Program
Community Outreach OCR Programs Information Exchange Duluth - May	05/01/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
Construction Managers Group Meeting	05/01/09	Construction Managers Office of Civil Rights Information Exchange
MWDBE Committee Meeting	05/03/09	DOT DBE Issues Discussion
Meeting of Great Minds	05/18/09	DBE Unified Certification Program Exchange
DBE Information Meeting	05/20/09	Discussion & Information to Potential DBE firms
New DBE Orientation & Assessment Training	05/23/09	Orientation & Assessment for Newly Certified DBE firms
Construction Managers Group Meeting	05/26/09	Construction Managers Office of Civil Rights Information Exchange
Community Outreach OCR Programs Information Rochester - June	06/01/09	DBE Outreach
Community Outreach OCR Programs Information Exchange Midway St Paul - June	06/01/09	DBE Outreach

January 27, 2011

Office of Civil Rights

Marketing and Outreach Activities

2009

For More Information Contact:

Mary Prescott, Director  
Mn/DOT Office of Civil Rights  
651-366-3150  
[mary.prescott@state.mn.us](mailto:mary.prescott@state.mn.us)

Kathryn Bique, Business Development Supervisor  
651-366-3326  
[Kathryn.bique@state.mn.us](mailto:Kathryn.bique@state.mn.us)

Your Destination...Our Priority





Event	Date	Activity Description
Annual DBE Program Goal Setting	06/01/09	Annual Aspirational Goal Setting for DBE Program
DBE Information Meeting	06/17/09	Discussion & Information to Potential DBE firms
Community Outreach OCR Programs Information Moorhead -- July	07/01/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
Community Outreach OCR Programs Information Exchange West Side St. Paul -- July	07/01/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
DBE Information Meeting	07/15/09	Discussion & Information to Potential DBE firms
Community Outreach OCR Programs Information Bemidji -- August	08/01/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
Community Outreach OCR Programs Information St. Cloud -- August	08/01/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
Community Outreach at the Tawfig Islamic Center in Minneapolis	08/01/09	Discussion & Information to Potential DBE firms
Seeds Student Career Orientation/Civil Rights Information Presentation	08/03/09	Transportation career awareness
EEO Employment Recruitment Outreach MN Workforce Center-Fairbault MN	08/11/09	Transportation career awareness
Government Procurement Fair	08/18/09	Discussion & Information to Potential DBE firms
White Earth Tribal College	08/18/09	Transportation career awareness
DBE Information Meeting	08/26/09	Discussion & Information to Potential DBE firms
DBE Forum	08/24/09	Discussion & Information to Potential DBE firms
Community Outreach OCR Programs Information Willmar -- September	9/10/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
Minnesota Utility Contractors Association (MUCA)	09/14/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
DBE Small Business Rally	09/19/09	DBE Outreach
DBE Information Meeting	09/23/09	Discussion & Information to Potential DBE firms
MMSDC Minority Business Opportunity Fair	09/24/09	DBE Outreach
C.L.U.E.S. (Comunidades Latinas Unidas en Servicio) Job Fair	09/30/09	Transportation career awareness
22nd Indian Chamber Annual Awards	11/05/09	DBE Outreach
Outreach visit to Fond du Lac TERO Office	11/04/09	Native American Outreach
District 4- Detroit Lakes Outreach	11/10/09	Mn/DOT DBE Program, OJT, and overall EEO goals.
Association of General Contractors	12/01/09	DBE Outreach
National Association of Minority Contractor Annual Awards	12/04/09	DBE Outreach
Community Session	12/02/09	DBE Outreach
Metropolitan Area Projects	12/11/09	Increase DBE Participation
Association of General Contractors	12/16/09	Planned Hispanic Outreach Program for Greater Minnesota



Veterans Preference Program Participation 2010

Attachment E

Date Received	SP #	Dis.	Low Bidder	Dollar Amount	Set Goal	Veteran Subcontractor	Vet Dollar Amount	Met Goal
3/1/2010	6915-0132	1	Woyda & Mortel Inc.	\$21,725.00	0.50%	Severson Oil Company	\$144.00	0.66%
3/1/2010	5880-179	1	Redstone Construction Co, Inc	\$1,584,975.42	1.00%	Bald Eagle Erectors	\$47,074	3.00%
4/27/2010	8821-0198	1	R.H. Grover Tree Service LLC	\$95,849.87	0.50%	none	\$0.00	0.00%
4/27/2010	3116-0135	1	Hammerlund Construction Inc	\$12,999.00	1.00%	none	\$0.00	0.00%
5/11/2010	3112-0034	1	Northland Constructors of Duluth LLC	\$10,478,934.64	4.00%	none	\$0.00	0.00%
5/11/2010	6937-69100C	1	Piasecki Steel Construction Corp	\$473,000.00	1.00%	none	\$0.00	0.00%
5/11/2010	6910-0088	1	Northland Constructors of Duluth LLC	\$103,809.20	1.00%	none	\$0.00	0.00%
5/25/2010	8821-0178	1	Uliland Brothers Inc	\$2,192,600.00	1.50%	none	\$0.00	0.00%
6/8/2010	8821-0207	1	Farfner Asphalt Sealers	\$1,558,606.12	1.50%	none	\$0.00	0.00%
6/28/2010	8822-0110	1	Minn-Dak Asphalt Inc	\$459,491.50	1.25%	R&Q Trucking	\$5,835.00	1.27%
7/27/2010	0908-0144	1	KGM Contractors	\$317,724.64	1.00%	RpreusserConstruction	\$3,219.00	1.01%
7/27/2010	6920-0051	1	Northland Constructors of Duluth LLC	\$213,623.41	1.00%	none	\$0.00	0.00%
				<b>District Total:</b>		<b>District Veteran Total:</b>	<b>\$56,272.00</b>	
4/27/2010	6004-0022	2	Minn-Dak Asphalt Inc	\$1,173,479.73	1.00%	none	\$0.00	0.00%
6/8/2010	6803-0041	2	R & Q Trucking Inc	\$227,564.50	1.00%	R&Q Trucking	\$167,564.50	73.63%
				<b>District Total:</b>		<b>District Veteran Total:</b>	<b>\$167,564.50</b>	
3/30/2010	8823-0159	3	Pearson Bros Inc	\$1,174,356.79	1.00%	none	\$0.00	0.00%
4/27/2010	7103-0051	3	Shafer Contracting Co Inc	\$13,604,912.80	3.50%	Knife Lake Concrete	\$96,301	0.70%
5/11/2010	4902-0061	3	Redstone Construction Co, Inc	\$1,728,865.90	2.00%	none	\$0.00	0.00%
5/11/2010	7380-0236	3	Asphalt Surface Technologies Corporation	\$891,843.51	2.00%	none	\$0.00	0.00%
5/25/2010	1103-0025	3	Anderson Brothers Construction	\$1,486,762.95	1.50%	Ruyak Enterprises	\$17,624.80	1.20%
6/8/2010	8680-0163	3	Penhall Company	\$40,573.94	1.00%	none	\$0.00	0.00%
6/28/2010	0503-0083	3	Creative Services of MN Ltd	\$44,061.75	1.00%	none	\$0.00	0.00%
7/27/2010	1111-0014	3	Gladen Construction Inc	\$490,144.51	1.00%	none	\$0.00	0.00%
9/28/2010	7106-0080	3	PCI Roads	\$36,750.00	1.00%	none	\$0.00	0.00%
				<b>District Total:</b>		<b>District Veteran Total:</b>	<b>\$113,925.80</b>	
4/27/2010	8824-0090	4	Interstate Improvement Inc	\$29,002.90	0.50%	HPS	\$145.00	0.50%
4/27/2010	8824-0087	4	Central Specialties, Inc	\$270,447.08	0.50%	none	\$0.00	0.00%
4/27/2010	1480-0159	4	Northern Improvement Co	\$175,995.35	0.60%	none	\$0.00	0.00%
5/25/2010	2110-0009	4	Central Specialties, Inc	\$1,155,883.76	1.50%	Rpreusser Construction Inc.	\$1,500	0.13%
6/8/2010	0303-0062	4	Central Specialties, Inc	\$296,143.00	1.00%	none	\$0.00	0.00%
6/8/2010	0604-0021	4	Central Specialties, Inc	\$265,420.32	1.00%	none	\$0.00	0.00%
6/8/2010	8824-0088	4	Asphalt Surface Technologies Corporation	\$1,798,164.90	1.50%	none	\$0.00	0.00%
6/28/2010	5607-56021A	4	Rainbow, Inc	\$425,315.00	1.00%	none	\$0.00	0.00%
7/27/2010	7608-0017	4	Central Specialties, Inc	\$273,313.68	1.00%	RpreusserConstruction	\$2,772.00	1.01%

Date Received	SP #	Dis.	Low Bidder	Dollar Amount	Set Goal	Veteran Subcontractor	Vet Dollar Amount	Met Goal
District Total:				\$4,689,686.49			\$4,417.00	
2/16/2010	2006-0026	6	Concrete Foundations Inc	\$2,853,760.48	1.00%	none	\$0.00	0.00%
2/16/2010	2801-0080	6	Mathy Construction Company	\$4,449,950.98	1.00%	none	\$0.00	0.00%
2/16/2010	8580-0156	6	PCI Roads	\$14,327,582.23	3.00%	Severson Oil Company	\$3,000.00	0.02%
3/1/2010	5007-025	6	Minnowa Constr. Inc.	\$621,677.06	0.50%	Severson Oil Company	\$3,500.00	0.60%
3/30/2010	2510-0037	6	Minnowa Construction Inc	\$1,457,753.65	1.00%	Severson Oil Company	\$15,000.00	1.03%
3/30/2010	8826-0073	6	Heselton Construction Inc	\$165,825.67	0.50%	none	\$0.00	0.00%
4/27/2010	8826-0076	6	Farhner Asphalt Sealers	\$181,087.46	0.50%	none	\$0.00	0.00%
5/11/2010	5080-0158	6	Interstate Improvement Inc	\$2,102,638.13	2.50%	Severson Oil Company	\$52,565.00	2.50%
5/25/2010	8826-0078	6	Interstate Improvement Inc	\$279,062.50	1.00%	Hunt Global Ind.	\$19,880.54	7.12%
6/8/2010	2304-6662A	6	Rainbow, Inc	\$519,370.00	1.00%	none	\$0.00	0.00%
6/8/2010	2306-0023	6	Dunn Blacktop Company	\$3,057,066.60	2.50%	none	\$0.00	0.00%
9/28/2010	5512-0009	6	Lametti & Sons, Inc	\$79,700.00	1.00%	none	\$0.00	0.00%
District Total:				\$30,095,474.76			\$93,945.54	
3/30/2010	5409-0028	7	Robert R Schroeder Construction Co	\$1,520,598.07	1.50%	Pacal LCC	\$11,500.00	0.75%
3/30/2010	5380-0126	7	Duininck Inc	\$358,671.47	0.50%	none	\$0.00	0.00%
3/30/2010	6101-0003	7	Duininck Inc	\$3,262,069.94	1.50%	none	\$0.00	0.00%
4/27/2010	5305-0056	7	Hoffman Construction Company	\$17,808,649.66	3.00%	Larson Crane Services Inc.	\$662,485.90	3.70%
5/25/2010	5305-0064	7	Jeppesen Gravel	\$69,094.00	1.00%	none	\$0.00	0.00%
5/25/2010	1704-0026	7	Knife River Corporation - North	\$234,520.47	1.00%	none	\$0.00	0.00%
5/25/2010	5204-0025	7	Central Specialties, Inc	\$535,044.36	1.00%	Veterans Enterprises Ltd.	\$6,480.00	1.20%
6/8/2010	4603-0044	7	Mathiowetz Construction Co	\$31,178.00	1.00%	none	\$0.00	0.00%
6/8/2010	8101-0050	7	Crane Creek Asphalt	\$141,204.26	1.00%	none	\$0.00	0.00%
6/28/2010	8103-0057	7	Crane Creek Asphalt	\$386,792.55	1.00%	none	\$0.00	0.00%
7/13/2010	5305-0056	7	Mathiowetz Construction Co	\$17,808,649.66	3.00%	Larson Crane Services Inc.	\$662,485.90	0.31%
7/27/2010	8827-0132	7	H & R Construction Co	\$260,290.00	1.00%	none	\$0.00	0.00%
District Total:				\$42,416,762.44			\$1,342,951.80	
6/28/2010	3413-0040	8	Granite Ledge Electrical	\$117,918.00	1.00%	none	\$0.00	0.00%
7/13/2010	6509-0026	8	Forby Contracting Inc	\$64,797.00	1.00%	National Facility Solutions, LCC	\$1,348.00	2.14%
9/1/2010	3419-0008	D8	Duininck Inc	\$725,610.04	1.50%	Veterans Enterprises Ltd.	\$8,330.00	1.15%
9/1/2010	8828-0117	D8	Highway Technologies Inc	\$353,582.95	2.00%	none	\$0.00	0.00%
9/1/2010	8828-0119	D8	H & R Construction Co	\$211,886.30	1.00%	none	\$0.00	0.00%
District Total:				\$1,473,794.29			\$9,678.00	
2/16/2010	1923-0011	ME	Eureka Construction Inc	\$219,234.06	1.00%	Valley Paving Inc	\$49,200.00	22.40%
2/16/2010	8285-0094	ME	PCI Roads	\$14,213,561.52	3.00%	Versacon Inc	\$601,290.00	4.23%
3/1/2010	1913-99A	ME	Neisen's Paving & Excavating, Inc.	\$8,850.00	0.20%	none	\$0.00	0.00%

Date Received	SP #	Dis.	Low Bidder	Dollar Amount	Set Goal	Veteran Subcontractor	Vet Dollar Amount	Met Goal
3/1/2010	1912-0055	ME	Collisys	\$149,647.00	0.50% none		\$0.00	0.00%
5/11/2010	1917-0040	ME	Valley Paving Inc	\$421,724.74	1.00%	Valley Paving Inc	\$414,716.73	100.00%
5/25/2010	8825-0377	ME	Forest Lake Contracting Inc	\$162,155.00	1.00%	none	\$0.00	0.00%
6/8/2010	1982-0143	ME	Veit & Company Inc	\$413,211.00	4.00%	Erickson Builders	\$3,650.00	1.00%
6/8/2010	1903-0088	ME	Asphalt Surface Technologies Corporation	\$562,712.40	1.00%	none	\$0.00	0.00%
6/28/2010	6244-0099A	ME	Carl Bolander & Sons Co	\$38,033.75	1.00%	none	\$0.00	0.00%
6/28/2010	6281-0024	ME	PCI Roads	\$288,484.50	1.00%	none	\$0.00	0.00%
7/27/2010	1906-0058	ME	Cedar Ridge Landscaping Inc	\$55,320.00	1.00%	Severson Oil Company	\$620.00	1.12%
7/27/2010	7101-0062	ME	Astech Corp	496,196.15	1.00%	Rpreusser Construction Inc.	\$4,962	1.00%
7/27/2010	2732-0095	ME	Astech Corp	\$756,913.18	1.00%	Valley Paving Inc	\$51,057.22	6.70%
9/1/2010	8214-0099C	ME	Creative Services of MN Ltd	\$43,326.50	1.00%	none	\$0.00	0.00%
10/27/2010	1912-0056	ME	Collisys	\$223,200.00	1.00%	none	\$0.00	0.00%
<b>District Total:</b>				<b>\$18,052,569.80</b>		<b>District Veteran Total:</b>	<b>\$1,125,495.95</b>	
4/27/2010	8825-0305	ME/MW	Global Specialty Contractors Inc	\$180,444.48	1.00%	none	\$0.00	0.00%
5/11/2010	8825-0237	ME/MW	Collisys	\$389,200.00	1.00%	none	\$0.00	0.00%
5/25/2010	8825-0379	ME/MW	Asphalt Surface Inc	\$1,032,997.00	1.50%	none	\$0.00	0.00%
5/25/2010	8825-0338	ME/MW	Highway Technologies Inc	\$497,761.19	1.00%	none	\$0.00	0.00%
5/25/2010	8825-0378	ME/MW	Asphalt Surface Inc	\$451,518.42	1.00%	none	\$0.00	0.00%
6/8/2010	8825-0313	ME/MW	Egan Companies, Inc	\$118,539.50	1.00%	Best Enterprises	\$3,065.92	2.60%
<b>District Total:</b>				<b>\$2,670,460.59</b>		<b>District Veteran Total:</b>	<b>\$3,065.92</b>	
2/16/2010	2724-0099A	MW	Veit & Company Inc	\$16,071.00	0.20%	none	\$0.00	0.00%
3/1/2010	2782-0323	MW	Cedar Ridge Landscaping	\$73,798.00	0.50%	none	\$0.00	0.00%
3/1/2010	2771-99A	MW	Neisen's Paving & Excavating, Inc.	\$13,788.00	0.20%	none	\$0.00	0.00%
3/30/2010	2776-0099B	MW	Veit & Company Inc	26,615.10	0.50%	none	\$0.00	0.00%
3/30/2010	2776-0099C	MW	Nerstand Excavating Inc	\$14,926.00	0.10%	Severson Oil Company	\$150.00	1.00%
4/27/2010	2771-0099B	MW	Urban Companies LLC	18,425.00	1.25%	none	\$0.00	0.00%
4/27/2010	2758-0067	MW	H & R Construction Co	\$269,132.35	1.00%	Erickson Builders	\$6,474.50	2.41%
4/27/2010	0280-0058	MW	Global Specialty Contractors Inc	\$398,892.61	1.50%	none	\$0.00	0.00%
4/27/2010	0283-0025	MW	Global Specialty Contractors Inc	\$180,444.48	1.00%	none	\$0.00	0.00%
5/11/2010	2736-0044	MW	Valley Paving Inc	\$533,746.79	1.00%	Valley Paving Inc	\$533,746.79	100.00%
5/25/2010	7003-0012	MW	Chard Tilling & Excavating	\$339,910.45	1.00%	Chard Tilling & Evcavating	\$128,666.57	37.85%
5/25/2010	2781-0446	MW	Global Specialty Contractors Inc	\$164,477.00	1.00%	Valley Paving Inc	\$4,844	2.03%
5/25/2010	2782-0322	MW	Valley Paving Inc	\$94,089.30	1.00%	Valley Paving Inc	\$37,905.65	40.00%
6/8/2010	6280-0366	MW	Valley Paving Inc	\$912,293.21	1.00%	Valley Paving Inc	\$485,956.35	53.30%
6/8/2010	8303-0023	MW	Knife River Corporation - North	\$101,124.30	1.00%	none	\$0.00	0.00%
6/8/2010	1985-0140	MW	Hardrives, Inc	\$591,802.93	1.00%	none	\$0.00	0.00%

