



# City of Minneapolis Department of Civil Rights

Contract Compliance Unit

# Contract Compliance Unit

- Agenda
  - Who is the Contract Compliance Unit?
  - Programs
    - Affirmative Action Plans
    - Pre-award Reviews
    - SUBP
    - Section 3
    - Project Management
    - Special projects



# Contract Compliance

- Johnnie Burns, Manager
  - Melanie Bormett, Officer
  - Eddie Calderon, Officer
  - Roxanne Crossland, SUBP
  - Thmaris Richardson, Data
  - Mary Tradewell, Officer
  - Leslie Woyee, Officer



# Contract Compliance

- Promotes diversity in city contracts
- Ensure small business opportunity
- Facilitates and monitors employment
- Ensures non-discrimination on city funded contracts



# Compliance Programs

- Affirmative Action Plans
- Pre-award Reviews
- Small Underutilized Business Program (SUBP)
- Section 3
- Project Management
- Special Projects

# Affirmative Action Plans

- ❑ All companies doing \$50,000 or more worth of business with the City, at one time, or accumulatively, during one calendar year must submit an Affirmative Action Plan, **which includes goals and timetables for the hire, promotion and retention of minorities and women.**
- ❑ Construction trade goals are 11% minority participation and 6% female participation.



# Affirmative Action Plans

- Contractors must have an approved AAP before they can start work
- Commits the contractor to non-discrimination
- Recruitment and retention of minorities and females
- Provide individuals with meaningful employment



# Affirmative Action Plans

- Minneapolis, St. Paul, State of Minnesota
- Jurisdictional
- Different time frames
- Commitment to non-discrimination (139.50)
- Promotes recruitment and retention of minorities and females



# Pre-Award Review

- All developers and contractors doing \$50,000 or more worth of business with the City must submit to a pre-award compliance review.



# Pre-Award Review

- Review and Approve AAP
- Review and Approve SUBP
- Review and Approve Pre-Construction Booklet
  - All companies commit to employment goals
  - 11% Minority Skilled
  - 11% Minority Unskilled
  - 6% Female
- Consider past performance

# Pre-Award Review

- Initial verification of SUBP
- Initial verification of employment
- No projects approved without meeting goals or “Good Faith Efforts”
- Work with partner offices
  - CPED
  - Public Works



# Small Underutilized Business Program (SUBP)

- Increase participation of women and minority-owned small businesses in contracts of >\$50,000 for goods and services and >\$100,000 for construction services and development projects.
- Goals are calculated on a project by project basis



# Small Underutilized Business Program (SUBP)

- To remedy past and prevent future discrimination against women and minority owned business enterprises.
- To encourage and foster the economic development and expertise of women and minority owned small business enterprises.
- To promote their opportunity to participate in the commerce of the City of Minneapolis and the regional economy



# Small Underutilized Business Program (SUBBP)

- IF program is eliminated
  - Limits access and opportunities from the public sector.
  - Substantially limits growth and ability to make substantial contributions to maintaining economic stability, quality of life
  - Limits employment opportunities in the City of Minneapolis



# Small Underutilized Business Program (SUBP)

- No other government agencies in Minneapolis calculate goals on a project by project basis for women and minority small business enterprises
- No other government agencies in Minneapolis have established an ordinance to address and eliminate barriers for women and minority small business enterprises (Chapter 423)
- No other government agencies in Minneapolis proactively work with City departments to increase participation on City contracts for women or minority small business enterprise

# Section 3

- Housing and Urban Development (HUD) Act of 1968  
24 CFR part 135
- “To the greatest extent feasible”
- Job Training
- Employment
- Contracting
- Low and very low income residents

# Section 3

- What is low and very low? 50 and 80% of Median income
- Family of
  - 1 - \$44,800
  - 2 - \$51,200
  - 3 - \$57,600
  - 4 - \$64,000
  - 5 - \$69,100
- City average family size is 3.11 with median income of \$59,816 (2007 Census)

# Section 3

- All projects utilizing CDBG/HOME funds
  - 30% for Section 3 employment
  - 10% for Section 3 businesses
  - New hires
- Foster local economic development
- Neighborhood economic improvement
- Individual self-sufficiency



# Section 3

- Each entity that receives federal funds is mandated to implement and administer its own HUD Section 3 Program.
  - Minneapolis Public Housing Authority
  - City of St. Paul
- Each have HUD Section 3 Programs, However, they can not monitor the City of Minneapolis' program
- City of Minneapolis is required to report its activities directly to HUD annually.



# Contract Monitoring

- Promote diversity
  - Goods and Services and Construction
- Educate contractors
- Ensure the contracting and employment process is open, fair and inclusive
- Ensure everyone is accountable to the city ordinances

# Contract Monitoring

- Verification of SUBP firms
- Ensure Davis Bacon and prevailing wages are being paid
- Site visits to projects
  - Interviewing individuals
  - Monitor sub-contractors
  - Davis Bacon review per HUD
- Hold contractors to their commitments
- Monthly review of every project

# Contract Monitoring

- **Prevailing Wage/Davis-Bacon Act**
  - Companies working with construction contracts of \$2,000 Federal CDGB or HOME funds must comply with the Davis-Bacon Federal Employment Act.
  - All other projects with City of Minneapolis money are subject to prevailing wages.

# Contract Monitoring

- IF we didn't monitor
  - Lack of SUBP firms on projects - Business
  - Diversity would decrease - Employment
  - Opportunities may not be made available either
- IF another department/office monitored
  - First priority
  - Promotion of equality
  - Skills necessary



# Contract Compliance Unit

- **Minneapolis a premier destination**
- **One Minneapolis**
  - Close race and class gaps
  - Middle class: keep it, grow it
  - Equitable City services & geographically placed amenities
  - Eliminate homelessness
  - Deconcentrate poverty