

# MnDOT Workforce and Contracting Goals

Update to 2021 Evaluation Report

February 2022

## Problems Identified

- **Limited Enforcement Authority.** State-funded MnDOT construction contracts that started during fiscal years 2018 through 2020 rarely met the state’s workforce goals. However, MnDOT has limited authority in law to enforce the goals.
- **Insufficient Workforce Goal Oversight.** For the vast majority of state-funded construction contracts in our review, MnDOT did not regularly evaluate or monitor contractors’ efforts towards meeting the state’s workforce goals. Further, MnDOT neither consistently tracked whether state-funded contracts met workforce goals nor notified contractors about their workforce goal performance at the end of a contract.
- **Limited Contracting Goal Monitoring.** MnDOT did not evaluate whether to set state contracting goals for more than 20 percent of eligible contracts in our review period. When MnDOT set state contracting goals, the agency did not consistently track or accurately report on the share of contracts approved as a result of contractor good faith efforts to meet the goals, and its monitoring of contractors’ progress towards meeting the goals was limited.
- **Ineffective Contract Preferences.** For the contracts we reviewed, contract preferences rarely changed which business won the contract. Yet MnDOT limited the maximum dollar value of contract preferences for construction contracts beyond what is required by law.

## Changes Implemented

- **Improvements to Goal Oversight.** MnDOT has enhanced its reporting on state workforce goals. The agency is also piloting a monitoring initiative pertaining to contracting goals; however, at this time, the pilot includes only federally funded—not state-funded—contracts.
- **Preference Cap Increased.** MnDOT increased its cap on construction contract preferences to align with the preference cap established by the Department of Administration.

## Actions Needed

- **Examine Overall Approach to Goals.** The Legislature should consider the extent to which it wants to prioritize state workforce goals and clarify the roles of state contracting agencies accordingly.
- **Strengthen Goal Oversight and Administration.** Despite improvements, MnDOT has yet to implement several recommendations regarding its oversight and administration of workforce and contracting goals. For example, MnDOT does not routinely track or notify contractors as to whether they met state workforce goals at the conclusion of each contract, and MnDOT does not consider all eligible state-funded contracts for state contracting goals.