



# MnDOT Contracting and Workforce Goals

Project Description

July 2020

## BACKGROUND

MnDOT's Office of Civil Rights (OCR) is "committed to ensuring equal opportunity for all businesses and personnel on [MnDOT] projects." OCR is responsible for establishing contracting goals regarding targeted group- or veteran-owned business participation on certain MnDOT contracts.<sup>1</sup> OCR also monitors contractor compliance with workforce goals stipulating that women and people of color complete a certain percentage of the work on a given construction contract.

MnDOT operates two small business programs for state-funded projects—the Targeted Group Business Program and the Veteran-Owned Small Business Program. As part of these programs, MnDOT may establish a goal that a certain percentage of spending on a given contract go to businesses that are majority owned and operated by a veteran, woman, person of color, or an individual with a physical disability.

By law, MnDOT may also give up to a 6 percent preference (not to exceed \$60,000) in awarding contracts to targeted group- or veteran-owned businesses. MnDOT incorporates the preference amount when it calculates the lowest bidder for a given contract.

In addition to establishing contract goals and preferences, MnDOT monitors compliance with state workforce goals. The workforce goals, established by the Minnesota Department of Human Rights, vary by region of the state. For example, for certain state-funded construction projects taking place in Hennepin or Ramsey County, 32 percent of total hours worked on the contract are supposed to be completed by employees of color.

## EVALUATION QUESTIONS

1. How well has MnDOT performed with respect to its goals and requirements for contracting with targeted group- and veteran-owned businesses?
2. How well has MnDOT performed with respect to Minnesota's workforce participation goals for state-funded construction projects?

## DISCUSSION

This evaluation will focus on MnDOT's implementation of contracting and workforce goals on recent state-funded highway construction contracts, as well as its implementation of contracting goals for state-funded professional-technical contracts. We will not evaluate MnDOT's activities pertaining to contracting and workforce goals for federally funded contracts.

OLA will review key state laws and MnDOT policies and procedures. We will examine a sample of contract files to assess how OCR establishes contract goals and the extent to which it enforces them.

We will also analyze data from MnDOT's contract management systems to determine the extent to which MnDOT established contracting goals and the degree to which contractors complied with them. We will also examine contractor compliance with workforce goals.

We plan to complete the evaluation and issue a report in early 2021. For additional information, contact project manager Caitlin Badger at 651-297-1917, or [caitlin.badger@state.mn.us](mailto:caitlin.badger@state.mn.us).

<sup>1</sup> Targeted group businesses include small businesses that the Department of Administration has certified as being majority owned and operated by women, people of color, or individuals with a "substantial" physical disability.