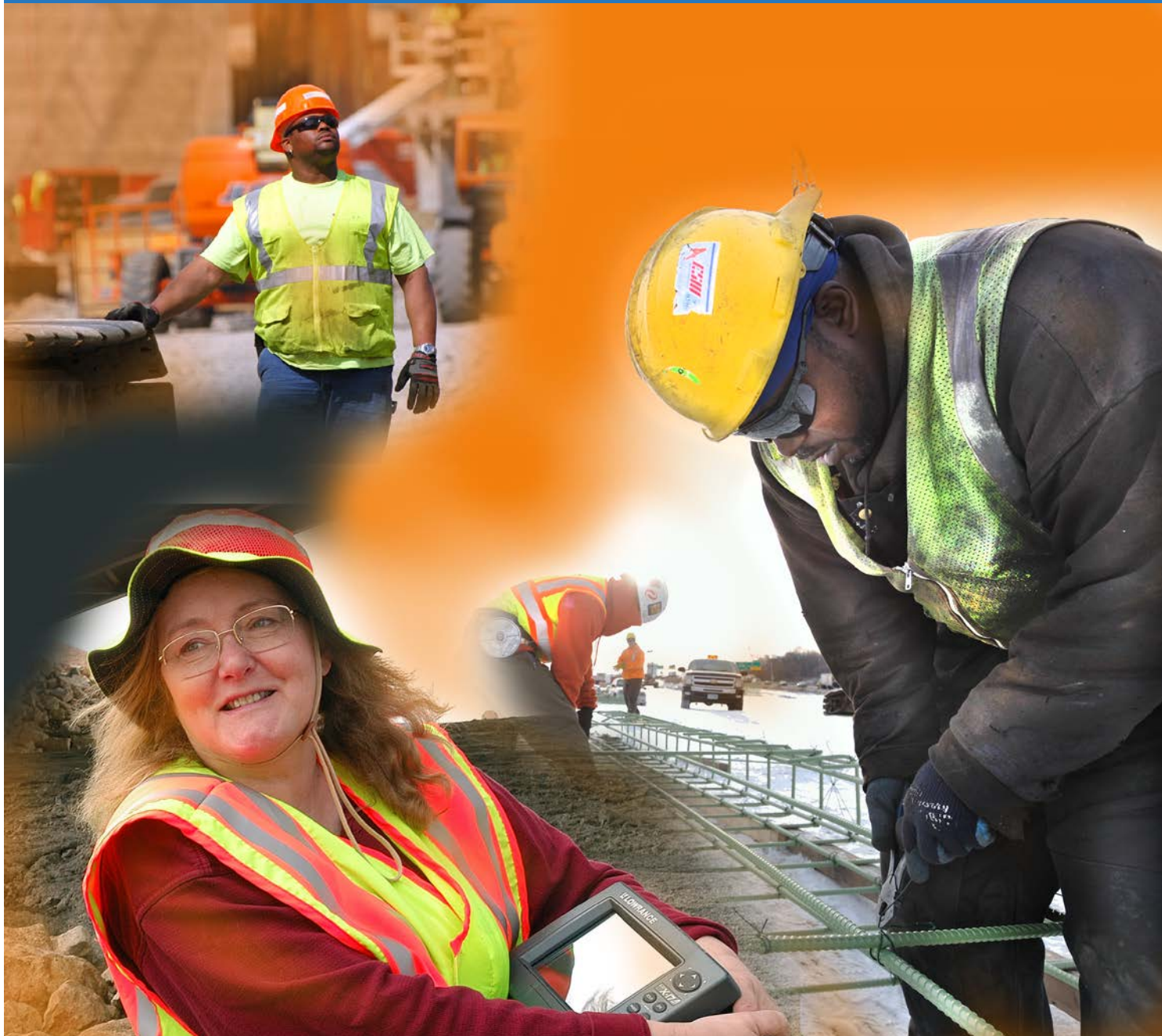




Highway construction training and Disadvantaged Business Enterprise Program

February 2013



Your Destination... Our Priority



Prepared by the Minnesota Department of Transportation
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Cost of completing this report

As required in Minn. Stat. 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
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Executive Summary

Purpose and Scope of Report

This Highway Construction Training and Disadvantaged Business Enterprise Programs Report was prepared in response to Minn. Stat. 174.03, Subd.10 and 11. A report is required by February 1 of each odd-numbered year. This report covers 2011 and 2012. It is current as of November 2012.

MnDOT's DBE program is currently under an audited review. The data used to calculate DBE participation is subject to change based on findings in the audit.

Note that federally funded programs have a fiscal year that runs from October 1 through September 30. State funded programs have a fiscal year that runs from July 1 through June 30.

Transformational and Sustainable Change

The MnDOT 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 and airport financial assistance programs.

During the past two years, MnDOT remained committed to continued transformational change in its civil rights contracting programs. MnDOT implemented organizational changes in OCR to fully integrate department efforts into the communities we serve. The Disadvantaged Business Enterprise and Workforce Collaborative (established by Minn. Stat. 174.186) is a department flagship initiative. It is monitored by MnDOT's Stewardship Council to ensure it implements sustainable solutions that benefit all and are developed with stakeholder input.

The Collaborative brings together representatives of eight broad stakeholder groups: general contractors, DBE contractors, training organizations, unions, business/workforce advocates, non-union contractors/workforce, the Federal Highway Administration and MnDOT. This group developed a mission and formed 11 project teams that are instrumental to MnDOT's external civil rights program; benefiting all stakeholders, including the public. These project teams include:

- Results Transparency
- On-the-Job Training Program
- OJT Trainee Tracking and Retention
- DBE Program and Good Faith Efforts
- Mentor Protégé Program for DBEs
- Working Capital Loan Fund for DBEs
- Coordinated Access Point
- Civil Rights Program Training
- Targeted Group Business
- Veteran's Preference Program
- Construction Pilot Project

Programs

Highway Construction Training

Federal Highway Administration regulations for the On-the-Job Training Program require MnDOT to establish apprenticeship and training programs that assist women, minorities and disadvantaged persons in gaining entry-level positions in the construction trades. This effort helps those workers acquire the necessary skills to reach journey-level status, ensuring the availability of a competent workforce. The program addresses the historical under-representation of these groups in highway construction skilled crafts. The OJT Program has

several major components and respective responsibilities are shared among FHWA, MnDOT and the contractor.

Disadvantaged Business Enterprise (DBE)

The DBE program prohibits discrimination in the award and performance of USDOT-assisted contracts. Its objective is to increase the participation of women and minority-owned small business enterprises in state and local procurement.

As a recipient of federal funds from the USDOT, MnDOT is required to administer the DBE program on federally funded projects. Federal rules in 49 CFR, Part 26, govern the DBE program and require state and local agencies receiving USDOT financial assistance to establish goals for the participation of DBE firms.

Preliminary Results

This report outlines progress made as a result of the OCR reorganization, the Collaborative's efforts, increased enforcement, new training programs, revised special provisions for each program and the work of stakeholders across the state. The following successes over the past two years indicate we are heading in the right direction:

- MnDOT's annual FHWA-approved On-the-Job Training goal was 70 positions. The actual number of minority and women OJT trainees placed on projects was 127 in 2011 and 105 in 2012.
- Minority participation on construction projects increased from 8.5 percent in 2011 to 9.1 percent in 2012. Participation by women increased from 4.5 percent to 5.0 percent.
- DBE participation on federally funded transportation projects increased from 5.6 percent in FFY 2010 to 7.6 percent in FFY 2011. It was 6.6 percent in FFY 12.

MnDOT expects that the reduction in DBE participation on federally funded projects in FFY 2012 was a one-year anomaly related to the combination of:

- A delay in some larger projects (which yield more DBE participation) due to the state government shutdown.
- The completion of ARRA projects, which had a lower threshold for setting race conscious goals.
- The economy is still in recovery and DBEs that typically bid did not want to incur the additional expense of travel. Most DBEs are in the Twin Cities Metro Area and it remains a challenge to get DBE firms to travel to work in more remote locations

In addition, MnDOT continues to work actively and collaboratively to enhance programs and processes in order to meet the DBE statewide goal on federal funded transportation projects. These are outlined in this report and include "unbundling" projects to create more appropriately-sized opportunities, returning to the lower threshold for setting race conscious goals that was used for ARRA projects, mandatory subcontracting, increasing actual payments on contracts completed, and efforts to expand the number of certified DBEs in northern Minnesota.

SECTION I: HIGHWAY CONSTRUCTION TRAINING

The Federal Highway Administration’s on-the-job training program addresses the historical under-representation of women, minorities and disadvantaged individuals in highway construction skilled crafts. FHWA regulations in 23 CFR, Part 230, require MnDOT to establish apprenticeship and training programs for these groups to help them gain entry-level positions in the construction trade and acquire the necessary skills to reach journey-level status. This will help ensure that a competent workforce is available.

FHWA, MnDOT and the contractor share responsibilities for the OJT program, which includes:

- Developing statewide training goals – FHWA requests that MnDOT submit a recommendation of calendar year goals for approval.
- Assigning contract training goals – MnDOT selects contracts that include a training goal and assigns 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
 - Contract duration
 - Contract cost
 - 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 between 10:1 and 4:1)

The OJT program requires that MnDOT’s contracts include a provision specifying the number of trainees assigned to various 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.

In addition to the traditional, project-based OJT Program, MnDOT offers an alternative OJT program that gives contractors more flexibility in the assignment of trainees. Project-specific requirements are removed in the alternative OJT program and contractors may assign trainees to various projects while they are working toward journey-level status. The program emphasizes the selection of trainees who can become members of a contractor's regular workforce on completion of the program.

MnDOT OCR Alternative Program Participants:

2011	2012
Ames Construction	Ames Construction
C.S. McCrossan	C.S. McCrossan
Lunda Construction	Lunda Construction
The Mathiowetz Company	The Mathiowetz Company
Progressive Contractors, Inc.	Progressive Contractors, Inc.
Shafer Contracting	Shafer Contracting
Knife River Corporation - North Central	Knife River Corporation – North Central
	Forest Lake Construction

Description of highway construction training and skill improvement programs

Class A commercial driver's license training programs

MnDOT partnered with community organizations to recruit and train women and minority candidates seeking a Class A commercial drivers license. Partner organizations included Tribal Employment Rights Offices, Minnesota State Colleges and Universities, Fond du Lac Tribal College, Minnesota Workforce Center, community organizations and MnDOT Districts 1 and 6. Training focused on teaching the skills required to obtain a Class A CDL, math, reading and development of soft skills needed to gain employment and retention in the industry. The CDL program objective is to place graduates in highway heavy construction jobs with MnDOT's highway maintenance crew or with city and county public works departments.

MnDOT held its first CDL training program for the Fond du Lac Tribe in FFY 2011 and held another in FFY 2012. The nine-week CDL program was made possible through a partnership that included MnDOT District 1, the Fond du Lac Band of Lake Superior Chippewa, Fond du Lac Tribal and Community College and Lake Superior College-Duluth. MnDOT maintenance technicians played a key role in the program by serving as behind-the-wheel instructors.

In April 2011, a seven-week CDL training program was developed in St. Cloud. MnDOT partnered with Hennepin Technical College, MnDOT's Human Resources staff and the local Minnesota Workforce Center. The recruitment timeline for the program closed at the end of 2012, with training beginning in spring of 2013 and placement occurring prior to the 2013 construction season.

In FFY 2012, MnDOT partnered with Southeast Technical College in Winona, the Winona Workforce Center and MnDOT District 6 (Rochester) to conduct a CDL program for women, minorities, the long-term unemployed and military veterans in the area.

In these training programs, the use of MnDOT's maintenance area staff as behind-the-wheel instructors proved crucial to the students' understanding of MnDOT's highway maintenance equipment, as well as other highway heavy-related equipment.

Results:

- Number of graduate participants: 36
- Total number placed in jobs within the highway heavy industry: 25
 - Number hired by Fond du Lac Public Works: 13
 - Number hired by MnDOT: 8

Highway heavy partnering program

Designed and launched in FFY 2010, the highway heavy partnering program focuses on minorities and women in the Twin Cities area who seek jobs in highway heavy construction. The goal of the program is to provide high quality, hands-on highway heavy construction training; help highway heavy contractors acquire and maintain a diverse and qualified workforce; and increase MnDOT's Equal Employment Opportunity employment participation rates.

MnDOT partnered with Merrick Community Services, Minneapolis Urban League, the Minnesota Department of Employment and Economic Development and Summit Academy OIC to carry out this program.

Results:

- Number of graduate participants: 136
 - Number placed in jobs within the highway heavy industry: 73
- NOTE: Many graduate participants found jobs in vertical construction.*

Highway heavy opportunities training

MnDOT partners with community-based organizations to provide results-oriented job training and placement programs. The goal of the highway heavy opportunities training outreach and assistance program is to provide diverse high-quality referrals to highway heavy construction contractors. Merrick Community Services and Minneapolis Urban League provide hands-on highway construction training services in a variety of trades and types of work.

Results:

- Number of graduate participants: 83
 - Number placed in jobs within the highway heavy industry: 33
- NOTE: Many graduate participants found jobs in vertical construction.*

Heavy equipment operator training program

The goal of this program is to provide high quality, hands-on heavy equipment operator training to increase the participation of women and minorities working towards their journey-level status, as well as helping highway heavy contractors acquire and maintain a diverse, qualified workforce. MnDOT designed this new training and placement program in cooperation with highway heavy contractors and Hennepin Technical College.

The HEOT program will provide approximately 160 hours of classroom and lab instruction, followed by on-the-job training, for at least 18 participants during the construction season. MnDOT and private highway heavy contractors provide the on-the-job training and, after one year of this intensive training, sponsored employees gain two seasons worth of experience.

Planning for this program took place in 2011 and 2012 and training will begin in spring of 2013.

Internship program

The intent of the internship program is to provide an incentive for contractors to recruit from programs that MnDOT and the FHWA have invested in, while providing entry-level employees with practical work experience. Employers who hire graduates of these programs can receive reimbursement for half the wages paid to these individuals for up to six months. Subsequently, these experienced employees are prepared for new opportunities in the construction industry at full-scale wages.

Thus far only one contractor has taken advantage of this opportunity.

Minnesota family investment program

MnDOT partnered with the Department of Human Services and job training providers to train MFIP recipients with skills that lead to highway construction training and employment.

Results:

- Number of graduate participants: 25
- Number of graduates placed: 12

On-the-job training program

MnDOT's calendar-year OJT goal in both 2011 and 2012 was 70 positions. MnDOT filled 127 positions in 2011, exceeding the goal by 57 positions. 105 positions were filled in 2012, exceeding the goal by 35 positions.

OJT goals on federal-aid projects are assigned based on a number of factors, including project size and dollar amount, number of working days, type of project and location. The number of projects assigned OJT goals also depends on MnDOT's total work volume for the construction season, as well as the number of major projects that warrant the assignment of OJT goals.

The success rate in placing OJT trainees on a federally-funded project with OJT goals depends on a number of factors, including the project location, type of highway construction work, availability of qualified OJTs, willingness of OJTs to travel and the time of year in which a project is let. Typically, a project let and awarded prior to the start of the construction season gives both the contractor and employment referral sources, including community-based organizations, enough time to conduct placement. This includes sufficient time to recruit and advertise open positions, as well as more opportunity for the community-based organization to recruit, orient and properly train an applicant prior to placement.

OJT TRAINEE DATA OCTOBER 1, 2010 -SEPTEMBER 30, 2011 (FFY 2011)				
OJT PROGRAM	NUMBER OF TRAINEES			
JOB CATEGORIES	NON-MINORITY		MINORITY	
Craft	Male	Female	Male	Female
CARPENTER	0	1	11	2
CEMENT MASON	0	0	0	0
ELECTRICIAN	0	1	1	0
IRON WORKER	0	0	0	0
LABORER	1	29	37	5
MECHANIC	0	0	0	0
OPERATING ENGINEER	0	5	4	3
PILE DRIVER	0	0	4	0
PIPELAYER	0	0	1	0
TRUCK DRIVER	0	2	10	1
OTHER TRADES	0	0	8	1
TOTALS	1	38	76	12

- Annual Goal: 70 OJT placements
- Total trainees as of 9/30/2011 = 127. Total minorities (male and female) = 88 (69.3%). Total females (minority and non-minority) = 50 (39.4percent) Total minority females = 12 (9.4 percent). Non-minority males = 1 (.78 percent). Total minority and female OJT participation for FFY 2011 = 126 (99.2 percent).

OJT TRAINEE DATA OCTOBER 1, 2011 -SEPTEMBER 30, 2012 (FFY 2012)				
OJT PROGRAM	NUMBER OF TRAINEES			
JOB CATEGORIES	NON-MINORITY		MINORITY	
	Male	Female	Male	Female
CRAFT				
CARPENTER	0	1	2	1
CEMENT MASON	0	0	3	0
ELECTRICIAN	0	0	2	0
IRON WORKER	0	0	0	0
LABORER	0	13	34	6
MECHANIC	0	0	0	0
OPERATING ENGINEER	0	17	10	3
PILE DRIVER	0	0	2	0
PIPELAYER	0	0	0	0
TRUCK DRIVER	0	3	4	0
OTHER TRADES	0	0	3	1
TOTALS	0	34	60	11

- Annual Goal: 70 OJT placements.
- Total trainees as of 9/30/12 = 105. Total minorities (male and female) = 71 (67.6 percent). Total females (minority and non-minority) = 45 (42.8 percent). Total minority females = 11 (10.4 percent). Non-minority males = 0 (0 percent). Total minority and female OJT participation for FFY 2012 = 105 (100.0%).

As was the case for DBE participation, the letting of fewer and smaller projects in 2012 likely impacted the number of OJT placements.

Workforce participation

Minority participation on MnDOT projects increased from 8.5 percent in 2011 to 9.1 percent in 2012. Participation by women increased from 4.5 percent to 5 percent. There were 91 more minorities and women on Minnesota construction jobs in the 2012 construction season than in 2011.

The following chart summarizes workforce progress in highway heavy construction since organizational changes were made in OCR (Attachment B) and the DBE and Workforce Collaborative established.

Highway Heavy Construction Workforce – Statewide Average				
	2012	2011	2010	2009
TOTAL EMPLOYMENT	3614	3200	2251	1873
TOTAL MINORITIES	329	272	168	114
TOTAL WOMEN	179	143	87	62
PERCENT MINORITIES	9.1%	8.5%	7.5%	6.1%
PERCENT WOMEN	5%	4.5%	3.9%	3.3%

MnDOT is making workforce data more transparent. Strategies for this include:

- Providing annual forecasts detailing upcoming projects and letting schedules that include minority and women participation goals.
- Requiring contractors to provide current workforce information and a plan for meeting workforce goals and workforce projections, including projected hours for women and minorities, a condition of contract award.
- Requiring prime contractors to have their current Minnesota Department of Human Rights certificate of compliance on file at the time of bid.
- Requiring monthly reporting of workforce hours by trade level, race, gender and total payroll of minority and women as a percentage of total payroll on federal/state funded projects.
- Posting monthly workforce reports on the MnDOT OCR website and providing this information to other public venues.
- Requesting contractors on the top 15 contracts not meeting employment goals to develop a corrective action plan, identify recruitment resources and provide projections for what they will achieve in terms of minority and women employment. OCR reports contractor progress to the Results Transparency Project Team.

Overall workforce program changes, including the Collaborative, revised special contract provisions, increased enforcement, and new training programs, also contributed to improved program results.

During FFY 2011, 10 in-depth contract compliance reviews were completed by OCR. Ten prime contractors and 113 subcontractors were reviewed, resulting in two corrective action plans for prime contractors. During FFY 2012, 15 in-depth contract compliance reviews were completed for 15 prime contractors and 113 subcontractors, resulting in 9 corrective action plans. Corrective action plans are proving to be the most effective tool for helping prime contractors increase participation by using specific measures and result-oriented recommendations.

In 2012 minority goals increased to 32 percent in Hennepin and Ramsey counties and 22 percent in the other five metro counties. Goals for women remained the same. Over 50 representatives of contractors, DBEs, unions, job training providers and others were asked for their input on how these goals could be achieved. Based on the input received, a strategic workforce plan was drafted. The plan includes: an analysis by trade over a three-year construction project cycle, population demographics, past workforce data, trends, a career development continuum for the construction trades and specific strategies to increase workforce participation by minorities and women.

Availability of federal funds

Congress established a source of funding for state DOTs to develop training programs to increase the effectiveness of construction training programs and increase opportunities for minorities and women to gain entry into the highway heavy construction industry. This funding can be used as a mechanism for MnDOT to fund programs that assist contractors in meeting their goals and meet the objectives of the OJT program and nondiscrimination laws. MnDOT can apply for these funds for the following initiatives: recruiting, counseling, remedial training and OJT program administration conducted by parties not employed by MnDOT. Over the past two fiscal years, MnDOT was approved to receive \$354,246. This includes \$250,000 for FY 2011-12 and \$104,246 for FY 2012-13.

MnDOT has also committed \$6.2 million for the five-year period of 2009 through 2014 for workforce development, training and other DBE and Collaborative initiatives. Laws of Minnesota 2009, Chapter 36, specifies that the commissioner expend up to one-half of one percent of certain federal appropriations as grants to opportunity industrialization centers for job training programs related to highway construction. These funds continue to be the driving force behind the delivery of construction training programs and will be key to the success of future initiatives for construction training programs.

The chart below describes the increased training funding approach:

Funding <i>(in millions of dollars)</i>				
	2011	2012	2013	Forecast 2014
Highway User Taxes (state funds)	210.2	290.2	290.2	290.2
Federal Highway Aid	500.5	344.8	344.8	344.8
State Road Construction Budget	710.7	635	635	635
½ of 1% of the Federal Funds	2.5	1.7	1.7	1.7
Dedicated Amount	1.2	1.2	1.4	1.7

Amount to conduct and administer programs

In 2010/2011 the dedicated \$1.2 million was used as follows:

STIP Funding 2011/2012

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 DBEs 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

In 2011/2012 the dedicated \$1.4 million will be used as follows:

STIP Funding 2012/2013

State Fiscal Year	Program Type	Program Description	Potential Funding
2012	Commercial Driver's License Training	Provide CDL Training to women/minorities in District 1 (\$130,000) and District 6 (\$130,000)	\$260,000
2012	Youth Programs	Provide Native American Intermodal Transportation Career Awareness Summer Camps (3-week non-residential). One each in Metro and Greater Minnesota.	\$100,000
2012	Tribal Employment On-the-Job Training	Provide Tribal Employment Support Services programming for four tribal organizations at \$30,000 each.	\$120,000
2012	On-the-Job Training	Provide Heavy Equipment Operator Training program services in Metro-area.	\$200,000
2012	On-the-Job Training	Provide on-the-job training program services with focus on iron worker, carpenter, or cement mason training and placement in Metro-area. Based on HEOT program model.	\$120,000
2012	Business Development Services	Provide technical certification training to certified DBEs via a training reimbursement program. Allow DBE's to be reimbursed for up to 50 percent of technical training costs on trainings taken from MnDOT or U of M Technical Training Center.	\$50,000
2012	Intensive Bidding and Estimating Training	Provide intensive bidding and estimating training for certified Disadvantaged Business Enterprises. Work with contractor to implement 4-5 week training program to assist DBE's to become proficient at bidding and estimating. Institute an industry-specific bidding training program (landscaping, painting, concrete, etc.)	\$150,000
2012	Business Development Services	Provide statewide business development services for certified DBE's businesses incorporating a 'DBE Business Development Academy' model, which is based on proposal submitted from MnSCU partners. This will assist us to expand existing DBE business development services to reach DBE's in out-state Minnesota.	\$400,000
			\$1,400,000

SECTION II: DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

Description of program

MnDOT must comply with the Disadvantaged Business Enterprise 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 woman- and minority-owned business enterprises in state and local procurement. DBE regulations require state and local recipients of USDOT financial assistance to establish contract goals for the participation of DBEs. Three major USDOT operating administrations are involved in the oversight of the DBE program: the Federal Highway Administration, the Federal Aviation Administration and the Federal Transit Administration.

Recipients certify eligible DBEs based on federal regulations. Eligibility is determined based on information gathered during the certification process, including on-site visits, personal interviews and reviews of licenses, stock ownership, equipment, bonding capacity, work completed and financial capacity.

The main objectives of the DBE program are:

- Ensure DBEs can compete fairly for federally funded transportation-related projects
- Ensure that only eligible firms participate as DBEs
- Assist DBE firms in competing outside the DBE program

Definition of DBE

DBEs are for-profit small businesses in which socially and economically disadvantaged individuals own at least a 51 percent interest and have control and management of 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 first receive DBE certification from a state certifying agency. In Minnesota, DBE certification is granted by the Minnesota Uniform Certification Program, which is comprised of MnDOT, the Metropolitan Council, the Metropolitan Airports Commission and the city of Minneapolis.

An eligible DBE owner must have a personal net worth that does not exceed \$1.32 million. The small business firm must meet federal size criteria and have average annual gross receipts that do not exceed \$22.41 million.

Annual department goal and attainment rate

MnDOT has a single statewide DBE goal for overall participation of DBE firms operating as prime or subcontractors.

- The FHWA statewide DBE goal for Minnesota in FFY 2011 and FFY 2012 was 8.7 percent. The achievement rate was 7.6 percent in FFY 2011 and 6.6 percent in FFY 2012.
- The FTA statewide DBE goal for Minnesota in FFY 2011 and FFY 2012 was 5.75 percent. The achievement rate was 0 percent in FFY 2011 and 4.5 percent in 2012.

Federal regulations require establishing statewide goals every three years. MnDOT submitted its proposed statewide DBE goal on August 1, 2012 for FFY 2013, 2014 and 2015.

Goal methodology and public participation

MnDOT's OCR established the overall goal of 8.7 percent for FFY 2010 using the factors described in 49 CFR, Part 26.45. The goal of 8.7 percent was also used in FFY 2011 and FFY 2012. In 2010, USDOT regulations changed to require states to submit overall goals every three years. Minnesota's reporting requirement under the new scheme began in 2013; therefore, MnDOT was approved to continue using 8.7 percent for FFY 2011 and FFY 2012.

The "Minnesota Department of Transportation DBE Program Goal Setting Methodology for Federal Fiscal Year 2010" (Attachment A) provides details of the methodology used. This methodology incorporated:

- The National Economic Research Association study used in 2009, which resulted in a 15.3 percent DBE goal.
- 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 MnDOT projects sorted by NAICS codes. The analysis yielded a 2 percent relative availability of DBEs.
- The bidders list methodology examined data on federally funded contracts awarded by MnDOT and 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 averaged to arrive at the overall DBE goal of 8.7 percent for FFY 2010.

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

Good faith efforts to meet the goal

The MnDOT DBE goal for FFY 2010, 2011 and 2012 was 8.7 percent (7.5 percent race conscious and 1.2 percent race/gender neutral). DBE participation on federally funded transportation projects was 5.6 percent in FFY 2010, 7.6 percent in FFY 2011 and 6.6 percent in FFY 12. Although the DBE goal was not met during this reporting period, significant progress has been made in Minnesota in the last four years, with participation rates moving from 3.9 percent in FFY 2009 to 7.6 percent in FFY 2011.

A significant emphasis in FFY 2012 was increasing the actual payments made to DBEs on contracts completed. This is being accomplished in part through increased compliance auditing of contractor payment forms and additional construction project on-site monitoring. Actual payments to DBEs increased from 1.8 percent in FFY 2009 to 5.9 percent in 2012. Emphasis on this component was critical to increasing and sustaining program participation.

MnDOT planned to fully meet the 8.7 percent goal in FFY 2012. Program enhancements included continuing to build relationships with all stakeholders; working to unbundle projects to create more appropriate-sized opportunities; implementing race-gender neutral measures to benefit all small businesses; using mandatory subcontracting of scopes of work; exploring a contract change to have all DBE documentation due at the time of letting; and appropriately assigning DBE goals to larger projects.

An OCR analysis separated all projects awarded during the two-year time period by letting authority. Projects with DBE goals and those that were race/gender neutral were analyzed to understand why DBE goals were not achieved. Observations include:

- In the summer of 2011, the Minnesota state government shut down. This led to the delay of some larger projects scheduled for letting in 2012, including the Cayuga and Dresbach bridge projects. In addition, the estimated cost and scope of projects in general was smaller than in typical years, with the total dollar value of all federally funded projects let during this reporting period significantly less than the previous year. MnDOT is continuing to analyze the federally funded city and county let projects. Delays in local lettings, and therefore the number of contracts and dollar amounts of awards to DBE firms, also contributed to the program's results. There was not sufficient time to try to adjust the approach to account for these circumstances.
- For the past several years, OCR has been working closely with the eight MnDOT districts to unbundle large projects into smaller projects to create opportunities for DBEs to bid as prime contractors. As noted, smaller projects were let this year, and four DBEs were awarded contracts as primes. During the same timeframe, OCR ended the temporary reduction in the threshold for race conscious goals from \$350,000 to \$500,000. MnDOT also concluded letting ARRA projects, resulting in fewer projects with race-conscious goals.
- The economy is still in recovery and DBEs that typically bid did not want to incur the additional expense of travel. Most DBEs are in the Twin Cities Metro Area and it remains a challenge to get DBE firms to travel to work in more remote locations. OCR has a DBE and outreach contract with an external partner to assist in finding and coaching highway heavy small businesses on how to become DBE certified. Northern Minnesota was the primary focus of this outreach effort.

Listed below are specific steps, milestones and MnDOT good faith efforts.

DBE and Workforce Collaborative

MnDOT continues implementing recommendations of the Collaborative and the work of the 11 project teams. OCR, along with the DBE project team, continues monitoring progress on the revised requirements that were effective with the Oct. 22, 2010, lettings. The goal of the changes was to clarify requirements and processes under the DBE program and increase DBE participation by:

- Promoting earlier involvement in order to maximize DBE participation on projects.
- Increasing the number of contractors meeting and exceeding their DBE commitment at the time of bid letting.
- Shifting good faith efforts to before the bid submittal, thus nearly eliminating the submission of bids with a zero-percent commitment rate (an established performance measure). This shift has been significant, but MnDOT is also exploring changes to require all DBE program information from prime contractors, which is expected to result in greater participation.

Maximizing project participation

MnDOT is continuing to implement lessons learned from the I694/US 10/Snelling pilot project into other projects. This includes the use of project contract language which instructs the prime contractor to “mandatory subcontract” certain portions of the project which could provide for increased opportunities for DBEs. Many larger projects were also reworked into smaller parts to “unbundle” the work and let those projects separately, giving small businesses greater opportunities to bid as a prime contractor. In addition, mentor/protégé agreements, access to working capital for DBEs, one-on-one bidding and estimating assistance, etc. are being used to increase capacity and participation. These strategies will be used on projects such as the Dresbach bridge, the Cayuga bridge and St. Croix Crossing.

OCR engaged MnDOT estimators and construction and design engineers two years prior to construction activities for these types of projects, which allowed for early identification of specific areas for mandatory sub-contracting opportunities and unbundling. In turn, OCR directed the focus of the small business community to these work areas, allowing them time to plan and prepare for the letting. MnDOT also established partnerships with community and minority and women’s associations to hold informational/networking events up to the time of letting. By identifying interested DBEs and establishing relationships early in the process, MnDOT helps ensure DBEs have access to the information they need to bid on projects.

Race conscious threshold for DBE goals

In fall of 2012, MnDOT reduced the threshold for projects with race conscious DBE goals from \$500,000 to \$300,000. This approach was used previously on a temporary basis for ARRA projects.

Pre-qualification program participation

In April 2012, MnDOT’s Office of Consultant Services revised the pre-qualification program to allow DBEs and other small businesses to participate in contracts they previously were unable to access. The new policy requires the prime contractor to be prequalified while allowing other small businesses to participate as subcontractors. The prime consultant will be responsible for

all of the work under the contract, but may subcontract portions of the work to non-pre-qualified consultants with MnDOT approval.

This change occurred after OCR and Consultant Services were approached by smaller firms and DBEs that do not have access to certain MnDOT contracts because they are not prequalified for those work types. These firms have expertise and can perform portions of the work required, but may not meet all the requirements for prequalification. For example, a small firm that has only one engineer on staff cannot become prequalified for bridge design, despite being qualified to design the retaining walls for the bridge. This policy change allows small businesses to perform work for MnDOT under the supervision and direction of prequalified firms.

MnDOT anticipates this policy change will provide more opportunities to smaller businesses and DBEs to work for MnDOT, gain valuable experience for future projects and bolster future prequalification applications.

Race/gender neutral process

Re-assessing the race/gender neutral small business process is an area that has potential for increasing business participation. This will include working closely with MnDOT's Office of Construction and Innovative Contracting to consider contract specifications that focus on project size and scope. MnDOT expects this approach will yield additional positive results.

DBE business development

MnDOT continues to improve DBE business development program services and increase DBE outreach efforts in order to grow the pool of available DBEs.

- *Mentor/Protégé Program (Collaborative Project Team)* – This program helps DBEs become more proficient in their respective area of work and increase their capabilities. The program focuses on increasing the volume of work emerging DBEs are capable of obtaining to broaden their business activities. It also focuses on 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 or management assistance to 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 and approved by the Minnesota unified certification program.

MnDOT worked with MnUCP to develop streamlined processes for mentor and protégé applications, agreements and UCP approvals. Currently, there are 13 mentor/protégé agreements between prime contractors and DBEs. In addition to providing technical advice, many of the agreements assist in expanding a DBE's capacity to perform other scopes of highway heavy work. OCR's business development staff provides consultation and direction to assist these organizations and firms in developing a productive mentor/protégé arrangement, thus increasing DBE participation on federal projects.

Currently, there are five protégé applicants and four mentor applicants that are establishing mentor/protégé relationships.

- *Working Capital Loan Fund (Collaborative Project Team)* – This program provides short-term working capital loans to certified DBE firms on specified MnDOT 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 operates using industry standards and requires DBEs to have some creditworthiness to be eligible for a loan.

The fund was \$218,000 for the first year of operation and, as of Nov. 30, 2012, is at \$230,979.80. Currently, all loan recipients have either repaid their entire loan or are in payment status.

Results as of Nov. 30, 2012:

- 14 applications completed for 31 different projects
 - 3 applications denied
 - Total dollar value of loans approved: \$311,600
 - Total value of loans closed and funded : \$291,000
 - Total matching funds raised: \$950,000
- *DBE Outreach and Recruitment* – MnDOT staff participated in many DBE outreach and awareness events. Approximately 200 DBE applications have been distributed at these events, in addition to those distributed through the online DBE application system. Approximately 50 firms have submitted DBE applications as a result of these efforts.

MnDOT is working with its partners to provide a DBE orientation for newly certified firms and re-orientation for currently certified firms. The orientation will include a needs assessment for newly certified firms. It will also include an evaluation for current non-bidding DBE firms to identify a training path that will enable them to be successful in the program.

In addition, OCR has attended, facilitated or participated in over 112 marketing and outreach events over the last two years. These events included MnDOT highway construction “meet and greets,” community-based organization networking and small business development outreach events.

- *DBE Business Development Classes* – MnDOT provides training sessions to enhance technical expertise of DBE firms in areas such as financial management, bookkeeping, accounting, marketing, risk management, bidding, estimating, and pre-qualification. Individualized training is also provided when necessary. MnDOT staff, along with business development consultant contractors, have presented 44 training sessions to over 900 DBE participants on topics that include accounting, financial skills and sales presentation. Attachment C “Office of Civil Rights Marketing, Outreach and Education FY 2011-2012,” provides specific information.

In 2011, MnDOT began using an electronic survey tool to get immediate feedback on the effectiveness of business development classes and other training. Survey results indicated that MnDOT provided most of what a DBE owner needs, but that services such as one-on-one assistance, industry-specific bidding assistance, online learning opportunities and technical training to enhance DBE business capabilities were needed. MnDOT responded by implementing: 1) a professional and technical education reimbursement process; 2) increased one-on-one small business assistance; and 3) additional estimating and bidding workshops to include a module on bidding online.

Actions to address overconcentration of disadvantaged business enterprises in certain types of work

MnDOT's DBE program is committed 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. Federal regulations address the issue of overconcentration in 49 CFR 26.33.

If MnDOT determines that DBE firms are over-concentrated within a certain type of scope of work which unduly burdens the opportunity of non-DBE firms to participate within the same work type, MnDOT 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 it was determined that non-DBEs are unduly burdened. MnDOT may also consider varying its use of contract goals, to the extent consistent with federal regulations, to insure that non-DBEs are not unfairly prevented from competing for subcontracts. Proposed measures to address overconcentration and the determination that such a need exists must be approved by the FHWA. Once approved, the measures become part of the DBE program.

MnDOT has not determined that overconcentration exists in any work types or scope of highway heavy work.

Contractor performance

In 2011, approximately 178 MnDOT projects had DBE goals. Of the 178 contracts with DBE goals, 83 exceeded the goal, 55 met the goal and 40 required an analysis of good faith efforts.

In 2012, approximately 120 MnDOT projects had DBE goals. Of the 120 contracts with DBE goals, 71 exceeded the goal, 46 met the goal and 3 required an analysis of good faith efforts.

2011	2012
178 Contracts cleared (race conscious)	120 Contracts cleared (race conscious)
154 Contracts race neutral (no goal)	167 Contracts race neutral (no goal)
40 Good faith efforts	3 Good faith efforts
55 Met the goal	46 Met the goal
83 Exceeded the goal	71 Exceeded the goal

Federal regulations require MnDOT to impose sanctions such as withholding progress payments for failure to comply with the program's requirements after the contract has been awarded. In 2012 MnDOT imposed sanctions on one contract.

Generally federally funded construction projects are assigned a DBE project goal. The federal regulations governing the DBE program require that a contractor must meet the DBE project goal or make adequate good faith efforts towards meeting the goal. Apparent low bidders who fail to meet these requirements are deemed non-responsible. Federal regulations allow the apparent low bidder the opportunity for an administrative reconsideration of this determination. The administrative hearing process is an informal hearing before a reconsideration panel comprised of MnDOT personnel who were not involved in determining that the contractor was a non-responsible bidder.

There were 12 administrative reconsideration hearings in the past two years. Decisions from these hearings are available at <http://www.dot.state.mn.us/civilrights/reconsiderationhearings.html>. One challenge was appealed to Minnesota Court of Appeals, where the court affirmed the reconsideration panel's decision that the bidder was non-responsible.

Contracts without DBE goals, including the number of contracts and amount of each

In accordance with the requirements of Minn. Stat. 16C.16, MnDOT is committed to ensuring that all minority-owned, women-owned and veteran-owned small businesses have the opportunity to participate in contracts and subcontracts financed with state funds.

MnDOT implemented a veterans contracting program for its state-funded construction projects in February 2010. This program is intended to build the capacity of Minnesota veteran-owned small businesses. OCR awarded a marketing and outreach contract to identify and assist veteran-owned small businesses. A series of workshops and instructional tutorials are being conducted throughout the state to assist potential program participants with their applications. Future efforts are being planned to support veterans and their business development. It is important to note that the veteran-owned small business program is only applicable towards state-funded projects.

This program serves as a springboard for small businesses to become proficient working on MnDOT projects. In January 2012, the veteran-owned business directory included a total of 28 businesses. As of today, there are almost 75. The veterans contracting program is instrumental in educating the veteran community about various MnDOT opportunities and MnDOT recently made substantial changes to the veteran directory, such as increasing the application life from one to two years and significantly reducing re-verification documentation.

The veteran's program is structured as a hybrid of the approach used by the Minnesota Department of Administration's targeted business group and the federal DBE program. It allows for a six percent veteran preference that applies solely for the purpose of evaluating proposals, not to exceed \$60,000. It is not used to determine the contract award amount or the payment due to the contractor under the contract.

2011 (Calendar Year)	2012 (Calendar Year)
107 Contracts cleared	178 Contracts cleared
49 Good faith efforts	70 Good faith efforts
15 Met the goal	19 Met the goal
43 Exceeded the goal	89 Exceeded the goal
2 Vet awarded as prime	1 Vet awarded as prime

There are also veteran goals set on projects falling under the authority of Minn. Stat. 161.321 Subd. 2., which sets the parameters for veteran-owned small business.

MnDOT is implementing a targeted group business program on state funded construction projects beginning in February of 2013.

Acronyms

ALB – Apparent low bidder
ARRA – American Recovery and Reinvestment Act of 2009
CAC – Certification application committee
CBO – Community based organization
CDL – Commercial driver’s 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
MnDOT – 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
SS – Supportive services
STIP – Statewide transportation improvement program
TERO – Tribal employment rights offices
TESS – Tribal employment supportive services
TGB – Targeted group business
USDOT – United States Department of Transportation
VOSB – Veteran-owned small business
WCLF – Working capital loan fund

Minnesota Statutes 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](#).

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.

TABLE A – CONSTRUCTION CONTRACTING DOLLARS		
SIC Codes	Title	Distribution of Mn/DOT Contracting
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
	Total of Top 35 DBE Mn/DOT Construction SIC Codes	100%

The top SIC codes for consultants identified by NERA 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
Total of Top 9 DBE Mn/DOT Consultant SIC Codes		100%

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.

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
Total for Entire Geographic Market Area	15.30	15.18	16.58

(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.

TABLE D – U.S. CENSUS DATA & DBE DIRECTORY		
All Business from 2006 US Census Data	Mn/DOT DBE (from Mn/UCP DBE Directory)	% Mn/DOT DBEs to Total Businesses
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.

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.

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 ¹	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 -
Total			=	.0876709 (8.76709%)	
3 rd Data Point			=	8.8%	
NAICS Codes Listed Above	515 Total Bidders:	49 DBE Bidders 466 Non-DBE Bidders			
All Other NAICS Codes	194 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%.

¹ 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).² 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.

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

(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

² 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%)³, 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%**.

³ 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%

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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	.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	95	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

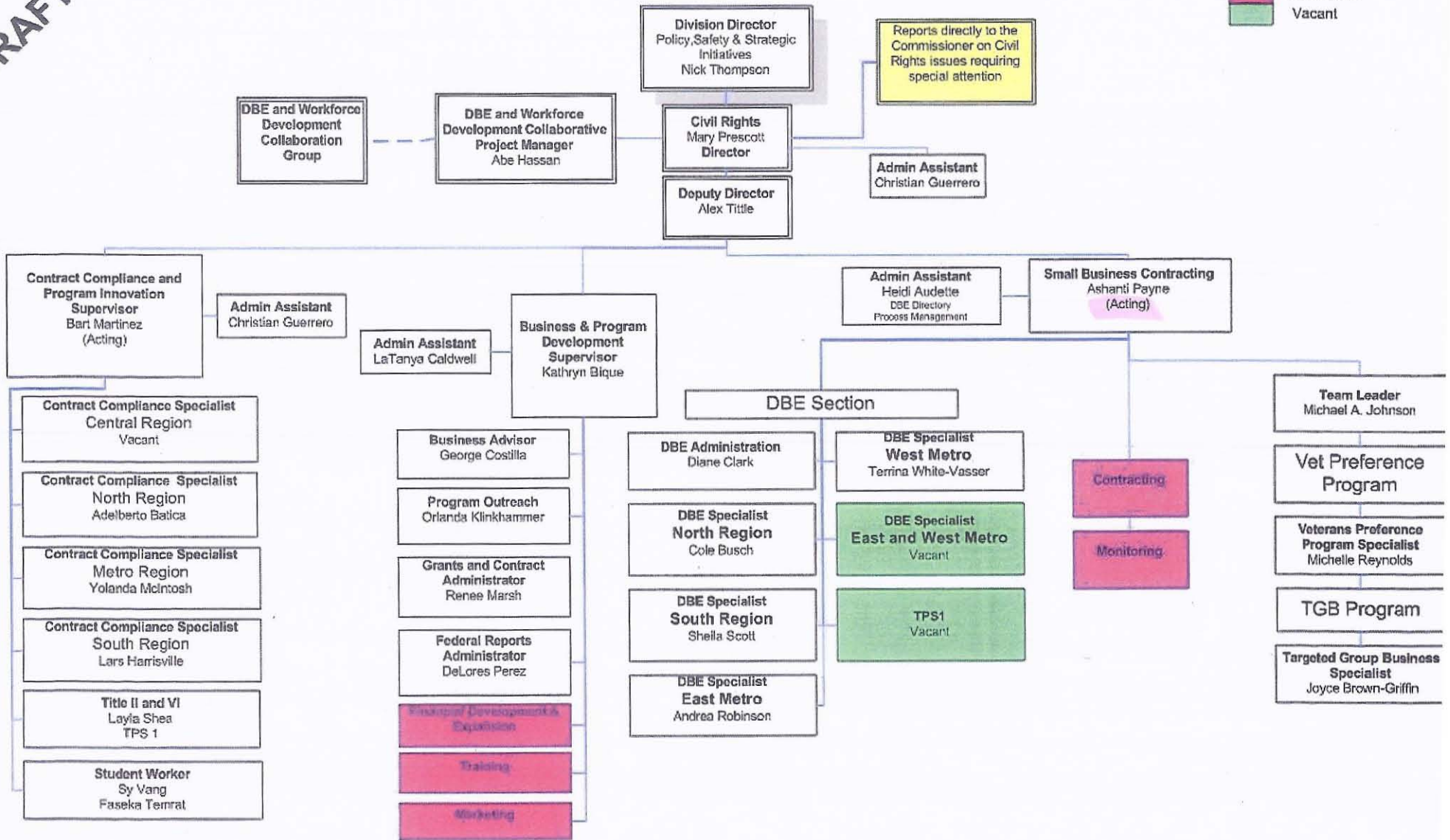
561720	Janitorial Services	1015	10	0.99%
561730	Landscaping Services	1862	16	0.86%
561990	All Other Support Services	422	2	0.47%
562112	Hazardous Waste Collection	7	1	14.29%
562119	Other Waste Collection	29	2	6.90%
562910	Remediation Services	58	4	6.90%
562998	All Other Miscellaneous Waste Management 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%
	Total Mn/DOT DBE/Total MN Business	29,343	587	2%

DRAFT

Attachment B

Office of Civil Rights September 2012

Key
 Outsourced
 Vacant





Event	Date	Activity Description
Office Managers Meeting	01/10/11	DBE Program Overview
Martin Luther King Event	01/17/11	DBE and Business Development Outreach
County Engineer Conference	01/18-19/11	DBE Program training
Prevailing Wage Law and Contract Administration Seminar	01/26/11	OCR Outreach to City and County personnel (Arden Hills)
DBE Professional Technical Consultant Roundtable	01/28/11	DBE Consultants and MnDOT staff discuss how to increase participation in Prequalification Program
Association of Women Contractors Annual Outreach	02/10/11	DBE and Business Development Outreach
Prevailing Wage Law and Contract Administration Seminar	02/15/11	OCR Outreach to City and County personnel (Bernicji)
Prevailing Wage Law and Contract Administration Seminar	02/17/11	OCR Outreach to City and County personnel (Alexandria)
Maximizing Participation on Metro Construction Projects	02/18/11	Announce Upcoming Projects for 2011 and Networking
Asian DBE and Workforce Outreach Session	02/22/11	DBE and Business Development Outreach
Prevailing Wage Law and Contract Administration Seminar	02/23/11	OCR Outreach to City and County personnel (Duluth)
Tribes and Transportation Conference (St. Cloud)	02/28/11	DBE and Business Development Outreach
American Council of Engineering Companies of Minnesota	03/01/11	DBE and Business Development Outreach
Prevailing Wage Law and Contract Administration Seminar	03/02/11	OCR Outreach to City and County personnel (Redwood Falls)
Prevailing Wage Law and Contract Administration Seminar	03/04/11	OCR Outreach to City and County personnel (Austin)
Prevailing Wage Law and Contract Administration Seminar	03/08/11	OCR Outreach to City and County personnel (Mankato)
Prevailing Wage Law and Contract Administration Seminar	03/09/11	OCR Outreach to City and County personnel (Arden Hills)
African American Leadership Council	03/10/11	OCR Program Outreach
Constructing Success Conference	03/17/11	Networking event for primes and DBE's to partner on projects
Prevailing Wage Law and Contract Administration Seminar	03/23/11	OCR Outreach to City and County personnel (Willmar)
Pilot Project DBE Meeting	03/23/11	Prime, DBE's, Sub-contractors, other Government agencies
Prevailing Wage Law and Contract Administration Seminar	03/24/11	OCR Outreach to City and County personnel (Rochester)
AWC's 3rd Annual Associate Expo with General Contractor Round Robin!	03/31/11	DBE and Business Development Outreach
ACEC Keynote Speaker Increasing Professional/Technical participation	04/01/11	DBE Program Training
Prevailing Wage Law and Contract Administration Seminar	04/05/11	OCR Outreach to City and County personnel (St. Cloud)
Mentor Protégé Event	04/07/11	Mentor Protégé Training

November 28, 2012

Office of Civil Rights

Marketing and Outreach Activities

2011

For More Information Contact:

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Your Destination... Our Priority





Event	Date	Activity Description
Fond Du Lac CDL Mixer	01/12/12	Workforce Informational Meeting
County Engineers Annual Meeting	01/17/12	DBE Program Overview for County officials.
Small Business Development Center Director's Meeting	01/19/12	Business Development Program Overview
District 5 CDL Meeting	01/24/12	Workforce Planning Meeting
Mn-CARRS-Rochester	01/31/12	MnDOT, Deed, SE Technical, Community Organization
On-the-Job Training	02/01/12	Operating Engineers 49ers, Prime Contractors and DBE's
Minnesota Surveyors and Engineers Society Membership	02/02/12	Inclusion of Women and Minority Members
District 6-7- Office Managers Meeting	02/09/12	District Managers Meeting
Community Connections	02/11/12	Community-based organization
Faith Based Community Events	02/12/12	Networking Event
Prevailing Wage Workshop	02/15/12	Training
Minnesota State Bar	02/20/12	DBE Outreach Midwest/AWC Tribal Governments, Legislators, CBO's
Minnesota Chippewa Tribe Annual Diner	02/21/12	Women and Minority Contractors, Representatives
SAOIC Women Wear Hard Hats Too Quarterly Advisory Committee	02/25/12	
AWC Millennium Annual Meeting	02/27/12	Networking Event
Minneapolis Urban League Social	02/29/12	Commissioners: Dept. of Labor & Industry; Human Rights and Labor
Veterans Bill Hearing	03/20/12	Present work behind refining the veterans program bill SF 1597
Transportation Impact to the African-American Communities of Minnesota	03/21/12	MnDOT Leaders, Open Public Audience
Monthly CAP Meeting with Contractors	03/23/12	Protect Primes, and Sub-Contractors
DBE Maximizing Participation in the Metro Area	03/27/12	Announcing 2012 upcoming MnDOT Metro Projects
DBE Maximizing participation in the Duluth Area	03/28/12	Announcing 2012 upcoming MnDOT District 1-Duluth Projects
St. Croix Crossing Informational	04/03/12	Project Overview and Expectations
Dresbach DBE Outreach	04/04/12	DBE Participation on Dresbach Project
Latino Economic Development Center	04/11/12	DBE and Business Development Outreach
AWC General Contractors Round Robin Expo	04/11/12	DBE and Business Development Outreach
Century College Meet and Greet	04/19/12	DBE Outreach Midwest/AWC
SADBOC Procurement Fair	04/25/12	DBE and Business Development Outreach
SADBOC Procurement Fair	04/25/12	DBE Outreach Midwest/AWC
Spring Highway Accountant Conference	04/26/12	DBE Program Outreach

December 26, 2012

Office of Civil Rights

Marketing and Outreach Activities

2012

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Your Destination... Our Priority





Educational Activity	Date	Education Type	Attended
QuickBooks Skills for Small Business (Financial)	01/08/11	DBE Educational Program	40
BidExpress Training	01/20/11	DBE Educational Workshop	10
Sales and Presentation Skills for Business Owners (Planning & Marketing)	01/29/11	DBE Educational Program	19
Quick and Effective Business Planning (Planning & Marketing)	02/19/11	DBE Educational Program	19
Understanding Legal Aspects of Bidding, Bidding Conventions, and Successful Interaction with the Prime (Construction Specific/ Highway Heavy)	03/05/11	DBE Educational Program	26
Successful Risk Management in Construction (Construction Specific/Highway Heavy)	03/26/11	DBE Educational Program	12
Written Business Plan	03/29-30/11	DBE Educational Program	5
Accounting Basics for the Small Business Owner	02/27/11	DBE Educational Program	31
Showcasing Your Financial Strength to Lenders	03/13/11	DBE Educational Program	28
QuickBooks Workshops	03/27/11	DBE Educational Program	47
Legal Aspects of Successful Bidding	04/03/11	DBE Educational Program	31
Bidding as a Prime Contractor	04/23/11	DBE Educational Program	40
Creating a Quick & Effective Survival Plan	05/01/11	DBE Educational Program	24
Personal Sales & Presentation Skills	05/16/11	DBE Educational Program	16
Bidding and Estimating Workshop	09/16-17/11	DBE Educational Program	10
Bidding and Estimating Workshop	09/30-10/1/11	DBE Educational Program	8
Bidding and Estimating Workshop	10/14-15/11	DBE Educational Program	13
Accounting Fundamentals Simplified	10/22/11	DBE Educational Program	12
DBE-QuickBooks Basics	11/19/11	DBE Educational Program	27
Sales and Presentation Skills for Business Owner	12/3/11	DBE Educational Program	33
DBE-QuickBooks Intermediate	12/10/11	DBE Educational Program	7

November 28, 2012

Office of Civil Rights

Education Activities

2011

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Educational Activity	Date	Education Type	Attended
Quick and Effective Business Planning	1/14/12	DBE Educational Program	24
Understanding Legal Aspects of Bidding, Bidding Conventions, and Successful Interaction with the prime	1/28/12	DBE Educational Program	13
Critical Financial Skills for Small Business Owners	2/4/12	DBE Educational Program	19
Successful Risk management in Construction	2/25/12	DBE Educational Program	5
Quick Books Intermediate: Job Costing	3/3/12	DBE Educational Program	37
Partnering, Team Projects & Increasing your Capacity in the Changing Landscape of Highway heavy Construction	3/17/12	DBE Educational Program	17
Bidding and Estimating Workshop	3/30/12	DBE Educational Program	14
Fundamentals of Strategic Planning/Strategy	4/10/12	DBE Educational Program	10
Fundamentals of Marketing	4/12/12	DBE Educational Program	11
Fundamentals of Branding	4/17/12	DBE Educational Program	10
Fundamentals of Traditional and Relationship Marketing	4/19/12	DBE Educational Program	7
Bidding and Estimating Workshop	4/27- 28/12	DBE Educational Program	8
Consultant Services Project Update	4/30/12	DBE Educational Program	25
MnUCP DBE Program Training and Webinar	5/7/12	DBE Program Training	50
Bidding and Estimating Workshop	5/18-19/12	DBE Educational Program	5
Pre-Qualification Workshop	7/24/12	DBE Educational Program	17
Developing a Business Plan	7/26-27/12	DBE Educational Program	3
Bidding and Estimating Landscaping	10/4/2012	DBE Educational Program	10
Bidding and Estimating Landscaping	10/05/2012	DBE Educational Program	10
Accounting Fundamentals Simplified	10/20/12	DBE Educational Program	15
QuickBooks Basics	11/10/12	DBE Educational Program	37
Human Resource Essentials for Small Business	12/1/12	DBE Educational Program	35
DBE Informational Training and Webinar	12/10/12	DBE Program Training	79
Understanding Legal Aspects of Bidding	12/15/12	DBE Educational Program	22

December 26, 2012

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Education Activities

2012

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