



Minneapolis  
City of Lakes

# Contract Compliance Division 3rd Quarterly Report

July - September 2014

Minneapolis Department of Civil Rights

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## INTRODUCTION

The Contract Compliance Division (CCD) monitors City of Minneapolis construction and development projects, commodities and supplies procurement, and professional and technical services contracts by enforcing various local and federal civil rights and wage laws and policies. CCD monitors City contracts to ensure that minorities, women and low income business owners and workers have access to contracting and employment opportunities; and that workers are paid appropriate wages.

CCD's five primary areas of responsibility are:

1. Minority & Women Business Enterprise Inclusion
  - a. Small & Underutilized Business Program (SUBP)
  - b. Minnesota Unified Certification Program (MNUCP)
  - c. Supplier Diversity
2. Minority & Female Employment Participation (Construction)
3. Affirmative Action
4. HUD Section 3 Business and Employment
5. Davis Bacon and Prevailing Wage

## MINORITY and WOMEN BUSINESS ENTERPRISE INCLUSION

### **SMALL & UNDERUTILIZED BUSINESS PROGRAM (SUBP)**

SUBP was created pursuant to evidence of past and ongoing discrimination against qualified and available women-owned and minority-owned business enterprises in the awarding of City of Minneapolis construction and development contracts and contracts for the provision of goods and services. The continued presence of ongoing discrimination against Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) is evidenced by a study completed by National Economic Research Associates, Inc. (NERA) and submitted to the City of Minneapolis in December of 2010. The purpose of the program is to remedy past and ongoing discrimination against Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) found in the city's marketplace.

#### **Business Inclusion/Goals**

The City Council adopted an overall annual 25% aspirational goal (12% for minorities/13% for women) for SUBP. However, contract specific SUBP goals are set based on project scope, subcontracting opportunities, and availability of qualified MBEs/WBEs. These goals are set before the project is published and are indicated in the call for bids or request for proposal documents.

Goals are set on the following:

- Goods or commodities and supplies contracts **\$50,000 and over**
- Construction or development contracts **\$100,000 and over**
- Professional or technical services contracts **\$100,000 and over**

If a bidder or proposer has not fully met the SUBP project goals, they must demonstrate that they made a good faith effort to comply with the SUBP requirements. The bidder or proposer must make every necessary and reasonable effort to subcontract work to MBEs/WBEs in advance of the dates specified for submitting and opening of bids or requests for proposals. CCD will conduct a review to determine if the bidder or proposer solicited MBEs/WBEs in good faith.

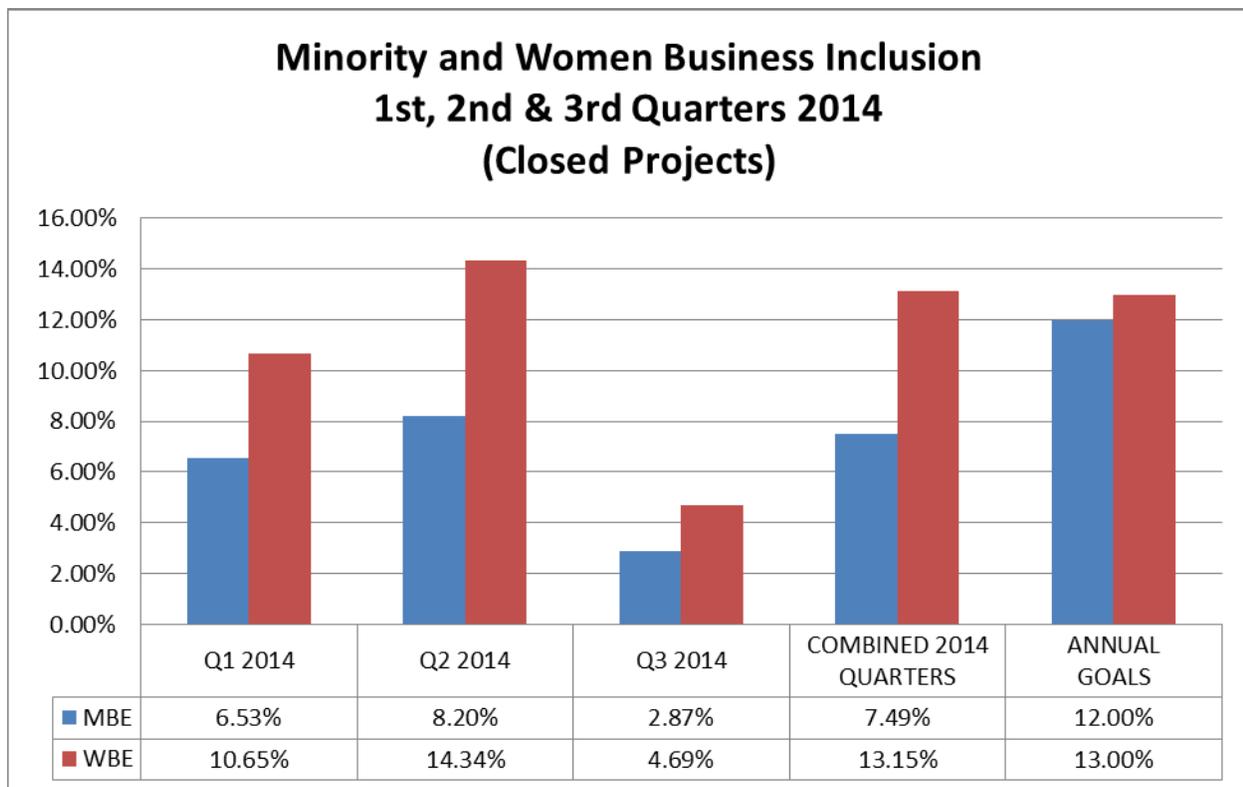
## Business Inclusion/Closed Projects

6 construction projects totaling \$25,462,623 closed during the 3<sup>rd</sup> quarter 2014.

- 2.87% (\$730,797) went to MBEs
- 4.69% (\$1,193,030) went to WBEs

Combining the first 3 quarters of 2014, the cumulative total of MBE/WBE inclusion is 20.64%.

Minority and Woman Business Inclusion 3rd Quarter 2014 (All Closed Projects)										
Project Name	General Contractor	Final Contract Amount	Committed MBE \$	Committed MBE Goal	Verified MBE \$	Verified MBE %	Committed WBE \$	Committed WBE Goal %	Verified WBE \$	Verified WBE %
1 3rd Ave Ramp Restoration	LS Black	\$ 313,557	\$ -	0.00%	\$ -	0.00%	\$ 39,132	12.48%	\$ 36,053	11.50%
2 Flood Area #5 - 3th Ave N Greenway	S. M. Hentges & Sons	\$ 2,687,160	\$ 152,093	5.66%	\$ 229,579	8.54%	\$ 178,696	6.65%	\$ 163,910	6.10%
3 Avenue of the Arts - Bridge Restoration	Global Specialty Contractors	\$ 225,410	\$ 20,061	8.90%	\$ 20,195	8.96%	\$ 34,555	15.33%	\$ 36,385	16.14%
4 Exterior Masonry Stabilization	A & M Construction	\$ 300,000	\$ 4,500	1.50%	\$ 14,250	4.75%	\$ 4,800	1.60%	\$ 3,930	1.31%
5 Nicollet Avenue Reconstruction	Thomas and Sons	\$ 5,365,326	\$ 269,876	5.03%	\$ 128,721	2.40%	\$ 380,938	7.10%	\$ 278,305	5.20%
6 Dunwoody	Frana Companies	\$ 16,571,170	\$ 623,076	3.76%	\$ 338,052	2.04%	\$ 1,067,183	6.44%	\$ 674,447	4.07%
<b>TOTALS</b>		<b>\$ 25,462,623</b>	<b>\$ 1,069,607</b>	<b>4.20%</b>	<b>\$730,797.01</b>	<b>2.87%</b>	<b>\$ 1,705,305</b>	<b>6.70%</b>	<b>\$ 1,193,030</b>	<b>4.69%</b>



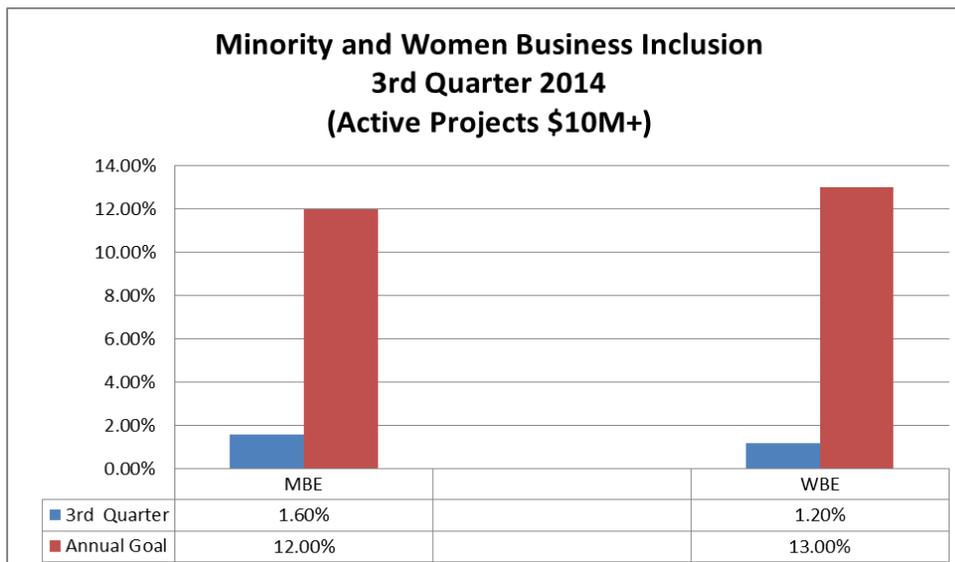
Combined 1st, 2nd & 3rd Qtrs.							
MBE/WBE Business Inclusion	Final Contract Amount	MBE \$	MBE %	WBE \$	WBE %	Total MBE/WBE \$	Total MBE/WBE %
Combined 1st, 2nd & 3rd Qtrs.	\$209,115,526	\$15,667,772	7.49%	\$27,489,511	13.15%	\$43,157,283	20.64%
Goal			12.00%		13.00%		25.00%

## Business Inclusion/Active Projects – Greater than \$10M

In the 3<sup>rd</sup> quarter, CCD monitored MBE/WBE inclusion on five projects valued at \$10 million or more. MBE/WBE participation on active construction projects varies depending on the phase of the project and when the MBE/WBE work is scheduled during the project. At the point the data was pulled for this report very little MBE/WBE activity had occurred on these projects.

Minority and Women Business Inclusion 3rd Quarter 2014 (Active Projects \$10M+)		
Active Projects	General Contractor	Total Contract Value
1 520 2ND AVENUE APARTMENTS New Construction 91 unit apartment building	Black & Dew	\$ 10,230,051
2 EMANUEL HOUSING Redevelopment of existing housing building to make 101 units - there will be an addition built for commercial space/housing units	Frerich's Construction Co.	\$ 11,596,963
3 FIVE15 ON THE PARK New Construction 260 unit apartment building with commercial space	Frana Companies	\$ 30,662,344
4 PILLSBURY LOFTS Historic renovation to include 255 affordable housing/underground parking	Weis Builders	\$ 76,000,000
5 THE ROSE & PINE CLIFF APARTMENTS New Construction 90 unit apartment building (The Rose) and 30 units (Pine Cliff Apts.)	Weis Builders	\$ 21,902,500
<b>TOTALS</b>		<b>\$ 150,391,858</b>

Minority and Women Business Inclusion 3rd Quarter 2014 (Active Projects \$10M+)						
Active Projects	General Contractor	Total Contract Value	MBE %	MBE \$	WBE %	WBE \$
1 **520 2ND AVENUE APARTMENTS	Black & Dew	\$10,230,051	11.31%	\$1,157,019	5.60%	\$572,883
2 EMANUEL HOUSING	Frerich's Construction Co.	\$11,596,963	12.50%	\$1,449,620	10.02%	\$1,162,016
3 *FIVE15 ON THE PARK	Frana Companies	\$30,662,344	1.28%	\$392,201	3.03%	\$927,905
4 *PILLSBURY LOFTS	Weis Builders	\$76,000,000	5.55%	\$4,218,000	4.53%	\$3,442,800
5 *THE ROSE & PINE CLIFF APARTMENTS	Weis Builders	\$21,902,500	2.87%	\$628,602	3.75%	\$821,344
<b>TOTALS</b>		<b>\$150,391,858</b>	<b>5.22%</b>	<b>\$7,845,442</b>	<b>4.61%</b>	<b>\$6,926,948</b>
**Awaiting lien waivers						
*MBE/WBE's have not yet performed or project just started						



## MINNESOTA UNIFIED CERTIFICATION PROGRAM (MNUCP)

MBEs and WBEs must be certified through the MNUCP for their participation to count toward the SUBP goals. MNUCP is a small business certification program managed jointly by the City of Minneapolis, Minnesota Department of Transportation, Metropolitan Council, and the Metropolitan Airport Commission. These same agencies are the certifying members of the MNUCP.

Designated CCD staff and staff from each certifying agency are trained specialists who review applications and conduct on-sites for businesses applying for certification. Once the review and on-sites are complete specialists present applications to the Certification Application Committee (CAC) of the MNUCP for approval or denial of certification. The CAC consists of specialists from each certifying agency. The chair of the CAC rotates between agencies annually. The 2014 CAC is being hosted by the City and the chair is the CCD division director.

Non-certifying members are other agencies in Minnesota that access the MNUCP directory for their own small business or disadvantaged business enterprise programs.

### Eligibility Requirements

- Business must be owned at least 51% by a socially and economically disadvantaged individual(s)
- Owner(s) is a U.S. citizen or lawfully admitted permanent resident of the United States
- Business meets Small Business Administration (SBA) size standard requirements, and the personal net worth of the disadvantaged owner does not exceed \$1.32 million
- The socially and economically disadvantaged owner(s) controls the business and has directly related managerial and technical competence and experience

### Certifications

The following companies were certified by CCD certification specialists in the 3<sup>rd</sup> quarter of 2014:

MBE's	WBE's
<b>Human Capital Staffing, LLC</b> <ul style="list-style-type: none"> <li>• Temporary Help Services</li> <li>• Professional Employer Organization</li> </ul>	<b>Julee Quarve-Peterson, Inc. (JQP, Inc.)</b> <ul style="list-style-type: none"> <li>• Building Inspection Services</li> <li>• Interior Design Services</li> </ul>
<b>Enclipse Corporation</b> <ul style="list-style-type: none"> <li>• Custom Computer Programming Services</li> <li>• Computer Systems Design Services</li> <li>• Computer Facilities Management Services</li> <li>• Other Computer Related Services</li> <li>• Data Processing, Hosting, and Related Services</li> <li>• Administrative Management and General Management Consulting Services</li> <li>• Other Management Consulting Services</li> <li>• Other Scientific and Technical Consulting Services</li> </ul>	

## MINORITY and FEMALE WORKFORCE INCLUSION

### Workforce Inclusion/Goals

The Minneapolis City Council adopted the aspirational goals set by the Minnesota Department of Human Rights for minority and female utilization on all City construction and development projects exceeding \$50,000. The goals are as follows:

- 6% of the total project trade hours to be performed by females, and
- 32% of the total project trade hours to be performed by minorities.

CCD monitors City funded construction projects to ensure minority and female utilization. If the goals are not met, contractors are asked to provide documentation of efforts taken to recruit, hire and/or train minorities and females on the project.

### Workforce Inclusion/Closed Projects

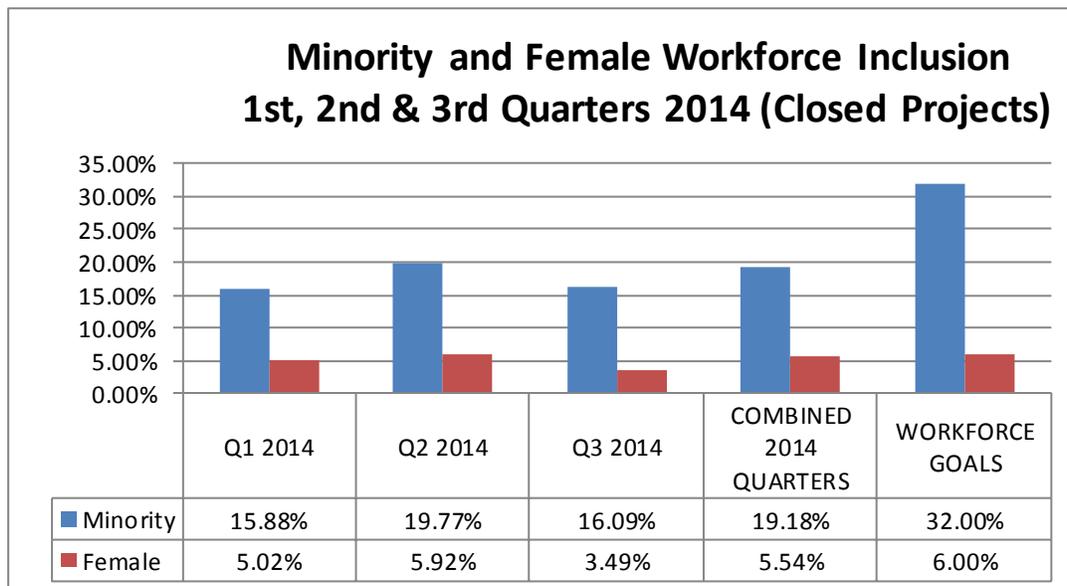
172,232.51 total project hours were performed on closed projects through the end of 3<sup>rd</sup> Quarter 2014.

- 16.09% (27,710.45 hours) were performed by minority workers, and
- 3.49% (6,018.75 hours) or were performed by female workers.

Combining the first 3 quarters of 2014:

- minority participation totals 19.18 and
- female participation totals 5.54%.

Minority and Female Workforce Inclusion 3rd Quarter 2014 (Closed Projects)							
	Project Name	General Contractor	Final Project Hours	Minority Hours	Minority %	Female Hours	Female %
1	Dunwoody	Frana Companies	103,109.20	18,762.95	18.20%	4,141.00	4.02%
2	3rd Ave Ramp Restoration	LS Black	2,502.50	137.00	5.47%	168.00	6.71%
3	Flood Area #5 - 3th Ave N Greenway	S. M. Hentges & Sons	13,566.25	1,630.75	12.02%	534.25	3.94%
4	Roof Replacement @ Government Center Parking Ramp	Berwald Roofing Company, Inc.	197.75	32.25	16.31%	18.00	9.10%
5	Avenue of the Arts - Bridge Poles & Fixtures	Electrical Installation & Maintenance	1,036.00	0.00	0.00%	0.00	0.00%
6	Avenue of the Arts - Bridge Respotation	Global Specialty Contractors	1,709.50	49.50	2.90%	95.00	5.56%
7	MWW Ground Water Control	Mark J Traut Wells	523.81	4.75	0.91%	0.50	0.10%
8	St. Mary's/Hiawatha Tunnel Rehab - Phase 2	Engineering & Construction Innovations, Inc.	22,766.50	2,533.50	11.13%	0.00	0.00%
9	Exterior Masonry Stabilization	A & M Construction	1,180.25	451.25	38.23%	128.25	10.87%
10	Boiler Replacement at North Commons Waterpark	Corval Constructors, Inc.	280.00	103.00	36.79%	0.00	0.00%
11	Nicollet Avenue Reconstruction	Thomas and Sons	25,360.75	4,005.50	15.79%	933.75	3.68%
<b>TOTALS</b>			<b>172,232.51</b>	<b>27,710.45</b>	<b>16.09%</b>	<b>6,018.75</b>	<b>3.49%</b>



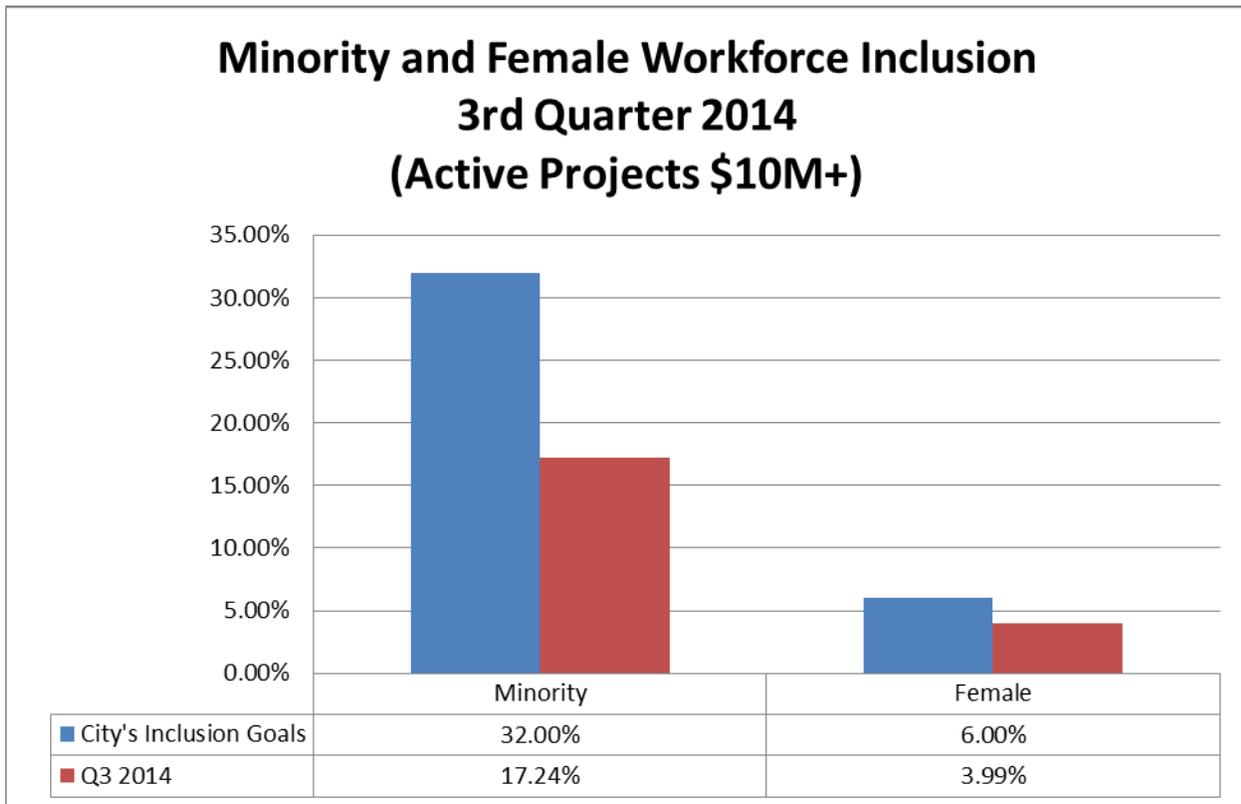
Combined 1st, 2nd & 3rd Qtrs.					
MBE/WBE Workforce Inclusion	Final Project Hours	Minority Hrs.	Minority %	Female Hrs.	Female %
Combined 1st, 2nd & 3rd Qtrs.	1,115,655	214,025	19.18%	61,769	5.54%
Goal			12.00%		13.00%

### Workforce Inclusion/Active Projects – Greater than \$10 M

There were 7 projects with contract amounts of \$10 million or more in the 3<sup>rd</sup> quarter. Of total project hours:

- minorities worked 17.24% (65,726 hours), and
- females worked 3.99% (15,229 hours).

Minority and Female Workforce Inclusion 3rd Quarter 2014 Active Projects \$10M+						
Project Name	Contractor	Total Project Hours	Minority Hours	Minority %	Female Hours	Female %
1 520 2ND AVENUE APARTMENTS	Black & Dew	69,912.54	13,310.50	19.04%	3,032.25	4.34%
2 DOWNTOWN EAST - GREEN SPACE & OTHER SITE COSTS	Ryan Companies	686.00	186.50	27.19%	64.00	9.33%
3 EMANUEL HOUSING	Frerich's Construction Co.	66,153.06	13,573.70	20.52%	2,158.75	3.26%
4 FIVE15 ON THE PARK	Frana Companies	11,135.00	943.50	8.47%	260.50	2.34%
5 LIFESOURCE	Greiner Construction, Inc.	42,131.40	4,020.25	9.54%	1,925.00	4.57%
6 PILLSBURY LOFTS	Weis Builders	191,194.25	33,670.25	17.61%	7,788.25	4.07%
7 THE ROSE & PINE CLIFF APARTMENTS	Weis Builders	86.75	21.00	24.21%	0.00	0.00%
<b>TOTALS</b>		<b>381,299.00</b>	<b>65,725.70</b>	<b>17.24%</b>	<b>15,228.75</b>	<b>3.99%</b>



## AFFIRMATIVE ACTION

An affirmative action plan (AAP) is a combination of policies and procedures a company utilizes to prohibit discrimination and promote employment opportunities for women, minorities and disabled individuals. Minneapolis Ordinance 139.50(d) requires every contractor, consultant, supplier, vendor, or developer entering into a contract with the City of Minneapolis to have an approved written AAP on file with CCD prior to execution of the contract if:

- the contract is in excess of \$50,000, or
- an amended contract results in a cumulative value in excess of \$50,000.

In the 3<sup>rd</sup> quarter of 2014, CCD processed and approved forty-six (46) affirmative action plans.

## CONCLUSION

### CCD ACTIVITY

CCD activity is constantly changing. The data within the report is a snap shot taken at the end of the 3<sup>rd</sup> quarter, at which time CCD was monitoring 175 projects valued at \$696,433,908. Of this,

- 37% were active construction,
- 14% were in pre-award review,
- 31% were upcoming, and
- 15% were in close-out review.

<b>CCD Activity 3rd Quarter 2014</b>	
<b>Construction</b>	<b>65</b>
<b>Close-out Review</b>	<b>26</b>
<b>Upcoming</b>	<b>54</b>
<b>Pre-Award</b>	<b>24</b>
<b>On Hold</b>	<b>6</b>
<b>TOTAL PROJECTS</b>	<b>175</b>
<b>TOTAL VALUE</b>	<b>\$696,433,908</b>

