

Minneapolis
City of Lakes

CIVIL RIGHTS DEPARTMENT

CONTRACT COMPLIANCE UNIT

QUARTERLY CONTRACT COMPLIANCE REPORT
January – March 2011

Table of Contents

Introduction.....	4
2011 – 1 st 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
Conclusion.....	7

List of Tables

TABLE 1 – Active Projects.....	8
TABLE 2 – Closed Projects.....	10
TABLE 3 – SUBP Results for Active Projects.....	11
TABLE 4 – Projects Not Meeting Goals.....	13

INTRODUCTION

The Minneapolis Department of Civil Rights Contract Compliance Unit supports and promotes the City objectives of *Jobs and Economic Vitality* 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 that receives \$50,000 or more 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 persons in the marketplace. Such plans are good for a two-year period after review and approval by the Department.

2011 – 1st QUARTER ANALYSIS

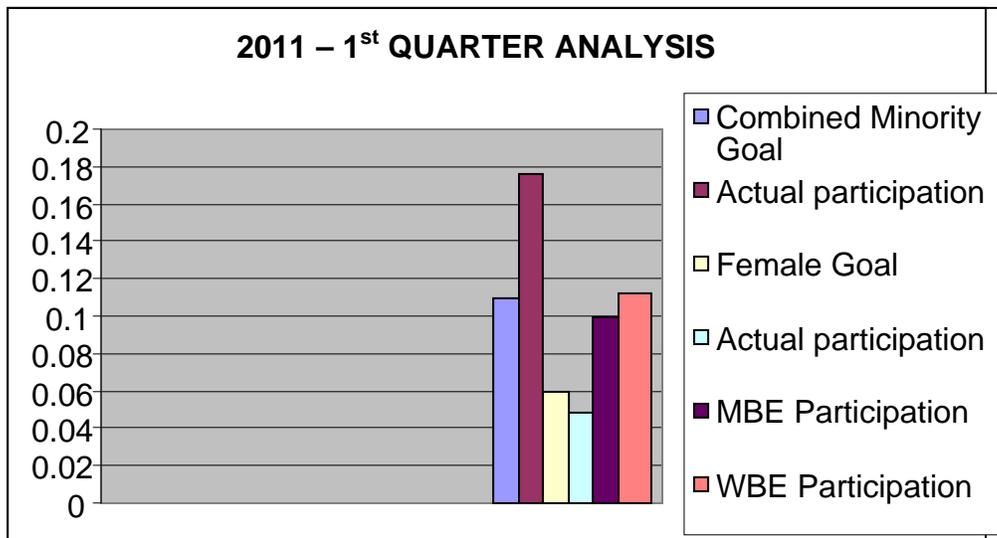
Summaries for the 1st Quarter 2011 are as follows:

47 active construction projects with a value of \$185,405,222 (Table 1)

- Combined Minority Goal = **11%**, Actual Participation = **17.3%**
- Female Goal = **6%**, Actual Participation = **5.36%**

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

- MBE Participation totaled \$15,948,154, or 9.92%
- WBE Participation totaled \$18,808,413, or 11.7%



IMPROVED COORDINATION WITH DEPARTMENTS & PARTNERS

- The CCU has communicated with the National Association of Minority Contractors (NAMC) and other community organizations. CCU staff has attended NAMC monthly meetings and have met with them to discuss bidding City of Minneapolis projects.
- The CCU has continued to meet with the Minneapolis Building Trades and with labor unions/associations to certify individuals as Section 3 eligible and to get a clear understanding of union membership issues.
- The CCU has worked directly with developers and general contractors on implementing Affirmative Action Plans on City of Minneapolis projects.
- The CCU held a disparity study forum in the first quarter. Over 4,000 invitations were sent to small businesses to have a discussion on the disparity study recommendations.
- The CCU had meetings with CPED staff to improve staff relationship and to get an understanding of the role and responsibilities of each office. This will lead to a comprehensive process to better serve the community in job development and small business growth.

SMALL AND UNDERUTILIZED BUSINESS ACTIVITY (SUBP)

- The City of Minneapolis city council approved the new SUBP on March 10, 2011. The new program is designed to meet the Supreme Court legal requirements.
- In accordance with sections 139.70 and chapter 423.40-60 of the Minneapolis Code of Ordinances, the Department worked with city departments to set minimal participation goals in selected areas. In this quarter we reviewed goals for 55 projects: 22 construction projects, 29 goods and services contracts, and 4 requests for proposals.
- The department continues to review projects for goals within the 10-day timeframe established.
- SUBP goals are set based on the availability of women and minorities in the seven-county metro area.

DISPARITY STUDY

The disparity study working group continues to meet and review the disparity study recommendations in preparation for return to the city council for approval in summer 2011. In the community forum held in March the top three recommendations chosen by the small business community were, unbundle

contracts, implement a business target market program and expand and better communicate supportive services for small businesses. The group is diligently working to understand impact, cost effectiveness and feasibility of implementing these recommendations.

SECTION 3 PROGRAM

MDCR currently has 48 businesses certified as Section 3 eligible with 3 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. MDCR has partnered with the Minneapolis Building Trades and local unions and have certified 99 of their members as Section 3 residents. Seven (7) member applications are pending certification and nine have been employed on City of Minneapolis projects. We also have partnered with SAOIC and fourteen of their participants/graduates have been certified with one application pending and one has gained employment.

NEIGHBORHOOD STABILIZATION PROGRAM

We continue to track and monitor the NSP program. Cumulatively, these employment goals are being achieved and exceeded through March 2011. The employment goals are 6% female, 11% minority skilled, 11% minority unskilled and 30% Section 3 (new hires) respectively.

- Minority skilled participation **41.21%**
- Minority unskilled participation **87.06%**
- Female participation **6.70%**
- Section 3 participation **0.00%**

All minority and female employment goals for this 1st quarter 2011 are being met and exceeded. However, MDCR is working with contractors to identify qualified Section 3 residents to work on these projects. This success is a collaborative effort between City staff, developers and contracting community.

Although we monitor each project separately and the contractors go through our good faith effort process, these goals will ultimately be reported cumulatively. The contracting goals are 6% MBE, 8% WBE and 10% Section 3.

- **73** homes have been approved for construction (\$6,134,546).
- \$985,083 or **16.06%** MBE
- \$728,604 or **11.08%** WBE
- \$1,957,412 or **31.91%** Section 3

All SUBP/Section 3 verified contracting goals for this 1st quarter 2011 are being met and exceeded. This success is a collaborative effort between City staff and the contracting community.

CONCLUSION

The CCU continues to work diligently to monitor and enforce all City of Minneapolis ordinances and all federal and state regulations for which it has responsibility. 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 federal 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 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 (1st Quarter 2011)

Project Name	Project Location	General Contractor	Contract Amount	Minority Percentage (Combined)	Female Percentage
2nd Avenue Tunnel Repair OP 7345	2 nd Ave. (5 th to 7 th Street)	Engineering & Construction Innovation	\$635,445	42.44	5.3
10th Avenue Storm Tunnel OP 7362	Mississippi River near 10 th Avenue	Engineering & Construction Innovation	\$1,165,835	11.1	3.7
10th Avenue Storm Tunnel OP 7376	10 th Avenue	Engineering & Construction Innovation	\$3,887,404	10.8	8.18
10th Avenue Tunnel Dewater OP 7357	11 th & 12 th Avenues S.E.	Keys Well Drilling	\$177,750	0	0
3631 Penn Avenue North	3631 Penn Avenue North	Watson-Forsberg	\$330,954	36.6	8.2
ADC HVAC Upgrades OP 7195	350 South 5th Street	Northern Air Corporation	\$479,700	15	5.5
Alliance Addition	722-730 17 th Avenue East	Weis Builders	\$4,566,927	16.9	4.3
Avenues for Homeless Youth	1708 Oak Park Ave N.	Load Bearing	\$135,918	99.4	6.1
Chicago Avenue Fire Arts Center	3749 Chicago Ave South	J. Carlson & Sons	\$282,954	14.6	3.4
Clare Midtown	3105 – 23 rd Ave South	Frerichs Construction	\$5,772,505	15.3	4.3
Convention Center Demo OP 7356	Mpls Convention Center	Century Construction	\$197,000	12.0	6.3
Convention Center Electric OP 7356	Mpls Convention Center	Egan Company	\$292,329	18.6	10.4
Convention Center Mechanical OP 7364	Mpls Convention Center	Egan Company	\$217,348	67.7	2.14
Currie & Stewart Park OP 7335	2700 12 th Ave. South	Cobalt Contracting	\$501,356	10.2	.7
Demo of (3) Structures OP 7290	Various locations	Carl Bolander & Sons	\$62,600	0	0
Demo of (6) Structures OP 7266	Various locations	K.A. Kamish Excavation	\$96,780	37.1	20.6
Demo of (9) Structures OP 7317	Various locations	Moен Concrete	\$167,600	41.7	0
Demo of (12) Structures OP 7300	Various locations	K.A. Kamish Excavation	\$197,413	39.4	16.6
Dewatering Plant OP 7171	4300 Marshall St. NE	Graham Construction	\$19,220,000	19.5	3.4
East Phillips Community Cultural Center OP 7202	2307 - 17 th Avenue South	Rochon Corporation	\$2,693,000	25.5	3.7
East River Road Erosion – OP 7276	7276 East River Road	Veit & Company	\$215,529	14.4	6.3
Gateway Lofts	2601 West Broadway Avenue	Frerichs Construction	\$5,369,693	3.8	0
Grease Interceptor OP 7174	Mpls Convention Center	Lund Martin	\$158,000	6.2	2.7

Project Name	Project Location	General Contractor	Contract Amount	Minority Percentage (Combined)	Female Percentage
		Construction			
Hiawatha Wade Pool OP 7327	2701 East 44 th Street	Global Specialty Cont	\$218,900	23	0
Hydraulic Surge Facility OP 7279	At Pump Station #4	Rice Lake Construction	\$676,600	8.6	4.1
Lead Hazard Reduction OP 7369	Citywide	MN Remodeling	\$1,600,000	8	0
Lime Slacker Replacement OP 7331	Fridley Plant	Graham Construction	\$789,000	0	0
Lyndale Green	610 28th Street West	Frana & Sons	\$7,274,758	.1	0
Mechanical & Life Safety OP 7223	City Hall	Cool Air Mechanical	\$1,549,000	10	6
Minnehaha Falls Vegetation OP 7361	Minnehaha Creek Area	Prairie Restorations	\$296,095	14	8.4
MoZaic	1320 Lagoon Avenue S.	Ryan Construction	\$11,000,000	7.5	2.4
Near North Community Housing	Various locations	Flannery Construction	\$4,898,329	23.7	6.7
Nicollet Square Apartments	3700 Nicollet Ave S	Frerichs Construction	\$5,327,496	28.9	2.9
Nokomis Senior Housing	3717 – 23 rd Avenue S	Frana & Sons	\$9,855,000	12.6	7
Parking Lot Pavement OP 7253	Various Locations	Midwest Asphalt Corp	\$217,400	5.4	8
Pioneer & Soldiers Memorial Cemetery Fence OP 7307	2945 Cedar Avenue South	Terra General Contractors	\$237,000	14.8	5.7
Pump Station #4	37th Ave NE, Fridley	Madsen-Johnson	\$7,655,709	16.6	5
Ramp B (rebid) OP 7173	516 – 2 nd Avenue North	Lund Martin Construction	\$6,865,000	12	6.0
Re-Roof Fire Station #20 OP 7298	4646 Humboldt Ave N.	Cool Air Mechanical	\$288,836	13	4.8
Riverside Plaza Stabilization	1525 S. 4th Street	Knutson Construction	\$48,357,013	19.3	6
South Transfer Facility OP 7323	2850 20 th Avenue South	Lund Martin Construction	\$342,400	19.8	4
Storm Sewer Separation OP 7314	33 N. 9 th Street	NAC Mechanical	\$261,800	23.2	0
Telecommunications Installation & Removal Service	1301 2nd Avenue South	ColliSys	\$80,000	0	2.6
TC Habitat – Met Council	416 & 430 – 30 th Ave N, 3035 Tyler	TC Habitat for Humanity	\$100,000	14.8	4.3
The Shubert Performing Arts Cent.	516 Hennepin Avenue	McGough Construction	\$19,895,990	17.3	7.1
Wall Fabric Replacement	Convention Center	Painting by Nakasone	\$103,442	9.7	32.6
Whittier Cooperative Apartments	2609 Blaisdell Avenue	Frerichs Construction	\$2,191,414	22.9	6.3
TOTALS			\$185,405,222	17.3	5.36

TABLE 2

Closed Projects (1st Quarter 2011)

Project Name	General Contractor	Contract Amount	Minority Percentage (Combined)	Female Percentage
Audubon Crossing	Benson-Orth	\$4,283,224	12.1	4.1
Convention Center Acoustics OP 7356	Twin City Acoustics	\$306,115	8.7	10.2
Convention Center Drywall OP 7356	Berg Drywall	\$888,000	14	6.9
Creekside Commons	Weis Builders	\$5,006,760	17.3	3.1
Delisi (5 Points) Building	Norman Construction	\$2,033,897	41.1	9
Demo of (7) Structures OP 7302	Buberl Recycling	\$84,069	0	0
Demo of Building at 3001-3011 OP 7332	Buberl Recycling	\$59,435	0	0
Emergency Operations Facility	Ebert Construction	\$4,197,692	13.10	1.0
Exodus Apartments	Flannery Construction	\$444,256	24.7	13.6
Hiawatha Maintenance Facility – OP 7057	Knutson Construction	\$11,074,477	11	3.9
St. Stephan’s Shelter	Architect Mechanical	\$60,700	0	0
TOTALS		\$28,438,625	20.9%	5.8%

TABLE 3

SUBP Results for Active Projects (1st Quarter 2011)

General Contractor Name	Project Name	Contract Amount	MBE Goal %	MBE Actual %	MBE Actual \$	WBE Goal %	WBE Actual %	WBE Actual \$
Engineering & Construction Innovation	2nd Avenue Tunnel Repair OP 7345	\$635,445	5	.004	\$2,500	8	3.8	\$24,150
Engineering & Construction Innovation	10th Avenue Storm Tunnel OP 7362	\$1,165,835	5	3.3	\$38,200	8	7.2	\$84,090
Engineering & Construction Innovation	10th Avenue Storm Tunnel OP 7376	\$3,887,404	5	4.25	\$165,500	8	2.35	\$91,477
Watson-Forsberg	3631 Penn Avenue North	\$330,954	6	9	\$29,672	8	13	\$42,928
Northern Air Corporation	ADC HVAC Upgrades 7195	\$479,700	4	4.6	\$22,211	5	5.3	\$25,250
Weis Builders	Alliance Addition	\$4,566,927	7	15	\$559,832	9	15.2	\$675,427
Load Bearing, Inc.	Avenues for Homeless Youth	\$135,918	4	79.1	\$107,473	5	20.9	\$28,445
Frerichs Construction	Clare Midtown	\$5,772,505	8	10.1	\$582,109	7	7.8	\$452,266
Century Construction	Convention Center Demo OP 7356	\$197,000	7	10	\$20,000	5	5	\$9,850
Egan Company	Convention Center Electric OP 7356	\$292,329	6	6.3	\$18,267	6	6	\$17,500
Cedar Ridge Landscaping	Convention Center Landscape OP 7343	\$440,000	7	7	\$30,800	5	5	\$22,000
Egan Company	Convention Center Mechanical OP 7364	\$217,348	4	14.8	\$32,205	5	8.78	\$19,100
Weis Builders	Creekside Commons	\$5,006,760	8	7.26	\$456,824	7	10.74	\$363,689
Cobalt Contracting	Currie & Stewart Park OP 7335	\$501,356	6	6.67	\$18,000	7	8.11	\$21,934
Moen Concrete	Demo of (9) Structures OP 7317	\$167,600	8	24.11	\$40,425	6	14.40	\$23,300
K.A. Kamish Excavation	Demo of (12) Structures OP 7300	\$197,413	2	17.2	\$33,950	2	22.3	\$43,900
Rochon Corporation	East Phillips Community Center 7202	\$2,693,000	6	4.4	\$117,680	7	9.4	\$253,645
Veit & Company	East River Road Erosion OP 7276	\$215,529	4	7.57	\$19,042	3	3.25	\$6,999
Frerichs Construction	Gateway Lofts	\$5,369,693	6	6.4	\$341,262	6	6	\$324,102
Lund Martin Construction	Grease Interceptor	\$158,000	3	5.4	\$8,403	4	25	\$39,495
Global Specialty Cont	Hiawatha Wade Pool OP 7327	\$218,900	4	2.7	\$8,756	6	5.5	\$13,134

General Contractor Name	Project Name	Contract Amount	MBE Goal %	MBE Actual %	MBE Actual \$	WBE Goal %	WBE Actual %	WBE Actual \$
Rice Lake Construction	Hydraulic Surge Facility OP 7279	\$676,600	4	22.8	\$153,928	3	5.9	\$40,002
Frana & Sons	Lyndale Green	\$7,274,758	9	8.9	\$643,982	9	8.8	\$639,146
Graham Construction	Lime Slaker Replacement OP 7331	\$789,000	5	5	\$41,890	6	7	\$51,790
Cool Air Mechanical	Mechanical & Life Safety Upgrds 7223	\$1,549,000	3	3.9	\$60,000	4	8.2	\$126,300
Prairie Restorations	Minnehaha Falls Vegetation OP 7361	\$296,095	4	2.2	\$3,150	6	1.69	\$2,400
Ryan Construction	MoZiac	\$11,000,000	8	2.6	\$495,641	8	8.3	\$1,040,818
Flannery Construction	Near North Project	\$4,898,329	7	12.4	\$605,079	9	11.9	\$580,876
Frerichs Construction	Nicollet Square	\$5,327,496	8	6.5	\$344,390	8	8	\$433,349
Frana & Sons	Nokomis Senior	\$9,855,000	7	7.5	\$740,074	7	7	\$710,512
Midwest Asphalt Corp	Parking Lot Pavement OP 7253	\$217,400	3	1.4	\$3,000	3	1.20	\$2,600
Terra General Contractors	Pioneer & Soldiers Memorial OP 7307	\$237,400	2	2	\$5,000	2	2	\$5,250
Madsen-Johnson	Pump Station #4	\$7,655,709	5	7	\$556,000	5	18	\$1,383,171
Lund Martin Construction	Ramp B (rebid) OP 7173	\$6,865,000	7	19.0	\$1,301,875	9	8.9	\$611,529
Cool Air Mechanical	Re-Roof Fire Station #20 OP 7298	\$288,836	7	3.9	\$11,324	8	2.2	\$6,380
Knutson Construction	Riverside Plaza	\$48,357,013	5	11.4	\$5,808,368	6	15.2	\$7,300,122
Lund Martin Const.	South Transfer Facility OP 7323	\$342,400	3	19.4	\$66,342	3	11.5	\$39,500
NAC Mechanical	Storm Sewer Separation OP 7314	\$261,800	3	11	\$30,000	6	44.11	\$73,939
McGough Construction	The Shubert Performing Arts	\$19,895,990	10	11.2	\$2,232,394	11	13.2	\$2,631,022
TC Habitat for Humanity	TC Habitat – Met Council	\$100,000	6	11.7	\$12,881	8	56.8	\$62,514
Frerichs Construction	Whittier Apartment	\$2,191,414	6	8.2	\$179,725	8	25	\$546,963
Totals		\$160,728,856		9.92%	\$15,948,154		11.7%	\$18,808,413

TABLE 4

Projects Not Meeting Goals

Contractor	Project Name	Contract Amount	Project Status	Minority Percentage (Combined)	Female Percentage	Activity if participation was 2% below goal	# of 2% Incidents in Last 5 Years
Engineering and Construction Innovation	10 th Avenue Storm Tunnel (7362)	\$1,165,835	Active	11.1	3.7	2 sub contractors will be supplying female hours next month	1
Rochon Construction	East Phillips Community Cultural Center (7202)	\$2,693,000	Active	25.5	3.7	Project delays and various labor issues contributed to approved lowered goal numbers	0
Frerichs Const.	Gateway Lofts	\$5,369,693	Active	0	3.8	Project started in December, some improvement since then, projected to meet the goals	
Frana Const.	Lyndale Green	\$7,274,758	Active	.1	0	Corrective Action Plan requested	3
Ryan Const.	MoZaic	\$11,000,000	Active	7.5	2.4	Project started in January, some improvement over last month, projected to meet goals	
Midwest Asphalt	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
Cool Air Mechanical	ReRoof Fire 20	\$288,320	Active	12.1	3.8	Layoffs, confirmed seniority as basis	1
Rice Lake Construction	Hydraulic Surge Facility (7279)	\$676,600	Active	8.6	4.1	Final phases of project will include additional minority hours, as projected in pre con	0