

**Minneapolis**  
*City of Lakes*

**CIVIL RIGHTS DEPARTMENT**

**CONTRACT COMPLIANCE UNIT**

**QUARTERLY CONTRACT COMPLIANCE REPORT**  
**July – September 2010**

## Table of Contents

Introduction.....	4
2010 – 3 <sup>rd</sup> Quarter Analysis.....	4
Improved Coordination with Departments & Partners.....	5
Small and Underutilized Business Activity (SUBP).....	5
Disparity Study.....	5
Section 3 Program.....	6
Neighborhood Stabilization Program.....	6
Date Management System.....	6
Conclusion.....	7

## List of Tables

TABLE 1 – Active Projects – 3 <sup>rd</sup> Quarter 2010 .....	8
TABLE 2 – Special Projects – Labor Hours .....	10
TABLE 3 – Special Projects – SUBP Results .....	10
TABLE 4 – Special Projects – Closed Projects .....	11
TABLE 5 – SUBP Results for Active Projects .....	12
TABLE 6 – Projects Missing Goals .....	14

## INTRODUCTION

The Minneapolis Department of Civil Rights Contract Compliance Unit supports and promotes the City objectives to develop and maintain stable neighborhoods and *One Minneapolis* through equal opportunity and affirmative action activities. The Contract Compliance Unit (CCU) assists, monitors, investigates and reports on contracting and employment participation on city assisted contracts. The CCU monitors contract compliance throughout the performance of a contract to ensure nondiscrimination, affirmative action in employment, and prevailing wage and Davis-Bacon requirements are adhered to.

Each prime contractor or subcontractor receiving in excess of \$50,000 from a City of Minneapolis financed or assisted contract or project is required to develop and submit an affirmative action plan. The plan formally documents the business' adherence to nondiscriminatory practices and its method to recruit and maintain a workforce that mirrors the availability of protected class citizens in the marketplace. Such plans are good for a two-year period after review and approval by the Assistant Director - Contract Compliance.

## 2010 – 3<sup>rd</sup> QUARTER ANALYSIS

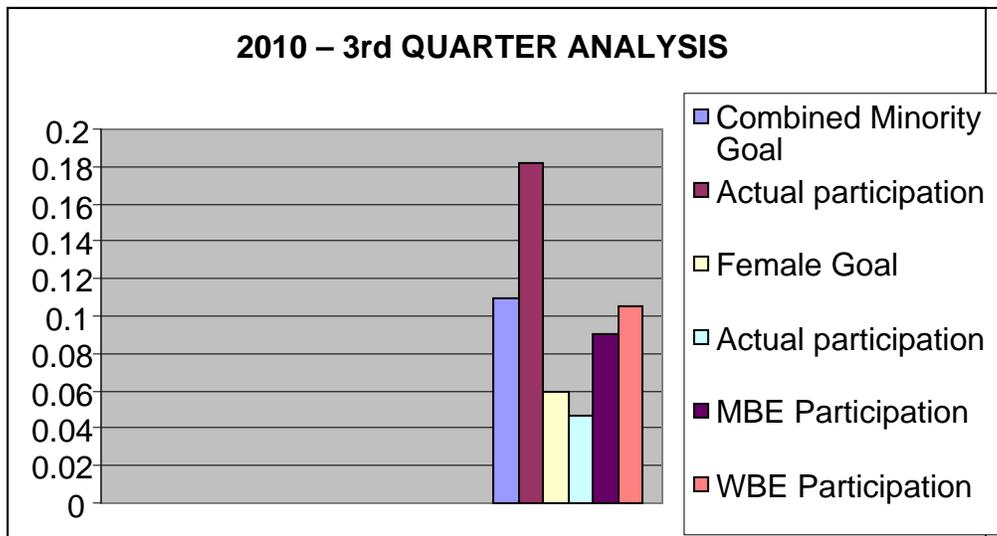
Summaries for the 3rd Quarter 2010 are as follows:

44 active construction projects with monetary value of \$129,458,866 (Table 1)

- Combined Minority Goal = **11%**, Actual Participation = **18.2%**
- Female Goal = **6%**, Actual Participation = **4.86%**

Small and Underutilized Business Participation for Active Projects (Table 5)

- MBE Participation totaled \$10,238,827, or 9.36%
- WBE Participation totaled \$11,482,725, or 10.39%



## **IMPROVED COORDINATION WITH DEPARTMENTS & PARTNERS**

- In the third quarter of 2010 we worked with city departments to address specific concerns, to develop a better understanding of each other's ordinances and objectives, and to develop mutually used language, process and procedures, and forms.
- The CCU has had contact with the National Association of Minority Contractors (NAMC) and other community organizations. We have attended NAMC monthly meetings and have met with them to discuss bidding City of Minneapolis projects.
- The CCU has also had several meetings with labor unions and associations to understand each other's perspective and to discuss problems that had occurred on several specific projects. We have worked directly with the unions on prevailing wage issues and we have attending their "prevailing wage" committee meeting to discuss compliance.
- The CCU has worked directly with developers and general contractors on implementing Affirmative Action Programs on City of Minneapolis projects.
- The Assistant Director is the representative for the City of Minneapolis on the Central Corridor Light Rail Transit (CCLRT) project review committee. This committee reviews contractors' bids for compliance with federal and state laws regarding Affirmative Action, employment and Disadvantaged Business Enterprise participation on the Central Corridor project.

## **SMALL AND UNDERUTILIZED BUSINESS ACTIVITY (SUBP)**

- In accordance with sections 139.70 and chapter 423.70 of the Minneapolis Code of Ordinances, the Civil Rights Department worked with city departments to set minimal participation goals in selected areas. In this quarter we reviewed goals for 59 projects: 26 construction projects, 19 goods and services contracts, and 14 requests for proposals.
- We continue to review projects for goals within the 10-day timeframe established.

## **DISPARITY STUDY**

The National Economic Research Associates, (NERA) are in the final phases of preparation of the disparity study. The director of the Department and staff has been in communication with NERA to ensure that the study will be complete by October 2010.

## **SECTION 3 PROGRAM**

MDCR is making great strides in developing and implementing the City of Minneapolis Section 3 plan.

35 businesses have been certified as Section 3 businesses with 4 pending certification. The CCU has attended the NAMC meetings and has informed its members of our Section 3 program and requirements. In addition, staff has developed a Section 3 Resident Certification listing to distribute to contractors seeking new employees. We currently have 13 Section 3 residents certified and waiting to work on City of Minneapolis projects.

## **NEIGHBORHOOD STABILIZATION PROGRAM**

We continue to track and monitor the NSP program. Cumulatively, these employment goals are being achieved and exceeded through September 2010. The SUBP and Section 3 contracting goals are 6% MBE, 8% WBE and 10% Section 3.

- Minority skilled participation **49.90%**
- Minority unskilled participation **86.43%**
- Female participation **7.47%**
- Although we monitor each project separately and the contractors go through our good faith effort process, these goals will ultimately be reported cumulatively.
- 45 homes have been approved for construction (\$3,490,054)
- \$1,280,245 or **36.68%** MBE
- \$344,895 or **9.88%** WBE
- \$1,207,421 or **34.60%** Section 3

All SUBP/Section 3 contracting goals for this 3<sup>rd</sup> quarter are being met and exceeded. This success is a collaborative effort between City staff and the developers.

## **DATA MANAGEMENT SYSTEM**

The CCU continues to use LCPtracker for project monitoring and reporting on all of its projects, resulting in much more comprehensive reporting and scrutiny than in the past. The system is used to monitor prevailing wage, female and minority employment rates, apprenticeships, and Section 3 compliance. Contractors have become more actively involved in the payroll reporting process because the system proactively detects problems; contractors contact CCU staff frequently to resolve difficulties they are having entering information into the system and to resolve payroll issues flagged by the system.

## **CONCLUSION**

The Contract Compliance Unit continues to work diligently to monitor and enforce all City of Minneapolis ordinances and all federal and state regulations. We continue to work with other City departments and community partners to ensure they understand the Civil Rights mandates and requirements.

The work of the CCU has put contractors and the City of Minneapolis in a better position to be in compliance with local and national requirements. Our more thorough and transparent reporting requirements and procedures have enabled us to provide a message to the community that the City of Minneapolis Contract Compliance Unit is a leader in non-discrimination, prevailing wages and small business participation. This thoroughness has been manifested in higher participation by woman and minority owned businesses and female and minority employment on City of Minneapolis projects. We will continue to focus our efforts on bringing all contractors into compliance and making opportunities available for minorities and women in the City of Minneapolis.

**TABLE 1**  
**Active Projects (3rd Quarter 2010)**

<b>Project Name</b>	<b>Project Location</b>	<b>General Contractor</b>	<b>Contract Amount</b>	<b>Minority Percentage (Combined)</b>	<b>Female Percentage</b>
<b>7<sup>th</sup> Street &amp; Van White Blvd OP 7286</b>	7 <sup>th</sup> Street & Van White	Thomas & Sons Const.	\$912,489	11.5	7.1
<b>ADC HVAC Upgrades OP 7195</b>	350 S 5th Street	Northern Air Corporation	\$479,700	15.6	6.1
<b>Alliance Addition</b>	722-730 17 <sup>th</sup> Avenue East	Weis Builders	\$4,566,927	17.9	3.93
<b>Alliance Scattered Housing</b>	Various Locations	Flannery Construction	\$1,097,238	22	12.7
<b>Audubon Crossing</b>	951 Lowery Avenue South	Benson-Orth	\$4,283,224	11.72	4.11
<b>Buri Manor</b>	1515 Chicago Avenue S.	Frerichs Construction	\$156,900	19.3	6.9
<b>Chicago Avenue Pavement OP 7261</b>	Chicago & Franklin Ave	Veit Construction	\$688,286	17.9	6.7
<b>Chicago Fire Arts Center</b>	3749 Chicago Ave S	J. Carlson & Sons	\$282,954	14.6	3.4
<b>Clare Midtown</b>	3105 – 23 <sup>rd</sup> Ave South	Frerichs Construction	\$5,701,490	8.9	3.6
<b>Construction of Sidewalks OP 7269</b>	Citywide	Standard Sidewalk	\$1,917,600	22.8	6.5
<b>Convention Center Re-Roof OP 7186</b>	1301 – 2 <sup>nd</sup> Avenue South	Central Roofing	\$3,002,426	43.4	3.9
<b>Creekside Commons</b>	115 – 54 <sup>th</sup> Street East	Weis Builders	\$5,006,760	17.27	3.11
<b>Creekside Watermain</b>	115 – 54 <sup>th</sup> Street East	Weis Builders	\$149,974	0	0
<b>Delisi (5 Points) Building</b>	2119 West Broadway	Norman Construction	\$2,033,897	40.8	8.9
<b>Demo of (3) Structures – OP 7290</b>	Various locations	Carl Bolander & Sons	\$62,600	0	0
<b>Demo of (6) Structures – OP 7266</b>	Various locations	K.A. Kamish Excavation	\$96,780	37.1	20.67
<b>Dewatering Plant – OP 7171</b>	4300 Marshall St. NE	Graham Construction	\$19,220,000	21.47	4.99
<b>East Phillips Community Center – OP 7202</b>	2307 - 17 <sup>th</sup> Avenue S	Rochon Corporation	\$2,693,000	19.6	.1
<b>East River Road Erosion – OP 7276</b>	7276 E. River Road	Veit & Company	\$215,529	7.4	2.7
<b>Emergency Operations Facility</b>	37 <sup>th</sup> & Main Street NE	Ebert Construction	\$4,197,692	13.10	1.01
<b>Exodus Apartments</b>	3100 Block of 1 <sup>st</sup> Ave S.	Flannery Construction	\$399,887	30	8
<b>Fremont Flats</b>	18 <sup>th</sup> & Fremont Avenue No.	Frerichs Construction	\$360,330	14.7	3
<b>Grease Interceptor OP 7174</b>	Convention Center	Lund Martin Construction	\$158,000	5.3	2.7
<b>Hiawatha Maintenance Facility – OP 7057</b>	E. 26 <sup>th</sup> St. & Hiawatha Ave	Knutson Construction	\$10,845,198	11.1	3.9
<b>Hope Stabilization</b>	Portland & Oakland Ave	Frerichs Construction	\$1,031,000	23	6.7
<b>Many Rivers</b>	1500 E. Franklin	Engelsma Construction	\$199,103	31.6	27
<b>Mechanical &amp; Life Safety OP 7223</b>	City Hall	Cool Air Mechanical	\$1,549,000	10.6	7.3
<b>Near North Community Housing</b>	Various locations	Flannery Construction	\$2,692,748	20.6	6.4

<b>Project Name</b>	<b>Project Location</b>	<b>General Contractor</b>	<b>Contract Amount</b>	<b>Minority Percentage (Combined)</b>	<b>Female Percentage</b>
<b>Nicollet Square Apartments</b>	3700 Nicollet Ave S	Frerichs Construction	\$5,327,496	34.5	3.5
<b>Nokomis Senior Housing</b>	3717 – 23 <sup>rd</sup> Ave. So	Frana & Sons	\$9,855,000	13.7	3.2
<b>Parking Lot Pavement OP 7253</b>	Various Locations	Midwest Asphalt Corp	\$217,400	5.39	8.01
<b>Phillips Community Center OP 7242</b>	2323 – 11 <sup>th</sup> Avenue S	Terra General Contractors	\$893,500	14.9	2.2
<b>Plank Road – OP 7308</b>	Plank Road	L.S. Black Constructors	\$189,600	7.14	15.8
<b>Pump Station #4</b>	37th Ave NE, Fridley	Madsen-Johnson	\$7,655,709	16.8	4.97
<b>Ramp A &amp; C OP 7196</b>	10 <sup>th</sup> & Hawthorne Avenue	Lund Martin Construction	\$1,217,958	19.6	10.2
<b>Ramp B (rebid) OP 7173</b>	516 – 2 <sup>nd</sup> Avenue North	Lund Martin Construction	\$6,810,023	12.9	6.8
<b>Riverbank Stabilization OP 7153</b>	W. River Parkway	Rachel Contracting	\$317,803	20.9	10.9
<b>Single Family Dwelling OP 7212</b>	3347 Lyndale Ave N.	Ram Construction	\$124,597	90	13
<b>Telecommunications Installation &amp; Removal Service</b>	1301 2nd Avenue South	ColliSys	\$80,000	0	2.67
<b>TC Habitat – Met Council</b>	416 & 430 – 30 <sup>th</sup> Ave N	TC Habitat for Humanity	\$73,334	0	17.9
<b>Tennis Court – OP 7294</b>	Various locations	Recreational Surfaces	\$64,276	0	0
<b>The Shubert Performing Arts Cent.</b>	516 Hennepin Ave	McGough Construction	\$19,480,207	16	4.2
<b>Wirth Beach Phase II OP 7191</b>	3300 Glenwood Avenue	Fitol-Hintz Construction	\$761,989	12.6	6.9
<b>Whittier Cooperative Apartments</b>	2609 Blaisdell Ave	Frerichs Construction	\$2,096,891	0	0
<b>TOTALS</b>			<b>\$129,458,866</b>	<b>18.2%</b>	<b>4.86%</b>

**TABLE 2**  
**Special Projects – Labor Hours (3<sup>rd</sup> Quarter 2010)**

<b>Project Name</b>	<b>Project Location</b>	<b>General Contractor Name</b>	<b>Contract Amount</b>	<b>Project Status</b>	<b>Minority Skilled %</b>	<b>Minority Unskilled %</b>	<b>Female %</b>
<b>Minneapolis Children's Hospital Expansion - East</b>	2525 Chicago Avenue South	Knutson Construction Services	\$125,000,000	Active	15.36	16.91	5.98
<b>University of Minnesota Children's Hospital</b>	2200 Riverside Ave	Kraus Anderson	\$180,000,000	Active	11.09	16.91	5.75

**TABLE 3**  
**Special Projects - SUBP Results (3<sup>rd</sup> Quarter 2010)**

<b>Project Name</b>	<b>General Contractor</b>	<b>MBE Goal %</b>	<b>WBE Goal %</b>	<b>Actual MBE Participation</b>	<b>Actual WBE Participation</b>	<b>Amount of Contract</b>
<b>Minneapolis Children's Hospital Expansion – East</b>	Knutson	13.00	11.00	\$9,625,075	\$11,795,489	\$125,000,000
<b>Minneapolis Children's Hospital ACC/Ramp – West</b>	Knutson	13.00	11.00	\$3,798,656	\$9,970,253	\$46,000,000
<b>University of Minnesota Children's Hospital</b>	Kraus Anderson	5.00	5.00	\$3,398,662	\$5,398,662	\$180,000,000

**TABLE 4****Closed Projects (3<sup>rd</sup> Quarter 2010)**

<b>Project Name</b>	<b>General Contractor</b>	<b>Contract Amount</b>	<b>Minority Percentage (Combined)</b>	<b>Female Percentage</b>
<b>Mechanical &amp; Life Safety Upgrade OP 7244</b>	A L Construction	\$94,500	0	0
<b>KMOJ – Delisi Tenant Build Out</b>	Thor Construction	\$196,679	32.7	12.4
<b>Tennis Court Replacement OP 7108</b>	Barber Construction	\$74,870	24.8	0.0
<b>Exodus Hotel</b>	Load-Bearing	\$302,500	29.94	16.55
<b>Target Center Roof Replacement</b>	Stock Roofing Company	\$5,335,422	70.83	7.4
<b>Salvation Army Harbor Lights Center</b>	Val Pro Glass	\$67,563	0	0
<b>UPA Transit Shelters OP 7143</b>	Egan Company	\$1,583,000	23.02	0
<b>Shoreline Stabilization</b>	Rachel Contracting	\$1,540,817	11.7	6.08
<b>Wabun Phase II OP 7115</b>	Copeland Building	\$1,024,054	7.2	4.1
<b>Cabrini House</b>	Flannery Construction	\$205,411	6.1	9
<b>Shingle Creek OP 7268</b>	American Liberty Const.	\$61,000	0	0
<b>Simpson Housing Services</b>	Flannery Construction	\$173,109	6.55	5
<b>ADC Fire Alarm Upgrades OP 7179</b>	Premier Electric	\$335,326	6.7	7
<b>Lake Calhoun South Parking Lot – OP 7170</b>	Veit & Company	\$319,919	14	12.8
<b>Wabun Picnic – OP 7151</b>	Copeland Building Corp	\$455,000	15.61	2.45
<b>TOTALS</b>		<b>\$11,769,170</b>	<b>42.4</b>	<b>7.3</b>

**TABLE 5**

**SUBP Results for Active Projects (3rd Quarter 2010)**

<b>General Contractor Name</b>	<b>Project Name</b>	<b>Contract Amount</b>	<b>MBE Goal %</b>	<b>MBE Actual %</b>	<b>MBE Actual \$</b>	<b>WBE Goal %</b>	<b>WBE Actual %</b>	<b>WBE Actual \$</b>
Thomas & Sons	7 <sup>th</sup> Street & Van White Blvd 7286	\$912,489	6	6.3	\$57,486	7	7.1	\$64,882
Northern Air Corporation	ADC HVAC Upgrades 7195	\$479,700	4	4.6	\$22,211	5	10.68	\$25,250
Weis Builders	Alliance Addition	\$4,566,927	7	15	\$559,832	9	13.9	\$612,254
Flannery Construction	Alliance Scattered Housing	\$1,097,238	7	12	\$132,024	7	8.8	\$96,441
Benson-Orth	Audubon Crossing	\$4,283,224	4	4.66	\$199,873	4	8.84	\$378,631
Frerichs Construction	Buri Manor	\$156,900	6	7.6	\$11,900	6	5.8	\$9,158
Veit & Company	Chicago Avenue Pavement 7261	\$688,286	3	8	\$54,185	3	5.9	\$39,598
J. Carlson & Sons	Chicago Fire Arts Center	\$282,954	5	15	\$42,349	5	14	\$39,480
Frerichs Construction	Clare Midtown	\$5,701,490	8	10	\$570,135	7	7.8	\$447,196
Standard Sidewalk	Construction of Sidewalks 7269	\$1,914,600	6	.6	\$10,500	7	.18	\$3,500
Central Roofing	Convention Center Re-Roof 7186	\$3,002,426	7	7	\$210,800	8	8	\$240,500
Weis Builders	Creekside Commons	\$5,006,760	8	7.26	\$456,824	7	10.74	\$363,689
Weis Builders	Creekside Watermain	\$149,974	5	0	\$0	2	0	\$0
Norman Construction	Delisi (5 Points) Building	\$2,033,897	6	41	\$824,252	7	19	\$385,741
Rochon Corporation	East Phillips Community Center 7202	\$2,693,000	6	6.2	\$165,681	7	9.2	\$248,189
Ebert Construction	Emergency Operations Facility	\$4,197,692	8	7.8	\$367,300	9	5.96	\$751,429
Flannery Construction	Exodus Apartments	\$399,887	7	9.37	\$37,440	6	12.9	\$51,586
Frerichs Construction	Fremont Flats	\$360,330	7	15.6	\$56,166	6	21.8	\$81,996
Lund Martin Construction	Grease Interceptor	\$158,000	3	5.4	\$8,403	4	25	\$39,495
Knutson Construction	Hiawatha Maintenance Facility OP 7057	\$10,845,198	8	2.48	\$269,312	8	7.5	\$807,723
Frerichs Construction	Hope Stabilization	\$1,031,000	7	9.7	\$99,755	8	12.6	\$129,482
Engelsma Construction	Many Rivers	\$199,103	6	30	\$59,910	8	10	\$20,178
Cool Air Mechanical	Mechanical & Life Safety Upgrds 7223	\$1,549,000	3	3.9	\$60,000	4	8.2	\$126,300
Flannery Construction	Near North Project	\$2,692,748	7	19.9	\$535,326	9	16	\$430,446
Frerichs Construction	Nicollet Square	\$5,327,496	8	6.5	\$344,390	8	8	\$425,235

<b>General Contractor Name</b>	<b>Project Name</b>	<b>Contract Amount</b>	<b>MBE Goal %</b>	<b>MBE Actual %</b>	<b>MBE Actual \$</b>	<b>WBE Goal %</b>	<b>WBE Actual %</b>	<b>WBE Actual \$</b>
Frana & Sons	<b>Nokomis Senior</b>	\$9,855,000	7	7.5	\$740,074	7	7	\$710,512
Midwest Asphalt Corp	<b>Parking Lot Pave</b>	\$217,400	3	1.4	\$3,000	3	1.20	\$2,600
Terra General Contractors	<b>Phillips Community Center 7242</b>	\$893,500	3	2.8	\$25,128	3	18.3	\$163,295
L.S. Black Constructors	<b>Plank Road – OP 7308</b>	\$189,000	6	55.8	\$105,804	3	0	\$0
Madsen-Johnson	<b>Pump Station #4</b>	\$7,655,709	5	7	\$556,000	5	18	\$1,383,171
Lund Martin Construction	<b>Ramp A &amp; C 7196</b>	\$1,217,958	5	8.8	\$117,717	5	5.5	\$76,448
Lund Martin Construction	<b>Ramp B (rebid) 7173</b>	\$6,810,023	7	16.5	\$1,120,962	9	9	\$610,218
Rachel Contracting	<b>Riverbank Stabilization 7153</b>	\$317,803	6	1.3	\$4,147	4	10.3	\$32,633
McGough Construction	<b>The Shubert Performing Arts</b>	\$19,480,207	10	10.5	\$2,045,158	11	13.1	\$2,536,509
Ram Construction	<b>Single Family Dwelling – OP 7212</b>	\$124,597	5	94.8	\$118,097	7	9.4	\$11,670
TC Habitat for Humanity	<b>TC Habitat – Met Council</b>	\$73,334	6	0	0	8	19.7	\$14,467
Fitol-Hintz Construction	<b>Wirth Beach Phase II 7191</b>	\$761,989	4	2.3	\$17,600	3	8.3	\$59,244
Frerichs Construction	<b>Whittier Apartment</b>	\$2,096,891	6	10.9	\$229,086	8	8.6	\$63,579
<b>Totals</b>		<b>\$109,423,730</b>		<b>9.36</b>	<b>\$10,238,827</b>		<b>10.39</b>	<b>\$11,482,725</b>

**TABLE 6**

**Projects Missing Goals**

<b>Contractor</b>	<b>Project Name</b>	<b>Contract Amount</b>	<b>Project Status</b>	<b>Minority Percentage (Combined)</b>	<b>Female Percentage</b>	<b>Activity if missed goal by over 2%</b>	<b># of Missed Goal Incidents in Last 5 Years</b>
<b>Central Roofing</b>	Convention Center Re-roof 7186	\$3,002,426	Active	43.4	3.9	Contractor met goals of new corrective plan	0
<b>Rochon Construction</b>	East Phillips Community Center 7202	\$2,693,000	Active	19.6	0.1	Contractor has been placed in non-compliance – reviewing plan	0
<b>J. Carlson &amp; Sons</b>	Chicago Fire Arts Center	\$282,984	Active	14.6	3.4	Exceeded goals of corrective plan	0
<b>Terra General Contractors</b>	Phillips Community Ctr. 7242	\$893,500	Active	14.9	2.2	Scope of contract changed	0
<b>Weis Builders</b>	Alliance Addition	\$4,566,927	Active	17.8	2.39	Corrective Action plan requested	1
<b>Frerichs Construction</b>	Clare Midtown	\$5,701,490	Active	8.9	3.6	Corrective plan under review	3
<b>Frerichs Construction</b>	Fremont Flats	\$360,330	Done	14.7	3.1	Company started before MDCR approved the project and was $\frac{3}{4}$ completed 1½ weeks later	3
<b>Lund Martin</b>	Grease Interceptor	\$158,000	Active	6.77	2.7	Corrective Action requested. One minority worker was hired but refused to work for the project.	2
<b>Frerichs Const</b>	Nicollet Square	\$5,327,496	Active	34.5	3.5	A corrective plan has increased numbers	3
<b>Midwest Asphalt</b>	Parking Lot Pavement Replacement	\$217,400	Not Active until 5/11	5.3	8.01	Company said that it would meet the goals as female and minority workers would be involved in the completion of the project	0
<b>L.S Black Constructors</b>	Plank Road	\$189,600	Active	0	15.8	All firms have not started work	0
<b>Frerichs Const</b>	Whittier Apartments	\$2,096,891	Active	0	0	Only 28 hours through the end of September	3