



2013-2014 Report on the

Highway Construction Training & Disadvantaged Business Enterprise Program



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Prepared by

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Legislative Request

This report is issued to comply with [Minnesota Statutes 174.03, subdivisions 10 and 11](#).

Minnesota Statutes 174.03, Subdivision 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.

Subdivision. 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.

The cost of preparing this report is under \$5,000.

Overview of MnDOT’s Civil Rights Programs

The Office of Civil Rights at the Minnesota Department of Transportation is responsible for the administration and management of the department’s civil rights programs that apply to MnDOT’s contracting –related activities. State or federal laws and regulations authorize these programs. In general, federal programs only apply to contracts that receive federal funds. For contracts that are not federally funded, state civil rights programs may be applicable.

Table 1: List of OCR Programs: Funding Source Determines Which Programs Apply

Programs	State-funded Contracts	Federally-funded Contracts
Workforce & EEO Contract Compliance	✓	✓
On-the-Job Training (OJT)		✓
Disadvantaged Business Enterprises (DBE)		✓
Targeted Group Business (TGB)	✓	
Veteran-owned Small Business	✓	
Title VI	✓	✓

Workforce & EEO Contract Compliance

MnDOT is responsible to monitor the employment practices of contractors working on its road construction projects. In addition to reviewing the contractor’s compliance with provisions to ensure a discrimination-free workplace, the review includes the following:

- ensuring contractors demonstrate good faith efforts to recruit and hire women and minorities
- reviewing the performance of contractors towards achieving the employment goals applicable to a specific project,
- verifying contractors properly incorporate federal employment-related contract requirements
- establishing contractor corrective action and accountability plans

On-the-Job Training

The On-the-Job program is a federal mandate requiring MnDOT to set goals for the employment of minorities, women and disadvantaged persons as entry level trainees in the construction trades. The purpose of the program is to provide opportunities to attract traditionally underrepresented persons to highway heavy construction careers with the objective of them reaching the journey level.

MnDOT’s OCR collaborates and partners with many stakeholders to provide construction-related trainings, and educational courses and to create apprenticeship opportunities for under-represented groups.

Disadvantaged Business Enterprises

The Disadvantaged Business Enterprises program is a federal initiative that aims to increase the participation of women and minority-owned small businesses on federally funded projects. This is done by assigning a DBE participation goal to a project.

The DBE goal is met when certified DBE firms perform work on a project. The DBEs can be a prime contractor or a subcontractor for a project. The goal is achieved when a certain percentage of the project work is performed by certified DBE firms.

The criteria to determine eligibility of DBE firms is established in the federal regulations and the Minnesota Uniform Certification Program, a multi-agency committee that includes MnDOT, which manages matters related to certification. MnDOT's OCR administers this program by performing a variety of functions such as certifying DBE firms, assigning project goals, confirming good faith efforts are made by contractors prior to contract award, and monitoring the project to ensure DBEs perform the work as contracted.

Targeted Group Business

Similar to the federal DBE program, the objective of the state Targeted Group Business program is to increase opportunities for traditionally under-utilized businesses in MnDOT construction contracts. The program allows for TGB participation goals and preferences on state funded projects.

A certified TGB that bids as a prime may be granted a preference for the purpose of ranking bids; or, a TGB may be contracted with by a prime to perform specific functions of a contract thereby fulfilling the project goal. Certifications of TGB firms are administered by the Minnesota Department of Administration.

Veteran-owned Small Business Program

The Veteran-owned Small Business Program creates opportunities for certified businesses to participate in MnDOT state funded projects. The program assists certified firms bidding as a prime by allowing a preference in the ranking of bids. Project goals are established and the use of certified firms counts towards achievement of the project goal. The U.S. Department of Veteran Affairs certifies firms as Veteran-owned small businesses.

Title VI

OCR is responsible for shared monitoring and coordination of MnDOT's compliance with U.S. DOT Title VI Regulations. This includes the Title VI Implementation Plan, sub-recipient compliance reviews, Limited English Proficiency activities, outreach and engagement and training.

The following OCR Legislative Report is focused on the DBE, OJT and TGB programs as statutorily required.

Executive Summary

Purpose and Scope of Report

This Highway Construction Training and Disadvantaged Business Enterprise Program report is prepared in response to [Minn. Stat. 174.03, Subd.10 and 11](#). A report is required by Feb. 1 of each odd-numbered year. This report covers 2013 and 2014. It is current as of November 2014.

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

Programs

The DBE and Workforce Collaborative operates as an advisory group to MnDOT regarding the DBE program and workforce initiatives. The role of the collaborative was enacted in the 2010 legislative session, [Minn. Stat. 174.186](#). The collaborative is comprised of numerous transportation and workforce stakeholder groups that provide recommendations for improvement of Minnesota Department of Transportation Civil Rights programs.

During 2013 and 2014, the group established a governance structure that includes a leadership committee comprised of representatives of the various stakeholder groups. The leadership committee is responsible for setting the group's agenda, developing work plans and decision-making on behalf of the larger group. This work is currently under way. MnDOT provides a third-party facilitator who continues to work with the group and facilitate meetings.

Highway Construction Training

The 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.

Disadvantaged Business Enterprise

The objective of the DBE program is to increase the participation of women and minority-owned small businesses in the award and performance of USDOT-assisted contracts. The program prohibits discrimination and requires MnDOT to take specific steps to ensure these small businesses have access to contract opportunities.

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 Code of Federal Regulations Part 26](#) govern the DBE program and require state and local agencies receiving these funds to establish goals for the participation of DBE firms.

Results

This report outlines activities to develop, conduct and administer highway construction job training and DBE small business programs during the period of 2013 and 2014.

- MnDOT's annual FHWA-approved On-the-Job Training goal was 70 trainees in 2013 and 100 trainees in 2014. The actual number of minority and women OJT trainees placed on projects was 148 in FFY 2013 and 126 in FFY 2014.
- MnDOT's statewide DBE participation on federally funded transportation projects was 9.3 percent for FFY 2013 and 9.8 percent for FFY 2014, compared to a statewide annual goal of 10.3 percent for both years. This performance is a considerable improvement over the 6.6 percent in FFY 2012.

Looking Forward

For the next biennium, MnDOT's civil rights programs will continue to enhance strategies proven successful to grow the on-the-job training opportunities. We will work to gain more participants within the program as well as promote relationships between contractors and training programs to ensure OJT trainees have the greatest opportunity to achieve journey level status.

The DBE program continues to show impressive strides in overall performance despite falling short of the statewide goal. MnDOT remains committed to continuous improvement in these efforts and has retooled the Office of Civil Rights, increased training to develop staff, and maintained our relationship with the DBE & Workforce Collaborative to make programmatic enhancements to better serve Minnesota.

Highway Construction Training

Purpose of the Program

The FHWA's on-the-job training program addresses the historical under-representation of women, minorities and disadvantaged individuals employed in highway construction skilled crafts. FHWA rules in [23 CFR, Part 230](#) require MnDOT to establish apprenticeship and training programs targeted towards members of these groups to help them gain entry-level positions in the construction trades and acquire the necessary skills to reach journey-level status; thereby increasing the size and competency of Minnesota's heavy highway construction workforce.

The OJT program requires that MnDOT contracts include a provision specifying the number of trainees assigned to various highway construction skilled crafts for hands-on experience. If a contractor does not attain the contract-specific trainee goal for the project, the contractor may be subject to administrative sanctions.

Project-Specific On-the-Job Training Trainee Goals

A federally funded highway project estimated at a minimum value of \$1 million and with 100 or more working days is expected to present opportunities for OJT trainees. MnDOT's Office of Civil Rights is responsible for setting OJT trainee goals on such projects. OJT trainee 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 to be performed on the contract
- need for journeyman in the area and by type of trade
- statewide goal
- ratio of journeymen to trainee

MnDOT's annual OJT goal in 2013 was 70 trainees and this goal was increased to 100 trainees in 2014. The OJT goal for 2015 is 100 trainees.

MnDOT exceeded the goal in both years:

- 148 OJT trainees in 2013
- 126 in 2014

A breakdown of OJT trainees by trade, gender and minority status is provided in Table 2 and Table 3.

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 OJT trainees, willingness of OJT trainees 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.

Table 2: On-the-Job Training Program: FFY 2014

OJT Job Categories	# of Trainees: Non-Minority Male	# of Trainees: Non-Minority Female	# of Trainees: Minority Male	# of Trainees: Minority Female
Carpenter	0	2	4	1
Cement Mason	0	0	2	0
Electrician	0	0	1	0
Iron Worker	0	2	7	0
Laborer	0	18	45	10
Mechanic	0	0	0	0
Operating Engineer	0	9	10	3
Pile Driver	0	1	6	0
Pipelayer	0	0	0	0
Truck Driver	0	4	1	0
Total	0	36	76	14
Percentages of Total	0%	28.60%	60.30%	11.10%
Grand Total	126 Placements		Annual Goal	100 OJT Placements

Grand Total FFY 2014 = 126 placements (Annual Goal: 100 OJT placements)

Table 3: On-the-Job Training Program: FFY 2013

OJT Job Categories	# of Trainees: Non-Minority Male	# of Trainees: Non-Minority Female	# of Trainees: Minority Male	# of Trainees: Minority Female
Carpenter	0	0	7	0
Cement Mason	0	0	3	0
Electrician	0	0	6	0
Iron Worker	0	0	7	1
Laborer	0	15	50	3
Mechanic	0	0	0	0
Operating Engineer	0	18	11	3
Pile Driver	0	0	2	0
Pipelayer	0	0	0	0
Truck Driver	0	6	16	0
Total	0	39	102	7
Percentages of Total	0%	26.30%	69.80%	4.70%
Grand Total	148 Placements		Annual Goal	70 OJT Placements

Grand Total FFY 2013 = 148 placements (Annual Goal = 70 OJT placements)

In addition to the project-based OJT program, MnDOT offers an Alternative OJT Program that gives contractors more flexibility in the assignment of trainees. Project-specific goals are removed in lieu of contractor-specific goals, which are assigned for the entire construction season. Contractors may assign trainees to various projects while the trainee is working to achieve journey-level status.

Table 4: OJT Alternative Program Participant Companies

2013	2014
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	Forest Lake Construction

Highway Construction Training and Skill Improvement Programs

MnDOT's OCR contracts with the Minnesota Department of Employment and Economic Development, Merrick Community Services, the Minneapolis Urban League, YWCA of St. Paul, and Summit Academy Opportunities Industrialization Center to provide entry-level highway heavy construction training to new trainees in highway heavy construction work. These partner agencies work with trade unions and educational institutions to train and place women, minorities and disadvantaged individuals. Case management and supportive services such as child care, transportation assistance and tool kits are provided to support graduates during their initial period of highway heavy employment.

- DEED delivered training in Mankato, Owatonna, St. Paul, Duluth, and Bemidji in cooperation with Goodwill Easter Seals. The training curriculum included skills for entry level general laborer, such as introduction to OSHA, fall protection, electrical, personal protective and lifesaving equipment, ladders, and materials handling.
- Merrick's training included basics in cement masonry, painting, bricklaying, tile laying, and a life skills component; and, there was the option of Commercial Driver's License training through Century College.
- The Minneapolis Urban League provided training in the general labor category in partnership with the Construction Craft Laborers Apprenticeship Program in Lino Lakes.
- The YWCA of St. Paul partnered with Interstate Trucking School for CDL training.
- SAOIC provided carpentry and heavy equipment operator training.
- Approximately 50 graduates of these programs were placed on highway heavy projects during the reporting period. (Many more participants were trained but opted to work in non-highway heavy construction employment.)

MnDOT's OCR also contracted with tribal partners under two national programs to build a more diverse construction labor pool.

- In 2014, MnDOT participated in the Tribal Employment Supportive Services program, where the White Earth Band of Chippewa provided a three-day orientation of construction trades to 15 adult tribal members, of which nine were hired in the highway construction industry. The Leech Lake Band of Ojibwe provided services for 13 TESS program participants and five were hired in highway heavy construction jobs
- In 2013 and 2014, the Red Lake Band of Chippewa and Red Lake National College received grants to conduct the National Summer Transportation Institute. The purpose of the program is to increase awareness about highway heavy construction careers to high school Native American students. In 2013, 10 students participated in the four-week institute; in 2014, 15 students participated in the institute.

Federal Funds Available

MnDOT is permitted to use a portion of its USDOT funding for the purpose of providing job training supportive services to women and minorities and business development assistance to DBE firms. MnDOT's OCR provides these programs statewide with the objective of improving opportunities for women and minorities to participate in MnDOT contracts.

MnDOT uses these supportive services to assist contractors in meeting the goals and objectives of the OJT Program and small business development efforts. These programs focus on increasing the effectiveness of construction training programs, the number of opportunities for minorities and women to gain entry into the highway heavy construction industry, recruitment, counseling and remedial training. The funds are used to provide program administration and outreach activities conducted by third parties.

Program Funding – Current and Future

MnDOT expended \$1.8 million for the reporting years 2013 and 2014 described in this report. This amount is less than previously forecast and less than one-half of 1 percent of the federal appropriations. MnDOT forecasts full utilization of program funding; however, actual expenditures are dependent upon program development, contract execution, commencement of work and other similar factors.

OCR leadership works to fully leverage the federal funds allocated to the supportive services programs for workforce development, job training, DBE capacity building, small business training, outreach, monitoring and enforcement related to highway construction. The chart below displays the available funding for the current years, actual spending, and the planned spending in years 2015-17. Although OCR did not fully maximize the allocated funds in 2013 and 2014, OCR is in the process of developing a comprehensive supportive services plan that will result in more training opportunities better tailored to meet the needs of the program participants.

Table 5: Available Funding as a Percentage of Federal Monies (in millions of dollars)

Fund	2013	Current 2014	Enacted 2015	Forecast 2016	Forecast 2017
USDOT Federal Highway Aid	\$276.8	\$489.2	\$482.2	\$344.8	\$344.8
1/2 of 1% of the Federal Funds	\$1.4	\$2.4	\$2.4	\$1.7	\$1.7
Amount Leveraged	\$0.9	\$0.9	\$2.1	\$1.7	\$1.1

In fiscal years 2013 and 2014 the funds were expended as follows:

State Fiscal Year	Program Type	Program Description	Actual Expenditure
2013	Construction/Project Management Education	Highway heavy construction training to women and minorities for work within the construction industry	\$215,824
2013	Commercial Driver's License Training	CDL Training to women and minorities at multiple sites statewide	\$36,132
2013	Business Courses	DBE training courses such as intensive bidding and estimating, accounting and marketing, to certified DBE's	\$199,614
2013	Business Development Services	Administration of the revolving working capital loan fund available to DBE firms working on MnDOT contracts	\$253,915
2013	National Summer Training Institute	Summer program to introduce high school juniors and seniors to careers in transportation	\$27,598
2013	Small Business Outreach	Outreach and assistance to small businesses seeking certification in the DBE program	\$41,046
2013	DBE Statewide Goal	Researched and analyzed DBE firm availability and capacity for the 3-year statewide goal	\$85,964
Total Expenditure			\$860,093

State Fiscal Year	Program Type	Program Description	Actual Expenditure
2014	Construction/Project Management Education	Highway heavy construction training to women and minorities for work within the construction industry	\$484,277
2014	Commercial Driver's License Training	CDL Training to women and minorities at multiple sites statewide	\$237,462
2014	Business Courses	DBE training courses such as intensive bidding and estimating, accounting and marketing, to certified DBE's	\$204,690
2014	Business Development Services	Administration of the revolving working capital loan fund available to DBE firms working on MnDOT contracts	\$14,977
2014	National Summer Training Institute	Summer program to introduce high school juniors and seniors to careers in transportation	\$29,585
Total Expenditure			\$970,991

Disadvantaged Business Enterprise Program

Description of Program

The DBE program prohibits the exclusion of any person from participation in the award and performance of any contract on the basis of race, color, sex or national origin. The program seeks to create a level playing field, resulting in increased participation by woman and minority-owned business enterprises in state and local procurement. The state transportation agency is required to apply the DBE program according to the rules and guidelines established in the [Code of Federal Regulations, Title 49CFR Part 26](#).

The main objectives of the DBE program are:

- ensure DBE's can compete fairly for federally funded transportation-related projects
- ensure that only eligible firms participate as DBE's
- assist DBE firms in competing outside the DBE program

As a recipient of USDOT financial assistance, MnDOT is required to establish goals for the participation of disadvantaged entrepreneurs and certify their eligibility to participate in federally-assisted contracts. The federal DBE regulations require MnDOT to establish statewide DBE goals and contract-specific DBE subcontracting goals. Goals are expressed as the percentage of the estimated contract value that is targeted for performance by DBE firms. Goals operate to ensure these firms have an opportunity to participate in federally-assisted procurements.

Definition of DBE

DBE firms 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, 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 administered by the Minnesota Unified 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 business must also meet federal small business size criteria and have average annual gross receipts that do not exceed \$22.41 million.

Annual Statewide Goal and Attainment Rate

The federal DBE regulations require state and local transportation agencies that receive USDOT financial assistance to establish annual DBE goals and contract-specific DBE subcontracting goals. MnDOT's statewide DBE goal for overall participation of DBE firms operating as a prime or as subcontractors was 10.3 percent in 2013 and 2014. The commitment rate achieved was 9.3 percent in 2013 and 9.8 percent in 2014.¹

Although the DBE commitment goal was not met during this reporting period, significant progress was made in Minnesota in the last three years, with commitment rates moving from 6.6 percent in FFY 2012 to 9.8 percent in FFY 2014. MnDOT will continue to re-evaluate the program to improve overall performance towards the goal.

Goal Methodology and Public Participation

The overall statewide DBE goal of 10.3 percent for FFY 2013 and 2014 was established using the factors described in [49 CFR Part 26.45](#). In broad terms, this was a two-step process:

- evaluate the availability of DBEs; and
- calculate the appropriate adjustment to account for other relevant information.

In establishing the goal, the agency was required to take public comments and provide an opportunity for the participation of all certified DBE's to participate and comment.

MnDOT's Office of Civil Rights retained the University of Minnesota Roy Wilkins Center for Human Relations and Social Justice to conduct an availability study and propose a methodology to set the annual DBE goal. Availability rates were computed from multiple data sets and were appropriately weighted to calculate the base goal. The base goal was then adjusted to account for disparities in prime contract and subcontract award amounts. The proposed goal was 11.4 percent.

OCR conducted two public meetings to receive comment on the proposed goal. There was concern because MnDOT had not met the goal established in previous years when it was less than 11.4 percent. Based on public feedback, MnDOT determined that past participation warranted a downward adjustment to a statewide goal of 10.3 percent for federal fiscal years 2013-15. FHWA accepted the finalized goal.

¹ Uniform Report of DBE Commitments/Awards and Payments FFY 2013 and Uniform Report of DBE Commitments/Awards and Payments FFY 2014.

Table 6: Annual Commitment Goals and Actual Commitment Achieved

Federal Fiscal Year	Statewide DBE Commitment Goal	Commitment Rate Achieved
2014	10.3%	9.8%
2013	10.3%	9.3%
2012	8.7%	6.6%

The “MnDOT Methodology for Computing Proposed FHWA DBE Goals FY 2013-2015” and a July 31, 2012, memo from MnDOT to FHWA outlining the adjusted goal are provided in Appendix D.

Good Faith Efforts to Meet the Annual Goal

As a recipient of FHWA funds, MnDOT is required to help increase DBE participation in federal-aid highway contracts. MnDOT pursued a number of strategies during the reporting period to increase opportunities for DBEs to participate in federally-funded contracts.

Breaking down larger projects into smaller units, also known as unbundling, and mandatory subcontracting work in areas where DBE’s were able to perform were some of the strategies pursued on a number of projects including 694/10/Snellings, Cayuga and St. Croix, to increase DBE participation. Anecdotal evidence indicates that mandatory subcontracting was an effective way to increase opportunities for DBE’s and other small businesses.

MnDOT tried to improved outreach opportunities for DBEs by alerting them to pre-letting meetings and other networking opportunities, so they could raise their profiles among prime contractors and gain time to plan and prepare for lettings. A list of outreach activities is provided in Appendix A.

DBE business development services, such as the mentor-protégé program, working capital loan fund, one-to-one estimating and bidding assistance, and business development classes, were conducted during the reporting period for the purpose of helping existing DBE’s increase their volume of work under federally-funded projects.

- Ten mentor-protégé arrangements were active during the reporting period. A mentor-protégé arrangement exists when an experienced company or individual (mentor) provides assistance and training to a certified DBE (protégé). The arrangement can range from technical or management assistance to the creation of a new, jointly-owned firm. Equipment utilization, bonding and record keeping are examples of common types of assistance that a mentor may provide a protégé. Applications for the mentor-protégé program are reviewed and approved by the Minnesota Unified Certification Program.
- Working capital loans continue to be available for DBE’s with MnDOT contracts that are in need of short term capital. In 2013, the loan program provided financial assistance to DBE firms working on 19 MnDOT projects. The program issued loans totaling \$315,852.
- In 2014, the program funded firms working on eight MnDOT. The loans totaled \$176,794. As of Nov. 30, 2014, outstanding loans receivable are \$145,000.00. The Metropolitan Economic Development Association manages and administers the working capital loan fund for MnDOT.

- 16 DBE firms received one-to-one bidding and estimating assistance from Imo Consulting Group, a contractor to MnDOT's OCR.
- DBE representatives attended 20 business development workshops during the reporting period. Training topics included bidding and estimating, business planning, accounting and sales. A list of workshops is included in Appendix A.

Overconcentration of Disadvantaged Business Enterprises

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 or 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 DBE's in performing work outside of the specific field in which it was determined that non-DBE's are unduly burdened.

MnDOT may also consider varying its use of contract goals, to the extent consistent with federal regulations, to ensure that non-DBE's 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 scopes of highway heavy work.

Contract-Specific DBE Subcontracting Goals

In order to be awarded a federally funded contract, bidders must commit to or make a good-faith effort to meet contract-specific DBE subcontracting goals. Contract-specific goals are the value of DBE work stated as a percentage of the total contract value. In Minnesota, federally funded construction projects are assigned a DBE project goal by MnDOT's OCR. For example, a commitment may state that "6 percent of the bid value is to be performed by DBE's."

- In 2013, OCR set contract-specific goals on 201 contracts. Of these, prime contractors met or exceeded the contract-specific goal on 192 contracts.²
- In 2014, OCR set contract-specific goals on 112 contracts. Of these, prime contractors met or exceeded the contract-specific goal on 106 contracts.³

² Many factors determine how many projects are eligible to have a goal determined and therefore the number of contracts with set goals varies year to year.

³ Ibid.

Table 7: MnDOT Projects with DBE Goals

GOAL	Year 2013	Year 2014*
Contracts cleared (race conscious goal)	201	112
Race / gender neutral contracts (no goal)	33	68
Good faith efforts made	9	6
Met and / or exceeded the goal	192	106

*through October

When a low bidder does not commit to meeting a DBE project goal, the low bidder must demonstrate that it made good faith efforts to meet the goal. The program rules require the bidder to meet this standard in order to be awarded a federally funded contract. MnDOT’s OCR is responsible for performing the evaluation of good faith efforts. In 2013, OCR evaluated good faith efforts on nine contracts; in 2014, OCR evaluated good faith efforts on six contracts.

A good faith effort is a determination of whether the bidder took all necessary and reasonable steps to achieve the DBE goal that, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to obtain sufficient DBE participation, even if the bidder was not fully successful. MnDOT may consider additional factors such as the commitment of other bidders to meet the established goal.

During the reporting period, six contractors were evaluated by OCR as not making good faith efforts. After completing the administrative due process of reconsideration, each of the contractors was denied the contract award because they did not meet the good faith efforts standard.

Race/gender neutral contracts are federally funded contracts that do not have an assigned DBE goal. Generally, MnDOT does not set a goal on contracts with an estimated value less than \$300,000. MnDOT’s OCR does not set a goal on these contracts; however, these contracts and subcontracts count towards the statewide goal.

Contracts with Targeted Groups (section 16C.16) State-Funded Projects

The Targeted Group Business Program is part of MnDOT's overall initiative to increase small business participation on state-funded highway construction projects. The TGB program provides certified targeted group businesses increased access to state contracting opportunities through:

- a bid preference for TGB's bidding as prime contractors
- participation goals for TGB subcontractors.

The TGB program is solely for state-funded projects. Currently, project goals are applied on contracts with an estimated cost of more than \$250,000. The TGB program has no statewide goal.

Eligibility requirements for the TGB program are established by the Minnesota Department of Administration in [Minn. Stat. 16C.16](#) and [Minn. Rules Parts 1230.1600-1820](#). The MnDOT TGB program is authorized in [Minn. Stat. 161.321](#).

The TGB program is only available to Minnesota-based small businesses that meet the eligibility requirements. Eligible participants must be certified as a TGB by the Minnesota Department of Administration. To qualify, the business must be 51 percent owned and operated by women, persons with a substantial physical disability, or specific minorities as determined by the Commissioner of Administration.

Under this program, a TGB business that bids as prime contractor and requests a preference may receive a reduction of up to six percent of the amount of their bid for the first \$1 million, not to exceed \$60,000. This preference amount is used solely for the purpose of evaluating and ranking the low bid. There is only one TGB firm that has bid as a prime contractor and received preference for state funded projects.

During the 2013 calendar year, there were 93 state-funded MnDOT projects evaluated for a TGB goal requirement. A list of 2013 contracts with TGB goals is provided in Appendix B.

- Of the 93 projects, 81 were valued at or above the \$250,000 threshold; however, 11 projects were not required to have a goal.
 - ♦ Of the 70 projects subjected to a goal, 59 met or exceeded the goal (84%)

During the 2014 calendar year (through November), there were 117 state-funded MnDOT projects evaluated for a TGB goal requirement. A list of 2014 contracts with TGB goals is provided in Appendix C.

- Of the 117 projects, 80 were valued at or above the \$250,000 threshold; however, 27 projects were not required to have a goal.
 - ♦ Of the 53 projects subjected to a goal, 48 met or exceeded the goal (91%)

Conclusion

MnDOT's civil rights programs continue to improve opportunities in employment and small business contracting for women and minorities in Minnesota's highway heavy construction industry. MnDOT's stakeholder engagement through the DBE & Workforce Collaborative will continue to serve a key role in the ongoing effort to make programmatic improvements and increase the effectiveness of MnDOT's civil rights programs. By developing relationships in the contracting community and enhancing job training programs to meet the needs of the emerging workforce, MnDOT remains committed to adopting effective strategies to achieve the objectives of these programs.

Appendix A: Business Development & Outreach Efforts

Business Development & Outreach Efforts for 2013

Event	Date	Activity Description
Quick-Books Intermediate year end 2012	01/12/13	Educational Workshop
Quick and Effective Business Plan	02/02/13	Educational Workshop
Critical Financial Skills for Small Business Owner	02/16/13	Educational Workshop
Sales and Presentation Skills for Business Owners	03/02/13	Educational Workshop
Quick-Books Intermediate: Job Costing	03/16/13	Educational Workshop
Partnering, Team Projects and Increasing your Capacity in the Changing Landscaping of Highway Construction	03/30/13	Educational Workshop
Painting Bidding and Estimating	01/24-25/13	Educational Workshop
Landscaping Bidding and Estimating	02/21-22/13	Education Workshop
Written Business Plan	02/13/13	Educational Workshop
Quick Books Training	03/27/13	Educational Workshop
SADBOC Procurement Fair	04/16/13	DBE Outreach
Mentor Protégé Event	10/15/2013	Partnering Event
St. Croix Meet and Greet	1/30/2013	Design Build Project Meet and Greet
EEO Officer Training	2/11/2013	EEO Presentation and Training
Business Written Plan	2/13/2013	Educational Workshop
Maximizing Participation	3/4/2013	Announcing 2013 Upcoming MnDOT District 3 Projects
Construction Success event	03/7/2013	Networking /Educational Event
FHWA DBE Program Training	03/11-13/2013	Program Education
Small Group Survey Focus group	3/15/2013	Communication Outreach
Small Group Survey Focus Group	3/19-21-2013	Communication with the Community
Additional Quick-Books Training	3/27/2013	Educational Workshop
Good Faith Effort Training	4/2/2013	DBE/OJT Training
Latino Legislative Day	4/2/2013	DBE Outreach
Mn Pass I 35	4/8/2013	Project Meet and Greet
EEO Officer Training	4/30/2013	EEO Presentation and Training
DBE Trucking Guidelines	5/02/2013	Educational workshop
Procurement Fair	10/09/2013	DBE Outreach
Winona Meet and Greet	10/19/2013	Project Meet and Greet
AWC Gala	12/5/2013	DBE Networking

Business Development & Outreach Efforts for 2014

Event	Date	Activity Description
Minnesota Construction Event	2/6/2014	DBE Outreach
Written Business Plan	2/13/2014	Educational
Rochester's District 6 Update	2/28/2014	DBE OJT Program Overview
Mankato District 7 Update	3/14/2014	DBE OJT Program Overview
Duluth District 1 Update	3/24/2014	DBE OJT Program Training
Title VI Training	3/28/2014	Educational Training
St. Cloud District 3 Update	4/14/2014	DBE OJT Program Overview
Asian Educational Outreach	4/15/2014	DBE Outreach
Bemidji District 2 Update	4/16/2014	DBE OJT Program Overview
SADBOC Procurement Fair	4/30/2014	DBE Outreach
Winona HW 43 Bridge Meet and Greet	5/09/2014	Project Meet and Greet
Winona Bridge Meet and Greet	5/20/2014	Project Meet and Greet
Highway 610 Meet and Greet	5/29/2014	Project Meet and Greet
Procurement Fair	10/28/2014	DBE Program Training/Outreach

Appendix B: 2013 TGB Contract Awards

The following information complies with the legislative request in Minn. Stat. 174.03, subd. 11 (6). The following lists the state-funded contracts with TGB goals by letting date and district.

	Letting Date	State Project #	District *	Low Bid Amount	Set Goal	Commitment Goal
1	3/8/2013	1906-0064	Metro	\$54,382.00	0.00%	0.00%
2	3/8/2013	2789-0131	Metro	\$1,293,230.40	9.20%	9.20%
3	3/8/2013	8825-0465	Metro	\$569,141.00	5.00%	0.00%
4	3/15/2013	8214-0114AJ	Metro	\$649,379.34	4.50%	5.10%
5	3/22/2013	1115-0027	3	\$2,295,550.98	3.30%	3.58%
6	3/22/2013	1209-0024	8	\$897,018.50	4.40%	4.50%
7	3/22/2013	1201-0030	8	\$2,311,059.90	1.00%	1.10%
8	3/22/2013	0702-0120	7	\$239,749.00	3.50%	10.70%
9	3/22/2013	8204-0066	Metro	\$909,846.12	4.00%	7.20%
10	3/22/2013	0207-0098	Metro	\$1,954,026.95	4.40%	4.70%
11	3/22/2013	2781-0439	Metro	\$5,045,676.41	9.40%	8.71%
12	3/22/2013	2614-0007	4	\$1,454,631.00	2.00%	0.43%
13	3/22/2013	3307-0041	3	\$923,662.97	2.40%	4.10%
14	3/22/2013	4810-0020	3	\$24,383.30	0.00%	0.00%
15	4/5/2013	2776-27624AC	Metro	\$37,770.00	0.00%	0.00%
16	4/5/2013	2304-0048	6	\$8,106,678.47	4.00%	4.00%
17	4/5/2013	2508-0031	6	\$6,930,619.42	3.70%	3.70%
18	4/26/2013	5109-0006	8	\$643,282.67	0.00%	0.00%
19	4/26/2013	8822-0123	2	\$687,829.00	0.00%	0.00%
20	4/26/2013	2180-0102	4	\$68,498.30	0.00%	0.00%
21	4/26/2013	0414-0025	2	\$1,479,547.65	0.00%	0.00%
22	4/26/2013	2406-0048	6	\$129,105.00	0.00%	36.20%
23	4/26/2013	7101-0061	3	\$4,586,691.82	1.30%	2.20%
24	4/26/2013	5804-0056	1	\$4,688,696.89	2.40%	2.75%
25	4/26/2013	8823-0242	3	\$616,424.15	8.10%	14.50%
26	4/26/2013	8825-0435	Metro	\$753,373.87	8.20%	12.90%
27	4/26/2013	0109-0019	3	\$5,348,530.86	5.20%	5.50%
28	4/26/2013	8825-0430	Metro	\$302,916.00	8.30%	14.50%
29	4/26/2013	6283-0174	Metro	\$1,099,734.25	6.30%	8.10%
30	4/26/2013	8827-0170	7	\$365,757.05	11.80%	11.80%
31	4/26/2013	8823-0269	3	\$1,068,204.54	3.80%	3.80%
32	4/26/2013	8822-0151	2	\$1,409,767.28	0.00%	0.00%
33	4/26/2013	8822-0152	2	\$1,068,204.54	3.00%	3.00%
34	4/26/2013	6286-0055	Metro	\$324,900.00	7.00%	7.10%

* For District locations listed within this graph, see the map included on page 31
The highlighted projects met or exceeded the TGB commitment goal.

	Letting Date	State Project #	District *	Low Bid Amount	Set Goal	Commitment Goal
35	4/26/2013	8821-0243		\$1,167,959.20	2.70%	2.70%
36	4/26/2013	8822-0150	2	\$477,359.71	4.60%	4.60%
37	4/26/2013	2772-0096	Metro	\$3,850,844.38	6.00%	6.00%
38	5/3/2013	8823-0272	3	\$999,951.35	3.60%	1.50%
39	5/3/2013	8828-0146	8	\$349,744.23	9.60%	5.80%
40	5/3/2013	6002-0071	2	\$212,688.00	0.00%	0.00%
41	5/3/2013	8823-0267	3	\$810,248.42	0.00%	0.00%
42	5/3/2013	8823-0273	3	\$608,535.00	0.00%	0.00%
43	5/3/2013	8824-0109	4	\$1,509,157.37	3.20%	100.00%
44	5/3/2013	8828-0147	8	\$1,065,018.46	1.60%	1.80%
45	5/3/2013	8822-0157	2	\$3,031,470.00	4.80%	0.70%
46	5/17/2013	8824-0107	4	\$840,001.00	5.50%	1.00%
47	5/17/2013	2713-0102	Metro	\$654,160.01	7.60%	7.60%
48	5/17/2013	2776-0103	Metro	\$4,618,215.58	7.60%	4.80%
49	5/17/2013	6283-0238	Metro	\$132,903.05	0.00%	0.00%
50	5/17/2013	1306-0048	Metro	\$1,240,727.35	0.00%	0.00%
51	5/17/2013	2763-0050	Metro	\$1,240,727.35	0.00%	0.00%
52	5/17/2013	2771-0100	Metro	\$308,109.00	0.00%	0.00%
53	5/17/2013	8826-0138	6	\$1,044,970.42	0.00%	0.00%
54	5/17/2013	2726-0069	Metro	\$1,596,454.55	5.70%	6.00%
55	5/17/2013	3803-0033	1	\$499,989.00	5.80%	3.10%
56	5/17/2013	1301-0109	Metro	\$173,196.54	0.00%	0.00%
57	5/17/2013	8826-0127	6	\$3,495,748.03	1.20%	1.50%
58	5/17/2013	8827-0202	7	\$893,336.70	1.00%	1.00%
59	5/17/2013	8827-201	7	\$2,750,349.58	1.00%	1.00%
60	5/17/2013	8825-0468	Metro	\$363,183.69	3.40%	17.30%
61	5/17/2013	2789-0133	Metro	\$1,076,110.40	2.70%	3.68%
62	5/17/2013	8825-0470	Metro	\$6,098,925.27	4.30%	4.30%
63	5/17/2013	2318-0012	6	\$1,350,572.16	0.00%	0.00%
64	5/17/2013	8825-0471	Metro	\$3,049,368.34	1.40%	1.70%
65	5/17/2013	0502-0096	3	\$11,256,470.09	5.20%	5.30%
66	5/17/2013	3004-0059	3	\$78,577.80	0.00%	4.00%
67	5/17/2013	8826-0137	6	\$1,951,744.00	1.70%	2.46%
68	6/7/2013	8825-0445	Metro	\$621,613.00	1.30%	20.20%
69	6/7/2013	0206-0068	Metro	\$1,059,242.69	4.30%	4.20%
70	6/7/2013	8825-0466	Metro	\$680,793.56	2.70%	4.10%
71	6/7/2013	2774-0016	Metro	\$2,093,946.73	3.00%	2.66%
72	6/7/2013	8214-0163	Metro	\$2,345,693.67	1.80%	2.57%
73	6/7/2013	2783-0134	Metro	\$3,205,546.00	0.00%	0.02%
74	6/7/2013	4802-0022	3	\$415,797.61	1.70%	4.80%

** For District locations listed within this graph, see the map included on page 31
The highlighted projects met or exceeded the TGB commitment goal.*

	Letting Date	State Project #	District *	Low Bid Amount	Set Goal	Commitment Goal
75	6/7/2013	8821-0242	1	\$2,447,079.14	4.50%	6.44%
76	6/7/2013	8825-0366	Metro	\$436,595.46	2.00%	12.40%
77	6/12/2013	7201-0112	7	\$4,266,841.53	3.30%	3.40%
78	6/28/2013	8823-0278	3	\$2,692,139.99	5.10%	5.20%
79	9/27/2013	8214-0168	Metro	\$26,352.00	0.00%	0.00%
80	9/27/2013	0280-0068	Metro	\$251,567.00	3.60%	12.80%
81	10/25/2013	1401-0152	4	\$1,197,640.45	3.90%	4.79%
82	10/25/2013	8280-0046	Metro	\$258,903.00	3.60%	98.30%
83	10/25/2013	5618-0113	4	\$678,845.00	1.80%	1.80%
84	11/22/2013	7003-0013	Metro	\$170,624.00	3.60%	12.80%
85	11/22/2013	7903-0045	6	\$624,675.38	4.80%	13.30%
86	11/22/2013	1007-0019	Metro	\$437,208.27	2.20%	2.20%
87	11/22/2013	2723-0120	Metro	\$741,848.78	3.40%	3.90%
88	11/22/2013	7480-0120	6	\$833,245.25	1.30%	25.00%
89	12/18/2013	2506-0072	6	\$6,715,926.52	1.70%	1.89%
90	12/20/2013	8825-0498	Metro	\$548,900.50	4.40%	10.10%
91	12/20/2013	1201-0032	8	\$2,259,511.09	1.20%	2.90%
92	12/20/2013	2781-0438	Metro	\$692,574.23	5.40%	10.00%
93	12/20/2013	8309-0047	7	\$583,786.35	2.50%	13.90%

** For District locations listed within this graph, see the map included on page 31
The highlighted projects met or exceeded the TGB commitment goal.*

Appendix C: 2014 TGB Contract Awards

The following information complies with the legislative request in Minn. Stat. 174.03, subd. 11 (6). The following lists the state-funded contracts with TGB goals by letting date and district.

	Letting Date	State Project #	District *	Low Bid Amount	Set Goal	Commitment Goal
1	1/31/2014	0304-32	4	\$1,390,407.45	3.40%	6.80%
2	1/31/2014	3516-19	2	\$1,386,010.80	1.10%	3.70%
3	1/31/2014	1810-100	3	\$61,975.00	0.00%	0.00%
4	1/31/2014	4711-19	8	\$5,790,362.07	1.30%	2.70%
5	1/31/2014	3006-36A	3	\$124,902.04	0.00%	0.00%
6	1/31/2014	7401-38	6	\$397,656.00	0.00%	0.00%
7	2/28/2014	1980-87	Metro	\$166,661.60	0.00%	0.00%
8	2/28/2014	2710-42	Metro	\$5,244,706.39	2.60%	2.60%
9	2/28/2014	5305-65	7	\$317,424.00	0.00%	0.00%
10	2/28/2014	1002-104	Metro	\$158,735.00	0.00%	0.00%
11	2/28/2014	8827-171	7	\$70,051.00	0.00%	0.00%
12	2/28/2014	8826-141	6	\$992,600.00	2.80%	3.50%
13	2/28/2014	2781-456	Metro	\$758,988.29	0.00%	0.00%
14	2/28/2014	A3401-64	1	\$402,000.00	0.00%	0.00%
15	3/19/2014	2783-136	Metro	\$15,400,000.00	2.80%	2.90%
16	3/27/2014	6002-72	2	\$6,406,360.00	0.00%	0.00%
17	3/28/2014	8828-132	8	\$55,432.25	0.00%	0.00%
18	3/28/2014	7108-23B	3	\$184,800.00	0.00%	0.00%
19	3/28/2014	5705-58	2	\$1,148,260.00	0.00%	0.00%
20	3/28/2014	8826-145	6	\$154,453.45	0.00%	0.00%
21	3/28/2014	8822-168	2	\$1,298,505.99	0.00%	0.00%
22	3/28/2014	8822-169	2	\$763,407.44	4.00%	88.00%
23	3/28/2014	6201-86	Metro	\$15,408,669.39	1.00%	1.25%
24	3/28/2014	2755-101	Metro	\$2,918,569.95	1.90%	3.00%
25	3/28/2014	2706-225	Metro	\$516,535.86	3.10%	5.30%
26	3/28/2014	2772-90	Metro	\$294,740.35	4.50%	5.80%
27	3/28/2014	2781-458	Metro	\$228,376.00	0.00%	0.00%
28	3/28/2014	2785-27974D	Metro	\$267,530.60	0.00%	0.00%
29	3/28/2014	1704-27	7	\$9,887,793.05	1.30%	1.40%
30	3/28/2014	0406-63	2	\$1,246,754.91	5.90%	3.08%
31	4/11/2014	6285-149	Metro	\$1,489,928.70	3.70%	4.80%

* For District locations listed within this graph, see the map included on page 31
The highlighted projects met or exceeded the TGB commitment goal.

	Letting Date	State Project #	District *	Low Bid Amount	Set Goal	Commitment Goal
32	4/11/2014	2733-87	Metro	\$325,638.15	3.20%	7.60%
33	4/25/2014	6222-162	Metro	\$5,273,334.26	1.90%	2.30%
34	4/25/2014	8826-143	6	\$947,785.00	0.00%	0.00%
35	4/25/2014	5625-18	4	\$309,754.25	1.00%	8.30%
36	4/25/2014	7402-30	6	\$12,010,983.48	2.40%	2.40%
37	4/25/2014	2913-16	2	\$387,523.51	3.60%	3.60%
38	4/25/2014	7305-119	3	\$395,095.15	6.80%	7.40%
39	4/25/2014	8823-284	3	\$307,606.58	1.70%	1.80%
40	4/25/2014	2280-134	7	\$348,803.52	2.50%	2.50%
41	4/25/2014	8828-163	8	\$1,147,570.08	0.00%	0.00%
42	4/25/2014	8826-158	6	\$511,906.25	0.00%	0.00%
43	4/25/2014	2782-335	Metro	\$156,000.00	0.00%	0.00%
44	4/25/2014	2785-404	Metro	\$69,000.00	0.00%	0.00%
45	5/16/2014	4712-18	8	\$2,357,433.27	1.40%	3.10%
46	5/16/2014	8824-103	4	\$1,494,166.95	1.10%	1.20%
47	5/16/2014	1480-166	4	\$288,591.12	5.90%	1.38%
48	5/16/2014	8824-111	4	\$130,156.10	0.00%	0.00%
49	5/16/2014	3403-75	8	\$506,854.55	2.40%	2.60%
50	5/16/2014	8825-496	Metro	\$216,151.13	0.00%	0.00%
51	5/16/2014	7321-50	3	\$121,132.25	0.00%	0.00%
52	5/16/2014	8823-286	3	\$460,703.65	4.40%	0.31%
53	5/16/2014	8825-494	Metro	\$448,900.00	0.00%	0.00%
54	5/16/2014	8827-224	7	\$450,652.50	0.00%	0.00%
55	5/16/2014	8827-225	7	\$989,134.00	6.20%	0.80%
56	5/16/2014	1002-102	Metro	\$2,288,546.10	1.10%	2.50%
57	5/16/2014	2789-142	Metro	\$1,888,741.32	3.20%	5.60%
58	5/16/2014	8823-285	3	\$736,896.95	2.80%	0.00%
59	5/16/2014	8827-218	7	\$520,543.00	0.00%	0.00%
60	5/16/2014	1907-106	Metro	\$490,952.99	7.60%	7.60%
61	5/16/2014	0412-26	2	\$994,082.93	5.30%	38.20%
62	6/6/2014	0282-37	Metro	\$158,259.00	0.00%	0.00%
63	6/6/2014	3108-78	1	\$297,847.25	0.00%	0.00%
64	6/6/2014	7005-94	Metro	\$1,015,715.75	5.20%	19.00%
65	6/6/2014	1014-21	Metro	\$107,565.00	0.00%	0.00%
66	6/6/2014	2785-403	Metro	\$5,739,143.49	3.80%	4.20%
67	6/6/2014	8825-439	Metro	\$556,669.10	3.50%	3.50%

* For District locations listed within this graph, see the map included on page 31
The highlighted projects met or exceeded the TGB commitment goal.

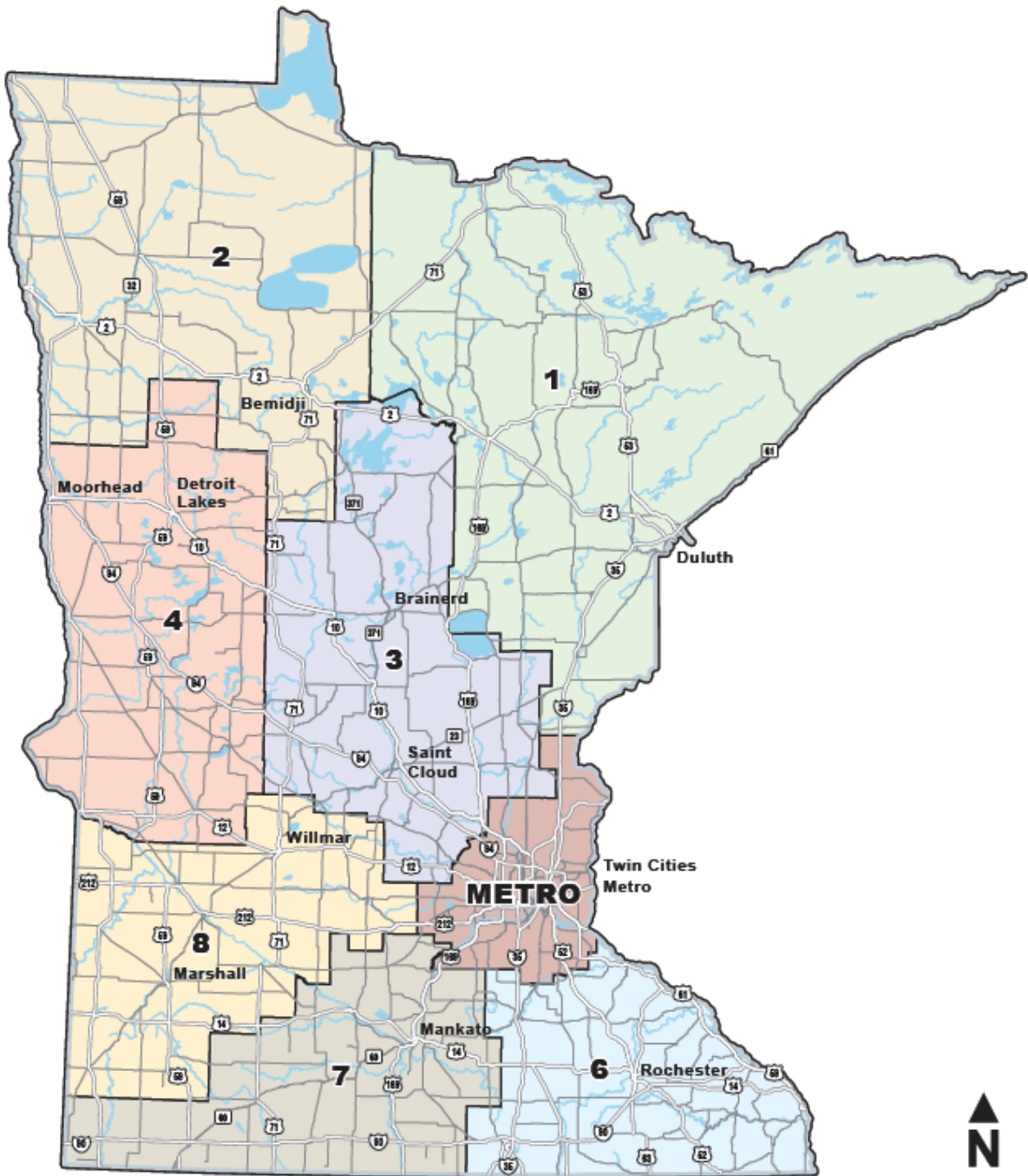
	Letting Date	State Project #	District *	Low Bid Amount	Set Goal	Commitment Goal
68	6/6/2014	8825-495	Metro	\$2,023,802.56	4.50%	14.00%
69	6/6/2014	2732-99	Metro	\$250,438.80	3.70%	9.30%
70	6/6/2014	8823-277	3	\$345,039.00	0.00%	0.00%
71	6/6/2014	6410-06	7	\$1,005,703.14	0.00%	0.00%
72	6/6/2014	2781-463	Metro	\$682,342.05	0.00%	0.00%
73	6/6/2014	1982-182	Metro	\$1,310,334.93	2.40%	2.40%
74	6/6/2014	8823-288	3	\$3,024,986.37	4.00%	4.00%
75	6/6/2014	8826-150	6	\$730,497.49	1.90%	18.40%
76	6/27/2014	2782-295	Metro	\$953,303.80	0.00%	0.00%
77	6/27/2014	0303-64	4	\$7,918,423.51	1.50%	1.50%
78	6/27/2014	8824-116	4	\$593,788.96	0.00%	0.00%
79	6/27/2014	2710-2440B	Metro	\$2,414,620.00	2.70%	2.70%
80	6/27/2014	8601-60	8	\$166,374.00	0.00%	0.00%
81	6/27/2014	2748-63	Metro	\$2,158,305.76	2.40%	2.68%
82	7/2/2014	6922-55	1	\$33,555.30	0.00%	0.00%
83	7/25/2014	2772-99	Metro	\$615,068.75	7.80%	7.90%
84	7/25/2014	8611-24	3	\$50,651.00	0.00%	0.00%
85	7/25/2014	2782-334	Metro	\$6,799,003.01	4.30%	4.30%
86	7/25/2014	8825-512	Metro	\$149,888.25	0.00%	0.00%
87	7/25/2014	8823-243	3	\$388,908.50	4.30%	100.00%
88	7/25/2014	8580-168	6	\$187,260.00	0.00%	0.00%
89	7/25/2014	7380-247	3	\$2,999,470.18	2.30%	2.40%
90	7/25/2014	6918-83	1	\$0.00	0.00%	0.00%
91	7/25/2014	6280-379	Metro	\$0.00	0.00%	0.00%
92	7/30/2014	2772-114	Metro	\$566,151.00	4.00%	4.30%
93	8/15/2014	1902-69	Metro	\$769,661.00	0.00%	0.00%
94	8/15/2014	6286-59	Metro	\$99,644.00	0.00%	0.00%
95	8/22/2014	8204-62	Metro	\$95,770.00	0.00%	0.00%
96	8/22/2014	6285-148	Metro	\$206,915.00	0.00%	0.00%
97	8/22/2014	0304-36	4	\$25,344.00	0.00%	0.00%
98	8/22/2014	8510-11	6	\$217,717.00	0.00%	0.00%
99	8/22/2014	1102-62	2	\$13,311,647.93	0.00%	0.00%
100	8/22/2014	1013-93	Metro	\$185,946.50	0.00%	0.00%
101	8/22/2014	2704-37	Metro	\$109,990.00	0.00%	0.00%
102	8/22/2014	6982-315	1	\$195,260.00		0.00%
103	9/19/2014	2732-108	Metro	\$148,797.00	0.00%	0.00%

** For District locations listed within this graph, see the map included on page 31
The highlighted projects met or exceeded the TGB commitment goal.*

	Letting Date	State Project #	District *	Low Bid Amount	Set Goal	Commitment Goal
104	9/19/2014	3001-26	3	\$224,570.50	0.00%	0.00%
105	9/26/2014	1982-171	Metro	\$536,531.65	0.00%	0.00%
106	9/26/2014	1810-105	3	\$62,495.00	0.00%	0.00%
107	9/26/2014	8214-164	Metro	\$277,347.00	0.00%	0.00%
108	9/26/2014	2782-315	Metro	\$226,934.00	0.00%	0.00%
109	9/26/2014	2785-338	Metro	\$559,848.32	0.00%	0.00%
110	9/26/2014	8825-497	Metro	\$429,888.00	12.40%	12.50%
111	9/26/2014	4305-89	8	\$913,917.27	1.00%	1.30%
112	10/3/2014	2782-341	Metro	\$353,765.36	0.00%	0.00%
113	10/24/2014	6508-67	8	\$80,776.25	0.00%	0.00%
114	10/24/2014	6222-166	Metro	\$169,698.60	0.00%	0.00%
115	10/24/2014	8214-165	Metro	\$1,582,632.73	2.30%	9.50%
116	10/24/2014	8825-383	Metro	\$605,670.00	2.50%	11.50%
117	10/24/2014	A8501-60	6	\$252,400.00	0.00%	0.00%

** For District locations listed within this graph, see the map included on page 31
The highlighted projects met or exceeded the TGB commitment goal.*

District Map



Appendix D: Goal Setting Methodology



Minnesota Department of Transportation
Office of Civil Rights
395 John Ireland Boulevard
Saint Paul, MN 55155

July 31, 2012

Derrell Turner, Division Administrator
Federal Highway Administration
Minnesota Division
380 Jackson Street
Gallier Plaza, Suite 500
Saint Paul, Minnesota 55101-2904

**Re: Disadvantaged Business Enterprise (DBE) Three Year DBE Goal Setting
Methodology and Proposed Goal for Federal Fiscal Years 2013 through 2015**

Dear Mr. Turner,

The Minnesota Department of Transportation, pursuant to 49 CFR Part 26 February 3, Final Rule change is pleased to submit the DBE Proposed Goal and Goal Setting Methodology.

Methodology

MnDOT took a comprehensive approach to complete the goal setting methodology by partnering with the University of Minnesota, Roy Wilkins Center for Human Relations and Social Justice. Attached is a copy of the Executive Summary Methodology for Computing the Proposed FHWA DBE Goals dated June 2012. This methodology which included options for MnDOT to consider yielded an adjusted DBE Goal of 11.4% (8.6% Race-Conscious and 2.8% Race-Neutral). This recommendation was embraced by MnDOT and the proposed 11.4% DBE Goal was published for public comment from June 11, 2012 to July 26, 2012.

Public Comment Period

Beginning on June 11, 2012 the Proposed DBE Goal Announcement was sent to all DBEs, National Association of Minority Contractors, Prime Contractors, Association of General Contractors, Association of Women Contractors, the DBE and Workforce Collaborative and announced through MnDOT Office of Civil Rights (OCR) Constant Contact. The Proposed DBE Goal was published in the following papers: Finance and Commerce, Pioneer Press, Star Tribune, Spokesman Recorder, Insight News, Latino Midwest News, Asian American Press, La Prensa De Minnesota, African Journal, China Insight, The Circle, Gente de Minnesota, Sauk Center Herald

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Pages, Native American Press/Ojibwe News and the June 18, 2012 State of Minnesota State Register (sample attached). Open Public Forums were held at the DBE and Workforce Collaborative meeting on June 25, 2012; the MnDOT Arden Hill Training Center on June 25, 2012, and at the MnDOT Rochester Office on June 27, 2012. Unfortunately, the June 21, 2012 Forum at the Duluth District Office had to be cancelled due to weather emergencies in and around the Duluth area. Written comments were taken at DBEAnnualGoal2013-2015@state.mn.us or by U.S. mail to: Mary Prescott, Director, Office of Civil Rights, Transportation Building, 395 John Ireland Blvd., St. Paul, MN 55155. A copy of all comments received is attached along with transcripts from the public forums.

Adjustment for Past Participation

After MnDOT reviewed and evaluated all public comments received, it was determined that an adjustment based on past participation was warranted as part of MnDOT's Step Two adjustments. In making this adjustment, MnDOT followed the guidelines outlined in the "Tips for Goal-Setting in the Disadvantaged Business Enterprise (DBE) Program". The years that were considered in the calculation for past participation were FFY 2010 (5.6%) and 2011 (7.6%). Attached are copies of the DBE FHWA Reports reflecting these percentages. These years were utilized because they most closely reflect the work that has been done with the Minnesota DBE and Workforce Collaborative and the direction that MnDOT's DBE Program is headed.

Following the guidance provided, the average participation for those two years comes out to 6.6%. This was averaged with the figure provided in the Step One calculation (8.2%) in our methodology. The resulting calculation comes out to 7.4%. Staying consistent with the methodology, this figure needs to be adjusted for discrimination. Based upon the methodology the figure for discrimination is 38.7%. Therefore the methodology requires that we multiply 7.4% by 1.387. The resulting calculation brings the final figure to 10.26, or 10.3% (7.8% Race Conscious and 2.5% Race-Neutral).

As a result of Step Two adjustments, MnDOT is proposing a final aspirational statewide goal for the next three years 10.3%. MnDOT believes that this is the appropriate level of participation for the State of Minnesota and is in line with the regulations, steps and process that are required.

Proposed DBE Goal for 2012-2015

MnDOT has been engaged in transformation change leading to sustainable solutions in all its external civil rights programs. We believe this recommendation of 10.3% Statewide DBE Goal for 2013 through 2015 supports Minnesota's current and planned efforts through a realistic and aspirational goal. The goal is in line with the DBE and Workforce Collaborative Mission "to have the contractors and workforce participation within Minnesota transportation industry reflect the demographics of the State of Minnesota."

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If you have any questions or need clarification regarding any information leading to this proposed recommendation please do not hesitate to call me at (651) 366-3150. Thank you very much for you and your staff's guidance in this effort and appreciate your continued support.

Sincerely,



Mary Prescott
Director
Office of Civil Rights

cc: Mary Walker, FHWA, Minnesota Division
Thomas K. Sorel, Commissioner
Bernie Arseneau, Deputy Commissioner
Nick Thompson, Division Director
Alex Tittle, OCR Deputy Director
Ashanti Payne, Small Business Contracting Supervisor

Att.: Methodology for Computing Proposed FHWA DBE Goals
Sample Announcement - Minnesota State Register
Public Comments
DBE FHWA Reports for FFY2011 and 2012

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U.S. Department
of Transportation
Federal Highway
Administration

Minnesota Division

January 3, 2013

300 Jackson Street
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St. Paul, MN 55101-4802
651.291.6100
Fax 651.291.6000
www.fhwa.dot.gov/mndiv

Bernie Arseneau
Acting Commissioner of Transportation
Department of Transportation
MS. 100, Transportation Building
St. Paul, Minnesota 55144

Re: Record of Decision for Minnesota Department of Transportation (MnDOT) Disadvantage Business Enterprise Program (DBE) Goal Setting Methodology for Fiscal Years (FYs) 2013 – 2015

Dear Mr. Arseneau:

MnDOT's DBE Program goal setting methodology and overall goal of 10.3% race-neutral (2.5%) and race-conscious (7.8%) for FYs 2013 – 2015 was reviewed and approved by Federal Highway Administration Legal Department on December 21, 2012. The methodology was found to be legally sufficient.

We appreciate all of the hard work MnDOT's Office of Civil Rights put into making this process a success and we look forward to the implementation of the approved goal.

If you have questions please feel free to contact Mrs. Mary Walker-Johnson, Division Civil Rights Specialist at mary.walker@dot.gov or via phone at (651)291-6120

Sincerely Yours,

Mr. Derrell Turner
Division Administration

MWJ/alk

cc: 1 MnDOT – Prescott, e-copy, mary.prescott@state.mn.us
1 MnDOT – Tittle, e-copy, nlex.tittle@state.mn.us
1 MnDOT – Payne, e-copy, ashanti.payne@state.mn.us
DMS – 36359 - Re: Record of Decision for Minnesota Department of Transportation (MnDOT) Disadvantage Business Enterprise Program (DBE) Goal Setting Methodology for Fiscal Years (FYs) 2013 – 2015