

Mn/DOT's DBE & Workforce Collaborative

Project teams – An Update – July 15, 2010

This report highlights the work of the individual collaborative project teams and Mn/DOT's Office of Civil Rights as we combine efforts to achieve the collaborative mission *to have the contractors and workforce participation within the Minnesota transportation industry reflect the demographics of the State of Minnesota.*

'WORKFORCE' focused Teams:

On-the-Job Training (OJT) Program:

Chair: Alex Tittle

OCR: Ashanti Payne

OJT at time of bid: Beginning with the June 5, 2009 letting, for all Mn/DOT construction projects over \$1 million with an OJT goal, prime contractors are now required to submit a completed 'OJT Program Approval' form with their bid. It requires them to list how they intend to meet their OJT goals with a focus on increasing the participation of women and minorities on Mn/DOT projects. Compliance rate by contractors with this new requirement is very high. Since June 2009, approximately 5-7 bids have been rejected including one lowest bidder for not submitting this information. As a reference, approximately 1/24 Mn/DOT projects has an OJT goal and 1/10 of Mn/DOT's federally funded projects has an OJT goal. This requirement is intended to encourage contractors to proactively work on building a diverse workforce.

Revised OJT Special Provision: The OJT special provision was revised to allow all apprentices that are officially registered in one of the approved apprenticeship programs to qualify as an OJT. This provision increases the number of OJT hours to coincide with the apprenticeship guidelines based on the specific trades/union agreement. For non-union trainees, the maximum number of OJT hours is 2000 hours. The special provision has been approved by FHWA and takes effect with the July 23, 2010 bid letting. This provides a track for apprentices/trainees to move to journeyman level and promotes the movement of minorities and women into the transportation industry for careers as opposed to just a job.

Heavy Equipment Operators Training Partnership: Summit OIC, a community training organization, and Operating Engineers Local 49 union entered into a partnership and co-delivered the 20 week Heavy Equipment Operator training. The first class of 19 students (98% minority, 2% women) graduated on July 9, 2010.

Ongoing/Future Projects:

- ***OJT resource for employers:*** OCR website to have a link providing a summary of all Minnesota training programs (Union and non-union) that could serve as a recruitment resource for contractors to hire a diverse workforce. They will add community training programs along with the list current available at www.constructioncareers.org
- ***Placement of Trainees this season:*** Promoting the recent graduates from the following programs for placement on Mn/DOT projects:
 - Mn/DOT's three Commercial Drivers License (CDL) training classes at Century Collage, Dakota County technical college and Leech Lake Tribal College
 - Summit/Local 49's heavy equipment operator training

OJT Tracking and Retention:

Chair: Mary Dahlquist OCR: Ashanti Payne

New Layoff/Termination form: A new form was developed and is now required to be completed by primes when terminating an OJT in an effort to track reasons for termination/retention issues.

Increased reimbursement for OJT: Starting with the July 23, 2010 letting, for projects with an OJT goal, contractors will be eligible for \$5 per hour reimbursement for each OJT they hire from one of Mn/DOT's approved training programs. They will be eligible for an additional \$5 per hour per trainee if they assign a mentor for that trainee. Ratio of no more than 3:1 trainees to mentor must be maintained. To get reimbursed, the contractor must fill in a progress of worker form to identify any red flags/work issues before the potential of termination.

CRLMS Tracking: Mn/DOT's new system of record – Civil Rights Labor Management System software went live in Jan 2010 to make it much easier to monitor and manage workforce on Mn/DOT projects. Beta testing for external access (contractors submit payrolls as 'live data') is in Oct-Nov 2010. A subsection of contractors and Mn/DOT staff will participate in the beta test. Reporting and external access are expected to be complete by December 2010.

Ongoing/Future Projects:

- ***Mid Point and end of season exit interviews with OJTs:*** This team is proposing that OJT trainees are interviewed in order to get first hand information about their work experience and ideas to improve the program in the future. They support creating a team (CBO coordinator, Mn/DOT staff, foreman or supervisor, EEO staff, union business

administrator and mentor) in support of OJTs. They propose to have a neutral 3rd party hired as contract employee who coordinates team and checks in with each OJT, reporting back to the contractor, Mn/DOT, CBO representative and collaborative.

- *Cultural Competency training for contractors/staff*
- *Emergency fund for OJT candidates*
- *Create and maintain best practices log*
- *Develop resources for mentors on the job/role & responsibilities of Mentors & OJTs*

Workforce Results Transparency:

Chair: Alessandra Williams OCR: Ashanti Payne

- **Women & Minority goals added to website:** Mn/DOT's construction website has now been updated to show the minority & women goals established on all Mn/DOT projects let in 2010. This information is posted adjacent to bid letting information on the website and will be updated quarterly. Mn/DOT will provide annual forecasts detailing upcoming projects and letting schedule with minority and women participation goals.
- **New Workforce Special provision:** Starting with the July 23, 2010 letting, for all Mn/DOT construction projects of \$5 million or more, contractors will be required to provide current workforce information, a plan for meeting workforce goals, and workforce projections including projected hours for women and minorities, as a condition of contract award.
- **Commissioner's letter to contractors:** Mn/DOT Commissioner sent out letters on June 14, 2010 to the contractors who have been awarded the top ten metro projects, by dollar value, requesting them to voluntarily provide their Minnesota workforce information; plan for meeting their workforce goals and workforce projections for the current projects awarded to them. Mn/DOT will be following up with all contractors for this information shortly. If any contractors participating on the collaborative have received this request and have not done so already, they are requested to provide this information.

Ongoing/Future Projects:

- Other workforce compliance requirements/considerations include:
 - At time of bid, prime contractors must submit their current Minnesota Department of Human Rights Certificate of Compliance on file.
 - Requires monthly reporting of workforce hours by trade level, race and gender; total payroll of minority and women as a percentage of total payroll on Federal/State funded projects to the Legislature and displayed on the Mn/DOT Web site and other public venues.
 - Requires Mn/DOT to define and publish a basis of noncompliance and follow a process and timeline for referring non-compliant contractors to the Minnesota Department of Human Rights by listing the names of contractors under compliance review and the results of the review on the Web site.

‘BUSINESS DEVELOPMENT’ focused teams:

Mentor Protégé Program:

Chair: Hyon Kim OCR: Kathryn Bique

Mentor Protégé program process developed: Mn/DOT as part of the MN Unified Certification Program has been working with Met Council and MAC to develop streamlined processes to accept M & P applications, agreements and UCP approvals. Full implementation is expected to be completed by August 30, 2010. Seven protégé applications have been received and seven mentors have been identified. The goal is to have 10 MP agreements implemented by December 2010.

Mentor reimbursement process: In order to reimburse mentors for their participation and role in developing DBEs, Mn/DOT will utilize supplemental contracts for project specific mentoring agreements. For mentoring agreements across more than one project, Mn/DOT will reimburse mentors through a professional/technical contract. Proposed total reimbursement is not to exceed \$10,000.

Ongoing/Future Projects:

- ***Mentor protégé orientation/informational event:*** Mn/DOT, Met Council and MAC to co-host an event for all interested DBEs to get more information and meet with potential mentors.
- ***Program Evaluation:*** Plan to develop an evaluation process with quarterly reporting and process improvement. Researching other states/programs like ‘CalMentor’ to provide ongoing networking opportunities for M&P.

Working Capital Loan Fund:

Chair: Dianne Holte OCR: Kathryn Bique

Funding identified: Mn/DOT has allocated \$218,000 for the first year as a start up fund for this purpose. The program will provide short term working capital loans to certified DBE firms on specified Mn/DOT projects. The goal of the program is to enable DBEs to be successful and to expand and grow their business.

Process/Administration: The WCLF is limited to \$218,000 for one year with the potential for minimal growth with the addition of interest on repaid loans. The WCLF will be operated as any other loan fund and will require DBEs to have some credit worthiness to be eligible for a loan. There could be a higher rate added for those with poor credit. A third party administrator is being solicited by RFP and full implementation is expected by September 15, 2010.

Ongoing/Future Projects:

- ***Innovative ways to grow the fund:*** By proving successful and ensuring/maintaining a high repayment of loans, the potential for soliciting additional funds (state, federal or other) would help to grow the fund in the future.
- ***Communication & training:*** Internally at Mn/DOT as well as to the external stakeholders, communication and training will be integral to success. This can be accomplished upon selection of the WCLF administrator.

Coordinated Access Point for Recruitment:

Chair: Tim Kennedy OCR: Kathryn Bique

Coordinated recruitment of DBEs: A proposal to create a single point of entry for major certifications (TGB, CERT, UCP) has been developed and approved by the collaborative. The intent is to grow the number and variety of certified and bidding DBEs and develop a user-friendly and effective DBE directory that is useful to both contractors and DBEs. The proposal still requires funding to be identified and buy-in from all three UCP agencies – Mn/DOT, Met Council & MAC.

Coordinated recruitment of diverse workforce: Contractors are subject to workforce requirements on Mn/DOT projects and report a difficulty in locating and contacting qualified workers. If they do not meet their workforce goals they are required to prove their good faith efforts and report that as being difficult and costly. The team is proposing three viable options

Job Connect by Ramsey County Workforce Solutions; Iowa DOT model and vendor used by them in partnership with the Iowa AGC; and thirdly exploring Mn/DOT's current CRLMS system for potential options. The proposal is yet to be approved.

Ongoing/Future Projects:

- ***Reviewing/enhancing Mn/DOT's current DBE directory***

Civil Rights Training:

Chair: Dan Sprague OCR: Kathryn Bique

Civil Rights Training: Mn/DOT in partnership with FHWA provided a one-day civil rights training session for collaborative members on June 30, 2010. The dual track event, delivered by FHWA's Toney Dixon, focused a ½ day on Disadvantaged Business Enterprise (DBE) and ½ day on Workforce programs. The training was specifically planned for collaborative members based on feedback received from them and was intended to provide a basic understanding of the federal regulations that would guide the DBE & workforce programs and inform the work of the individual project teams. Mn/DOT Office of Civil Rights staff attended 2 additional days of in depth training on DBE compliance & DBE certification.

FHWA Desk Reference: Copies of the USDOT-FHWA's DBE/Supportive Services desk reference manual have been made available for all collaborative participants at collaborative meetings.

Ongoing/Future Projects:

- ***Mn/DOT Informational Sessions:*** The team is exploring the potential of offering several short informational sessions for interested stakeholders on the following topics:
 - *How is Mn/DOT's overall DBE goal set? How are project specific goals set?*
 - *What is the process for getting certified as a DBE?*
 - *What supportive services does Mn/DOT offer for DBEs?*
 - *Others based on feedback received*

‘DISADVANTAGED BUSINESS ENTERPRISE (DBE) COMPLIANCE’ focused teams:

DBE Program - DBE at time of Letting & Good faith Efforts:

Chair: Phil Barnes & Barb Christensen OCR: Anastacia deCarrera

Two teams – ‘DBE at time of letting’ and ‘Good Faith Efforts (GFE) Objective measures’ teams merged to form this ‘DBE program’ team.

Revised DBE Special Provision: This team has proposed a revised DBE special provision that is currently being reviewed for approval. Agreed upon increased enforcement criteria is the first step towards a more productive DBE program and increased effective enforcement of federal guidelines. The intent of the new special provision is to encourage prime contractors to build relationships and solicit DBE participation earlier in the process and as they plan their bids. Shifting GFE to before the bid submittal will be done by creating a strict 5 business day timeline for completing GFE documentation after bid opening.

Ongoing/Future Projects:

- ***Review the Goal setting process/ open goal setting:*** This team is proposing that Mn/DOT consider providing the opportunity for interested stakeholders to be present to see how goals are set. They would not be providing input or influencing the goal setting but could provide feedback on the process at a later time.

Targeted Group Business Program:

Chair: Robert Woods OCR: Mary Prescott

Proposed Updated legislation: The intent of this team is to develop a defensible Targeted Group Business program (TGB) to be administered by Mn/DOT on State funded construction projects (similar to the DBE program on federally funded projects). The project team decided that simply developing/implementing a program may not be defensible considering the past history of lawsuits and why the TGB program was discontinued at Mn/DOT. The project team is working on a list of action steps in order to propose new legislation. It will be introduced in January 2011 in order to change the 1998 legislation that is currently outdated and make a strong case with the findings of the recent disparity study that has been completed for a new and improved targeted group business program at Mn/DOT. Full implementation is expected to be in May 2011.

Ongoing/Future Projects:

- ***Grow the number of certified DBEs/TGBs:*** While the TGB program is being developed, the team proposes that mn/DOT utilize the Business development request for proposal grant and funding mechanisms to assist getting potential TGB companies who perform highway heavy work in getting certified. This will ensure a pool of ready, willing and able TGB companies once the program is up and running.

Veterans Preference Program:

New team proposed/Chair & members to be identified