



MINNEAPOLIS DEPARTMENT OF CIVIL RIGHTS

CONTRACT COMPLIANCE UNIT REPORT

2ND QUARTER 2008



July 28, 2008

**Department of Civil
Rights**
Michael S. Jordan
Director

350 South 5th Street - Room
239
Minneapolis MN 55415-1314

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Council Member Scott Benson, Chair
Health, Energy and Environment
Development Committee
Room 307 City Hall
Minneapolis, MN 55415

Mayor R.T. Rybak
Mayor's Office
Room 331 City Hall
Minneapolis, MN 55415

Dear Chairperson Benson:

Enclosed is the Department's Second Quarter Report for 2008 on City-assisted construction projects. The overall labor participation goals for skilled and unskilled people of color have been exceeded, while the goal for women fell a bit short.

For the sake of clarity, construction projects have been categorized as active, closed and pending. This quarter, the report will encompass dollars committed to Women Business Enterprises (WBE) and Minority Business Enterprises (MBE).

The Department will continue to observe the progress of current and future projects, and other contracting opportunities, in order to ensure that the proper compliance status of the projects is maintained or improved. Our objective is the maximization of opportunities for women and people of color, in the areas of construction and purchase of goods and services.

Sincerely,

Michael S. Jordan
Director



I. 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) assist, monitors, investigates and reports on employment and training participation. Activity also includes the monitoring of prevailing wage payments and the development and approval of company affirmative action plans. The CCU also performs a “brokerage” function as it assists prime contractors in successfully meeting their employment goals. The major focus in this function is our attempt to link prime contractors to a labor source of persons of color and women trained and ready to contribute to the construction trades.

The Small and Underutilized Business Program (SUBP) component strives to support the development and growth of businesses owned by persons of color and women so they may participate in the economic opportunities generated by City of Minneapolis activity.

These objectives are achieved by setting project goals for the participation of businesses owned by women and minority businesses citizens on contracts and projects funded in whole or part by the City of Minneapolis. Goals are set on a contract by contract basis, based on the availability of businesses ready willing and able to participate. The unit also provides outreach and partnership (2) Reviewing bid and contract reward recommendations; (3) Co-ordinating the certification process for S/W/MBE’s with other governmental authorities; and, (4) Assisting prime contractors with the identification and utilization of certified S/W/MBEs in order to meet the project goals.

This report will examine redevelopment projects active during the second quarter of 2008. It will also provide an accounting of activities during the second quarter and projected plans and objectives for the remainder of the year. More detailed information is made available through the various attachments to this report.

II. 2008 – 2nd QUARTER ANALYSIS

The summaries for second quarter of 2008 are broken down as follows:

A. 32 Active construction projects with a monetary value of \$184,930,871.
(Attachment I)

- Minority Skilled Goal = 11%, Actual Participation = 12.03%
- Minority Unskilled Goal = 11%, Actual Participation = 13.26%
- Female Goal = 6%, Actual Participation = 3.84%
- MBE Participation totaled \$4,055,864.77, which amounted to 2.65%
- WBE Participation totaled \$6,147,058, which amounted to 6.33%

B. 1 Project Closed during the 2nd Quarter with monetary value of \$407,700.
(Attachment II)

- Minority Skilled Goal = 11%, Actual Participation = 2.42%
- Minority Unskilled Goal = 11%, Actual Participation = 12.22%
- Female Goal = 6%, Actual Participation = 4.35%
- MBE Participation totaled \$0, which amounted to 0%
- WBE Participation totaled \$1,935, which amounted to .47%

C. 6 Pending construction projects with a monetary value of \$2,629,175.25.
(Attachment III)

D. 18 Active construction projects (\$1 million or more) with a monetary value of \$119,421,235.77.

- Minority Skilled Goal = 11%, Actual Participation = 15.44%
- Minority Unskilled Goal = 11%, Actual Participation = 17.83%
- Female Goal = 6%, Actual Participation = 4.82%
- MBE Participation totaled \$3,815,331.02, which amounted to 3.19% of Actual Dollars committed.
- WBE Participation totaled \$5,836,276.92, which amounted to 4.89% of Actual Dollars committed.

III. DISPARITY STUDY

The Disparity Study, being conducted by the National Economic Research Associates (NERA), is past the halfway point and we still intend to complete this study by year end. This study will provide a qualitative and quantitative look at the City of Minneapolis marketplace as it relates to the availability and utilization of businesses owned by women and persons of color. It will also examine the process and programming as well as barriers to success. As stated previously, NERA has an excellent reputation for competence nationwide, and its findings have been well accepted in the Eighth Judicial Circuit.

We continue to supply NERA with contracting and certification information. A summary of tasks and timeframes are provided in (Attachment IV). Please note that there has been some slippage in the schedule. We are initiating actions to meet our original target date. The results received from the NERA Disparity Study will aid in the development of recommendations for action relative to the SUBP ordinance, which is planned to sunset on December 31, 2008.

IV. IMPROVED COORDINATION WITH CITY DEPARTMENTS

1. Continue to enforce the use of the methodology, developed with Purchasing, to closely monitor adherence to established bidding processes. Meetings have been held with Purchasing to consistently implement a workable and consistent process for contract review and approval. (Attachment V)
2. MDCR management met with Public Works management to discuss methods for coordination, understanding and effectiveness, between the departments on June 6, 2008.
3. Yearly “participation goals” for all city departments, relative to goods and services contracts, with focus on professional services, legal services, catering and miscellaneous services were finalized during this quarter. Department goals and liaisons are listed in (Attachment VI A&B). We will report on progress toward these goals, beginning with the Third Quarter, 2008 Report.
4. Discussions were initiated between MDCR, Public Works, Fire Department, Human Resources, CPED and others to identify a means to expand part-time summer employment opportunities into full time permanent city employment for minority youth.

V. IMPROVED COORDINATION WITH BUSINESS PARTNERS

1. The second report by MDCR, outlining 1st quarter results on the building of the Minnesota Twins Stadium, was presented to the Minnesota Ballpark Authority on May 26, 2008. The report was well received, by the Ball Park Authority Commission Commissioners, Ball Park authority executive staff, and we believe, by the community at large.
2. We are leveraging our successful interaction with the Ball Park Authority to other large construction projects. We have had discussions, relative to the level of appropriate minority/female labor goals and minority/WBE’s with the Metropolitan Sports Commission (Vikings Stadium) and Hennepin County (North Point Project) and the Metropolitan Council (Central Corridor LRT)
3. On May 13, 2008, a meeting on the Coloplast Development Project (Kraus/Anderson) occurred, outlining their Small and Underutilization Program, along with the Workforce Employment Plan.
4. We continue to leverage opportunities with CPED to develop new strategies for working with large general contractors. As mentioned previously, the meeting which occurred between MDCR and CPED on April 17, 2008, will clarify each agency’s role and encourage CPED’s Project Coordinators to intercede, when necessary, on behalf of compliance officers needing additional information from general contractors.
5. Activities continue that enhance our “regional” approach to contract management activity. An example is the inclusion of St. Paul in our computer system design and implementation. Hennepin and Ramsey County were invited but were unable to participate.

VI ENFORCEMENT ACTION TAKEN DURING THE QUARTER

No direct enforcement actions were taken. However, there were several “confrontations” between contractors, and with some segments of City Departments.

The cause of these “confrontations” is not always obvious. They may be due to purposeful efforts to ignore city imposed policy and procedures, or by lack of information and/or mistake. Regardless, these confrontations are decreasing, in number and severity. We are actively working to remove all cause for their difficulties.

VII. GENERAL CONTRACTOR INITIATIVES FOR MEETING LABOR PARTICIPATION GOALS

1. We are continuing the development of relationships with several organizations engaged in the rehabilitation of ex-offenders. Persons of color, unfortunately, comprise a larger proportion of this population. Additionally, lack of employment increases the risk of recidivism and provides the foundation for additional social problems. Because of this, the following initiatives have been launched in order to provide ex-offenders another chance of being employed:

We are currently evaluating a joint partnership with 180 Degrees and the St. Paul Human Rights Department to purpose grant funding for enhanced activity. We are also evaluating ways to utilized the impact of 2007 federal second chance act (Rep. Keith Ellison) and potential state legislation and in 2009 (Senator Linda Higgins).

2. We are continuing the process of communicating and planning representatives of the Building Trades (David Ybarra), Associated General Contractors of Minnesota (David Semerad) and the Minneapolis Central Labor Council (William McCarthy) to develop strategies to increase the participation of minorities and women in union activity.
3. We continue to increase the level of interaction and cooperation with sources of minority and female laborers. This includes Summit OIC, American Indian OIC, Association of Women Contractors and National Association of Minority Contractors (NAMC), Minneapolis Urban League LEAP, and Metropolitan Economic Development Association (MEDA). On June 18, 2008, I joined the Bar of Directors of the Dunwoody Academy. On May 8, 2008, MDCR attended the annual meeting of the American Indian Chamber of Commerce.
4. Provided training session on contract compliance issues and methods on May 1, 2008 for Rachel Construction.
5. We continue to develop and maintain a cooperative relationship with agencies that are dedicated to economic development in communities of color such as the Northside Residents Redevelopment Council (NRRC) and the University of Minnesota Office of Business and Economic Development.

VIII. CAPACITY BUILDING WITH W/MBEs

1. A representative of MDCR will attend local chapter meetings of the National Association of Minority Contractors (NAMC) and Association of Women Contractors (AWC) on a quarterly basis beginning in the 2nd quarter.
2. We have initiated partnerships with MN-DOT and the St. Paul Planning and Economic Development Agency to provide training to W/MBEs in technical, business and legal subjects. We are also evaluating methods to simplify and enhance our shared minority/women vendor certification program.
3. On May 7, 2008, the MDCR participated with the St. Paul Planning and Economic Development Agency and the Minnesota Minority Supplier Development Council in an outreach session with minority vendors. The purpose was to alert them to business opportunities during the Republican National Convention. Guest speakers included representatives from the RNC, as well as MEET Minneapolis and the St. Paul Convention and Visitor's Authority. There were over 70 attendees, and over 50 different businesses were represented (Attachment VII).
4. Cashflow difficulties are a major obstacle for small and underutilized businesses, to successfully bidding and completing city funded contract opportunities. To aid in mitigating this obstacle, MDCR will formally propose a process for "prompt payment" of such businesses. This recommendation will be issued during the August committee cycle.

IX. INTERNAL CAPACITY BUILDING

1. We have worked with BIS to procure a new contract compliance data management and tracking system. Information was solicited from eight businesses. The two finalists traveled to Minneapolis to give presentations to staff representing Minneapolis, St. Paul, and Hennepin County.

The increased technology will save time and effort for businesses and staff. The time saved will allow staff to take a more hands on approach to assisting compliance and physical verification. It will also allow for more detailed reporting in a real time framework. Tracking business or employment activity by ward or zip code is also a possibility. Currently, the City has narrowed the selection down to two vendors. Final selection should be completed in August. Projected implementation is during September 2008.

2. Rules, regulations, process information, AA Plan formats and other pertinent information will be available electronically both internally and externally, via departmental website.
3. The system transition from FISCOL to COMPASS resulted in the "loss" of availability of data relating to funds spent with M/WBE's. We are in the planning stages, with BIS, on how we can restore this capability.
4. MDCR and City Grants and special projects have included, in the 2009 Budget plan, a request for an FTE to support HUD Section 3 compliance. This action will enable us to not only conform, more efficiently, to HUD monitoring requirements, but will also aid in the development of small businesses and labor sources in low socio-economic areas of the City.

ATTACHMENT I

Project Name	Project Location	Amount Of Contract	Project Status	Minority Skilled Participation %	Minority Unskilled Participation %	Female Participation %
1. 1818 26th No HOW project	1818 26th Ave No	\$152,000.00	Active	48.05%	0%	12.99%
2. 1822 Park Phase II	1822 Park Avenue	\$1,406,540.36	Active	0.00%	0%	0.00%
3. 2007 Lk of the Isles Imp Project	Lake of the Isles	\$1,352,995.00	Active	3.79%	10.23%	19.73%
4. 2109 Aldrich HOW Project	2109 Aldrich Ave No	\$185,000.00	Active	43.43%	0%	13.40%
5. 2525 James Ave N	2525 James	\$186,186.00		34.50%	51.60%	8.68%
6. 6855 - Pump Station #5	4100 Marshall Street NE	\$407,700.00	Active	23.69%	70.44%	7.07%
7. Central Ave Lofts		\$6,416,000.00	Active	12.79%	16.73%	5.38%
8. Coloplast	1601 West River Road	\$48,444,500.00	Active	12.44%	15.56%	0.89%
9. Dundry House	1829 5th Ave S	\$444,203.00	Active	62.75%	0%	0.00%
10. Elliot Park I Stabalization	710 & 727 14th St;1516& 1601Elliot Ave	\$2,220,738.00	Active	0.00%	35.11%	0.00%
11. Emerson Town Homes & Carraige Home	914 & 1000 Emerson A N	\$1,605,168.94	Active	9.12%	28.37%	0.00%
12. Fridley Chemical Building	4300 Marshall Street N.E.	\$5,408,000.00	Active	29.69%	53.28%	4.99%
13. Gluek Riverside Park	1926 Marshall NE	\$191,515.00	Active	0%	2.06%	41.24%
14. Ivy Tower Restoration	1115 2nd Ave	\$60,000,000.00	Active	8.77%	8.90%	2.90%
15. Lowell Curve II	1900 Willow Avenue	\$2,604,910.00	Active	0%	0%	0%
16. Minnehaha Ave Apartments	5359 Minnehaha Ave	\$4,749,827.00	Active	24.20%	1.02%	1.48%
17. Our Saviour's Housing Project	2219 Chicago Ave So	\$176,887.00	Active	61.30%	0.00%	8.84%
18. Park Avenue Apartment	2414 Park Avenue	\$8,559,000.00	Active	9.14%	32.36%	3.92%
19. Pillsbury Renovation	2011 Pillsbury Ave So	\$741,078.00	Active	28.75%	56.22%	7.05%

Project Name	Project Location	Amount Of Contract	Project Status	Minority Skilled Participation %	Minority Participation %	Female Participation %
20. PPL Southside Recap	Many in the Southside of Mpls	\$3,258,692.18	Active	0.43%	45.83%	2.11%
21. Pump Station #14	37 th Ave NE	\$7,256,800.00	Active	0.00%	0.00%	0.00%
22. Seward Co-Op & Deli	2823 Franklin Avenue East	\$3,818,634.00	Active	1.02%	2.62%	5.85%
23. Shoreline Stabilisation	Along W River Rd and the Miss River bet Plymouth N	\$1,540,817.00	Active	8.93%	16.09%	9.35%
24. Sidewalk 1 2008	North and NE Mpls	\$809,561.00	Active	0.00%	36.66%	7.11%
25. Sidewalk 2 2008	SW and South Mpls	\$866,426.25	Active	15.84%	6.36%	4.73%
26. Sidewalk 3 2008	South Mpls	\$833,581.25	Active	0%	0%	0%
27. Telecommunications Installation & Removal Service	1301 2nd Avenue South	\$80,000.00	Active	0.00%	0%	0.00%
28. The Bridge		\$1,060,000.00	Active	12.08%	8.87%	2.91%
29. Van Cleve Apartments - East Ps.1	917 13th Ave SE, Mpls., MN	\$5,000,000.00	Active	19.56%	9.16%	6.46%
30. Wabun Picnic Area	Wabun Pk	\$1,646,518.29	Active	7.60%	19.67%	1.29%
31. Wellstone (Franklin Gateway)	1931 Portland Ave S	\$13,072,095.00	Active	8.54%	0.00%	0.00%
32. West River Rd Project	Along West River Rd by 42nd, 24th and 25th South	\$434,855.00	Active	14.40%	0.00%	22.38%
		\$184,930,228.27				

ATTACHMENT II

Project Name	Project Location	Amount of Contract	Project Status	Minority Skilled Participation %	Minority Unskilled Participation %	Female Participation %
1. #6851 – MFD Fire Stores Replacement	1200 Currie Ave N	\$407,700	Closed	2.42%	12.22%	4.35%

ATTACHMENT III

Project Name	Project Location	Amount of Contract	Project Status
1. 2603 James HOW Project	2603 James Ave N	\$183,000.00	Pending
2. Echo Flats Apts	Various locations S. Mpls.	\$751,458.25	Pending
3. Electronic Sign Upgrading	1301 2 nd Ave S	\$359,445.00	Pending
4. Karmel Village Clean Up	2848 Pleasant Ave S	\$68,750.00	Pending
5. North Haven Apts	2216 Clinton Ave S	\$196,764.00	Pending
6. Slater Square	1400 Portland Ave S	\$1,069,758.00	Pending
TOTAL		\$2,629,175.25	

Attachment IV



Jon Wainwright
Vice President

National Economic Research Associates, Inc.
1016 East 39th St.
Austin, TX 78751
512 371 8995 Fax 512 371 9612
jon.wainwright@nera.com
www.nera.com

M/WBE Disparity Study

Progress Report

<i>Sponsoring Agency:</i>	City of Minneapolis
<i>Primary Contact:</i>	Marvin Taylor, Director of Outreach and Enforcement, Department of Civil Rights
<i>Performing Agency:</i>	NERA Economic Consulting
<i>Primary Contact:</i>	Jon Wainwright, Vice President, NERA
<i>Reporting Period:</i>	18 April 2008 – 21 July 2008

<i>Total Contract Amount:</i>	\$424,950.00
<i>Amount Invoiced to Date:</i>	\$78,845.01
<i>Amount Paid to Date:</i>	\$63,866.59
<i>Amount Outstanding 0-30 Days:</i>	\$3,494.29
<i>Amount Outstanding +120 Days:</i>	\$11,484.13
<i>Percent of Project Completed:</i>	19.0%
<i>Original Completion Date:</i>	10 December 2008
<i>Estimated Completion Date:</i>	31 January 2009

**Contract Compliance Process
For Publicly Bid Contracts**

1. Originating Department Request SUBP Goals
2. Civil Rights Responds with Goals
3. Project Bid Out
4. Contractor Selected
5. Civil Rights Notified (Request for Approval)
6. Civil Rights Conducts Pre Award Review
 - a. SUBP Good Faith
 - b. Affirmative Action Plan (Prime/ Developer)
 - c. Pre-Construction Book
7. Civil Rights Approval
8. City Council Approval
9. Civil Rights Monitors
 - a. sub Affirmative Action Plans
 - b. SUBP Verifications
 - c. CC 57's (employment)
 - d. Davis Bacon (if applicable)
10. Civil Rights Reports Results to City Council

**2008
SUBP
Department Liaisons**

Department	Department Liaison	Extension	MBE Goal%	WBE %	Meeting Date
Assessor	Patrick J. Todd	673-3535	2%	2%	2:00 - May 22nd
BIS	Bob Arko	673-3984	5%	5%	3:30 - May 30th
City Attorney	Coleen O'Brien	673-2966	2%	2%	2:30 - May 30th
City Clerk	Anissa Hollingshead	673-2296	2%	2%	11:30 - May 29th
Civil Rights	Roxanne Crossland	673-2112	5%	5%	4:00 - May 30th
Convention Center	Linda Denson	335-6058	4%	4%	2:30 - May 23rd
Communications	Sara Dietrich	673-2101	3%	3%	3:00 - May 23rd
Coordinator	Trudy Kjenstad	673-3078	3%	3%	2:30 - May 21st
CPED	Jeff Schneider	673-5124	5%	5%	TBD
Emergency Communications	Thomas Donohoe	673-5910	2%	2%	2:00 - May 30th
Finance	LaLonnie Erickson - Baker	673-2004	3%	3%	11:00 - May 30th
Fire Department	Karen Wagner	673-2041	3%	3%	11:30 - May 30th
Health & Family Support	Becky McIntosh	673-2884	4%	4%	2:00 - May 20th
Human Resources	Miriam Vaughn-Lee	673-2459	4%	4%	2:00 - July 15th
Intergovernmental Relations	Gene Ranieri	673-2051	3%	3%	11:00 - June 2nd
Public Works	Jennifer Jordan	673-2241	5%	5%	3:00 - May 20th
Police Department	Gaynell Schandel	673-2001	4%	4%	3:00 - May 23rd
Regulatory Services	Burt Osburne	673-3847	3%	3%	2:00 - June 30th

**DEPARTMENT GOODS AND SERVICES PURCHASES
SUGGESTED BUDGET EXPENSE LINE ITEMS**

5010 – ADVERTISING AND PUBLICATIONS

5030 – EMPLOYMENT SERVICES

5070 – PROFESSIONAL SERVICES

5075 – LEGAL SERVICES

5110 TRANSPORTATION

6029 – AWARDS

6104 – OFFICE SUPPLIES

6194 – REFRESHMENTS: FOODS AND BEVERAGE

Attachment VII

**Meet Minneapolis
Republican National Convention – Host Committee**

Coffee Club Express

Nora McLaughlin
Dana VanDellan
Mike Pioletti

TeamlogicIT – Hopkins

Jean-Robert Cole

**Falcon Communications
Group, Inc.**

James Frisco

Performix

Sunil Bafna
Steve Slavin

Platinum Staffing, LLC

Zee Warri Nagberi
Jessica Harstad

Ellis Taylor LLC

Theresa Taylor
Kojo Ben Taylor

Wise Soft

Atul Wahi
Rick Hults

Designer Sports, LLC

Pamela Ryan
Magan Ryan

Press Works

Karen Dahlquist

**International Translation
Bureau**

Bora Leng

Team One Printing

Grace Wong
Mark Doo

Media Relations

Michelle Roddie

Xylo Technologies, Inc.

Robert Zarracina
Santhi Arunachalam

Highlight Printing

Lisa Bickford

Bokoo Bikes

Lizzu Nasiedlak

Die Cut Technologies

Tran T. Nhon

Staff Inc.

Susan St. James

Boone Trucking

Joe Boone
Gerald Trucking

NS Group

Keith Elzia
Don Johnson
Mark Larson

Ideal Printers, Inc.

Joan Siewert-Cardona

**Gold Standard
Accomodations**

Melvin Brown

**Keystone Computer
Solutions**

Fredrick Blocton
Joe Richburg
Bonnie Branton

Hillary's Personalized Gifts

Ann Kasid

Northern Traffic Supply

Brent Gummert
Pat Gummert

Classy Baskets Etc.

Diana Roney

Chocolat Celeste

Barb Christensen
Mary Leonard

**English Proficiency Systems,
Inc.**

Marilyn Wellman
Andrea Wellman

Intersource Services, LLC
Juan Carlos VidalFranco

VenUS Directions, Inc.
Amdres Parra

Keystone Computer Solutions, Inc.
Joseph Richburg
Dorothy Richburg
Fredrick Blocton
Bonnie Branton

Hunt Luxury Travel Group
Gordon Tolbert

American Diversity Business Solutions
David Robinson

J. Cameron & Associates
Theresa Olson

Conceptus, LLC/Legends Recognition
David Saatzer

The Kydd Group, LTD
PJ Doyle
Tim Novy
Jacqueline Houser

Martin Printing
Dick Martin

Kasdan Communications
Sheryl Kasdan

Kane's Catering Inc.
Janet Kane

Diverse Maintenance Solutions Inc.
John Lasiuk

Infinity Wireless
Abby Kulas
Dan Severud

Soulful Crosswords, Inc.
Sandra King Freeman

Rose Would
Sharyn Rose
Justin Wooley

Marketplace Productions
Al Paulson

Assembly of Architects
Marilyn Porter

Dialogue-One
Roberto Fonts

Unleashed Productions
Dan Jacobson

KEMH LLC
Karen Hofmann

City's Best Marketing
Linda Kelley

Mariyum Enterprises
Shahnawaz Iqbal
Parmod Chopra
Gamal Elfey

Eby2 Corporation
Raj Mehta
Marina Skorodumova