

MnDOT Workforce and Contracting Goals

Update to 2021 Evaluation Report

January 2023

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 workforce goals.
- **Insufficient Workforce Goal Oversight.** For the vast majority of state-funded construction contracts in our review, MnDOT did not collect the workforce plans necessary for it to evaluate or monitor contractors’ efforts towards meeting the 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.
- **Minimal Contracting Goal Monitoring.** MnDOT 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.
- **Limited Certified Contractor Participation.** Relatively few certified businesses participated as prime contractors on the state-funded MnDOT contracts in our review, and payments to certified businesses were not evenly distributed across the demographic groups eligible for MnDOT’s Targeted Group Business Program.

Changes Implemented

- **Progress Regarding 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.
- **Improved Communication.** MnDOT now notifies contractors of the workforce goals for state-funded contracts and notifies contractors as to whether they met workforce goals at the conclusion of the contract.

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 role of state contracting agencies accordingly. Additionally, MnDOT and the Legislature should jointly consider additional strategies that could enable MnDOT to more effectively fulfill the purpose of its contracting goal programs, taking into account the state’s broader policy priorities.
- **Strengthen Goal Oversight and Administration.** Despite improvements, MnDOT has yet to implement key recommendations regarding its oversight and administration of workforce and contracting goals. Specifically, MnDOT has chosen not to collect workforce plans for all contracts subject to state workforce goals and has yet to begin systematically monitoring contractors’ progress towards meeting contracting goals for state-funded contracts.