



The Most Livable
City in America



Human Rights & Equal Economic Opportunity

HREEO champions Justice and Equity by confronting issues of discrimination and providing innovative avenues for accessibility and economic opportunities for all residents and businesses.

Contract Compliance

Quarter 3,
2014: Report

Contract Compliance ensures that the entire community can participate in the economic life of the City of Saint Paul.

The City of Saint Paul Contract Compliance division of the Human Rights and Equal Economic Opportunity department ensures that the entire community can participate in the economic life of the City. Contract Compliance monitors workforce inclusion goals and business inclusion goals, and also monitors projects for compliance with federal, state and local prevailing wage laws on City and Saint Paul Housing and Redevelopment Authority (HRA) construction projects.

For construction projects, St. Paul sets goals of 32% minority hours and 6% women hours. Beyond Affirmative Action goals, St. Paul's HUD Section 3 program also monitors certain federally-funded projects for low-income new hire goals. Outside of construction projects, the City also monitors workforce utilization for all businesses that have contracts with the City in excess of \$50,000.00.

In addition to workforce goals, St. Paul also sets goals for participation by local small businesses, woman-owned businesses, minority-owned businesses, and Section 3 businesses. The vendor outreach program monitors inclusion for local small, woman-owned, and minority-owned businesses. Section 3 enforces federal regulations requiring inclusion of businesses owned by low-income residents or employing a substantial number of low-income residents.

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Workforce Inclusion Monitoring

The City of Saint Paul monitors workforce goals for inclusion of women and minorities under the City's Human Rights Ordinance, as well as low-income hiring goals under the federal HUD Section 3 program.

Affirmative Action/Equal Employment Opportunity (AA/EEO)

The City of Saint Paul's Human Rights Ordinance, § 184.04, requires every contractor or subcontractor whose total accumulated contract awards from the City of Saint Paul over the preceding twelve months meet or exceed \$50,000.00 to complete and submit an Affirmative Action Program Registration form along with a \$75.00 registration fee. As of the third quarter, 2014, the City has certified Affirmative Action plans from 715 businesses.

Construction contracts are monitored for workforce inclusion of minority and female residents. Both developers and general contractors are contractually responsible for ensuring that city assisted construction projects achieve employment utilization goals. Employment utilization goals are 32% minority hours and 6% female hours.

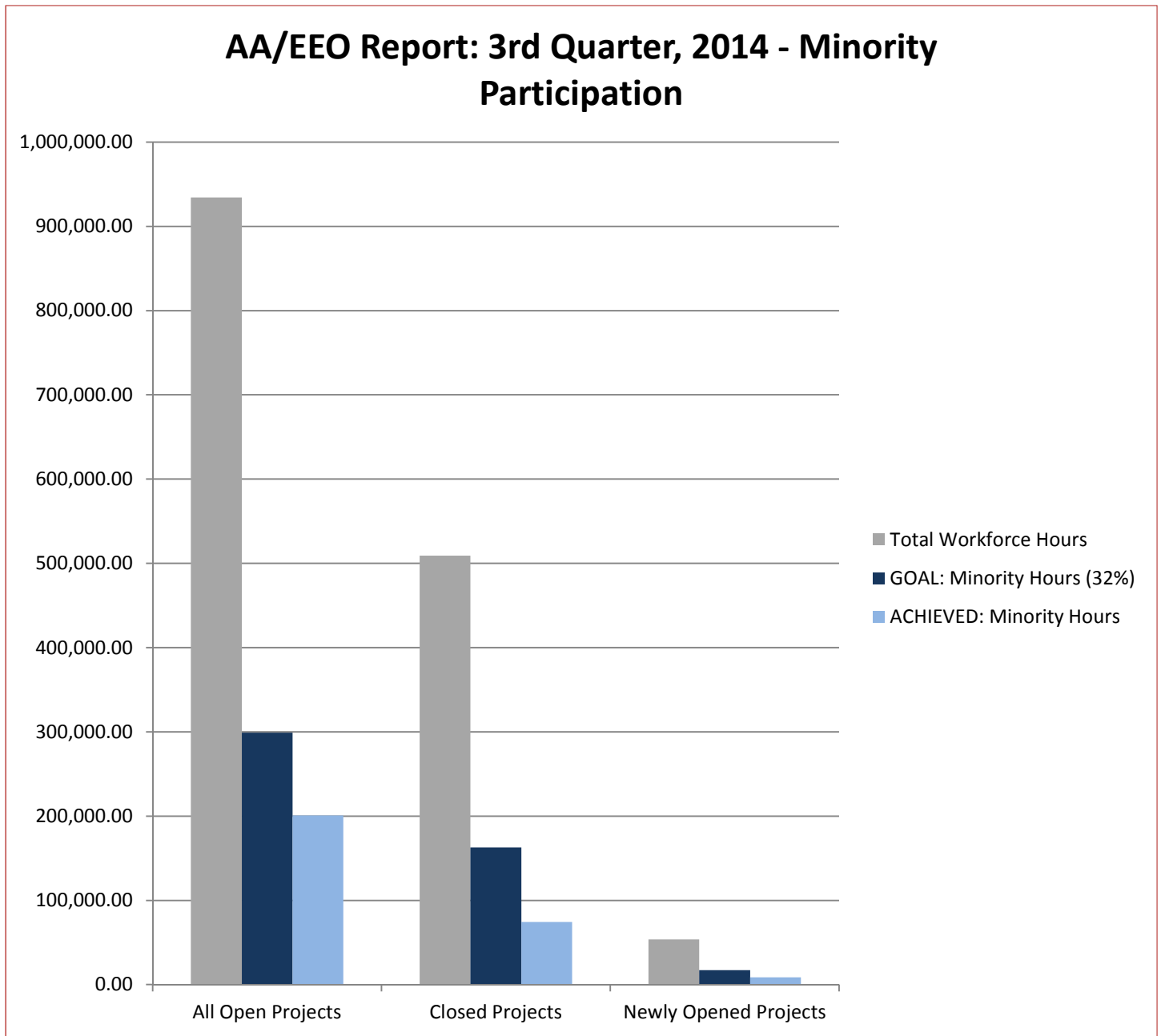
In the third quarter of 2014, AA/EEO closed out 18 projects and opened 57 new projects. Overall, AA/EEO monitored 108 construction projects and over \$435,847,664 in construction contracts in the third quarter. A breakdown of AA/EEO goals by minority inclusion and female inclusion is displayed on the subsequent pages.

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AA/EEO Workforce Inclusion: Minority Participation

The City’s goal is to achieve at least 32% minority hours on all projects. Contractors who fail to meet the City’s goals are required to make and document good faith efforts at achieving the 32% goal.

Project Status	Total Workforce Hours	GOAL: Minority Hours (32%)	ACHIEVED: Minority Hours
All Open Projects	934,138.25	298,924.24	200,859.40
Closed Projects	509,143.84	162,926.03	74,338.28
Newly Opened Projects	53,591.25	17,149.20	8,585.75

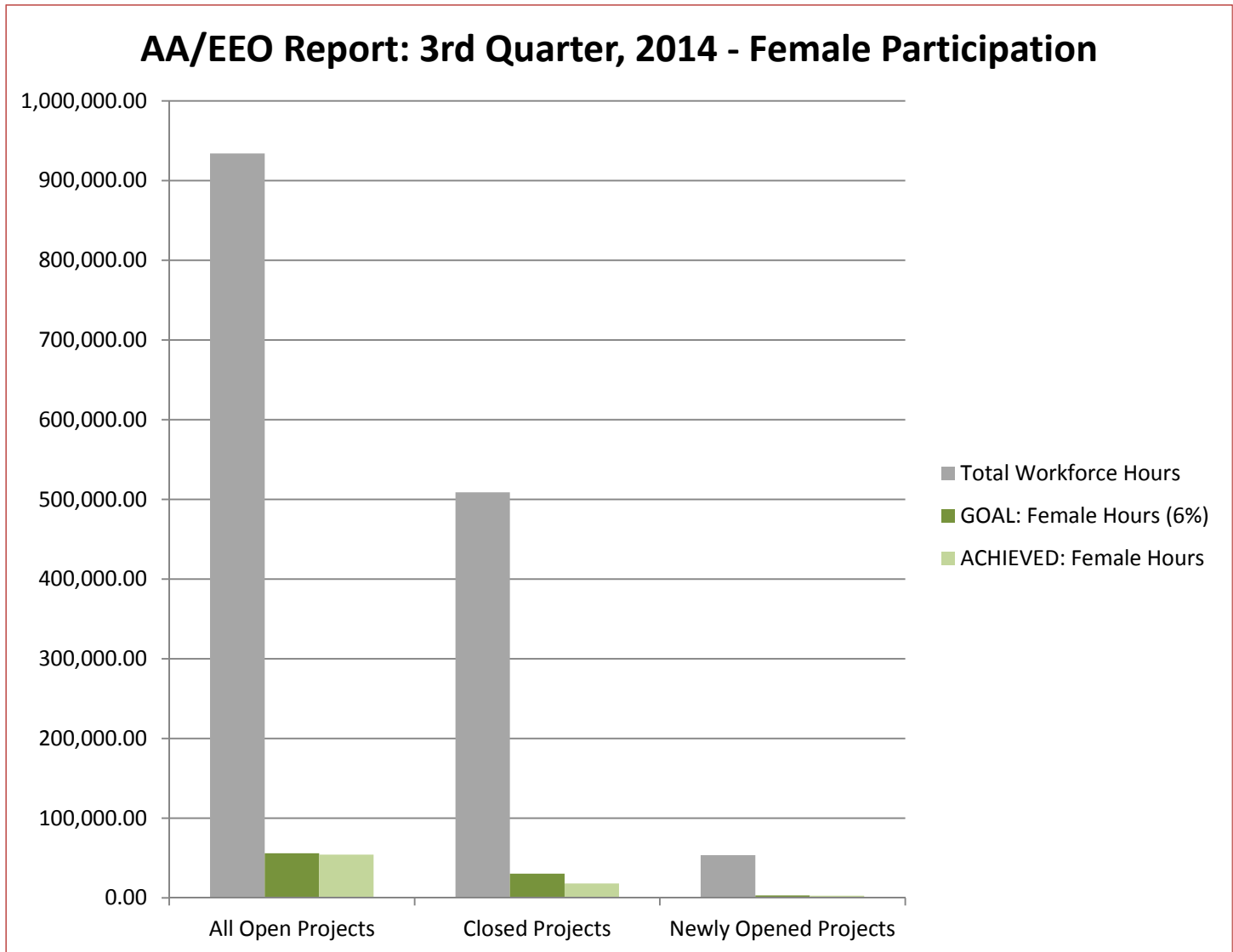


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AA/EEO Workforce Inclusion: Female Participation

The City’s goal is to achieve at least 6% female hours on all projects. Contractors who fail to meet the City’s goals are required to make and document good faith efforts at achieving the 6% goal.

Project Status	Total Workforce Hours	GOAL: Female Hours (6%)	ACHIEVED: Female Hours
All Open Projects	934,138.25	56,048.30	54,323.25
Closed Projects	509,143.84	30,548.63	18,236.73
Newly Opened Projects	53,591.25	3,215.48	2,884.75



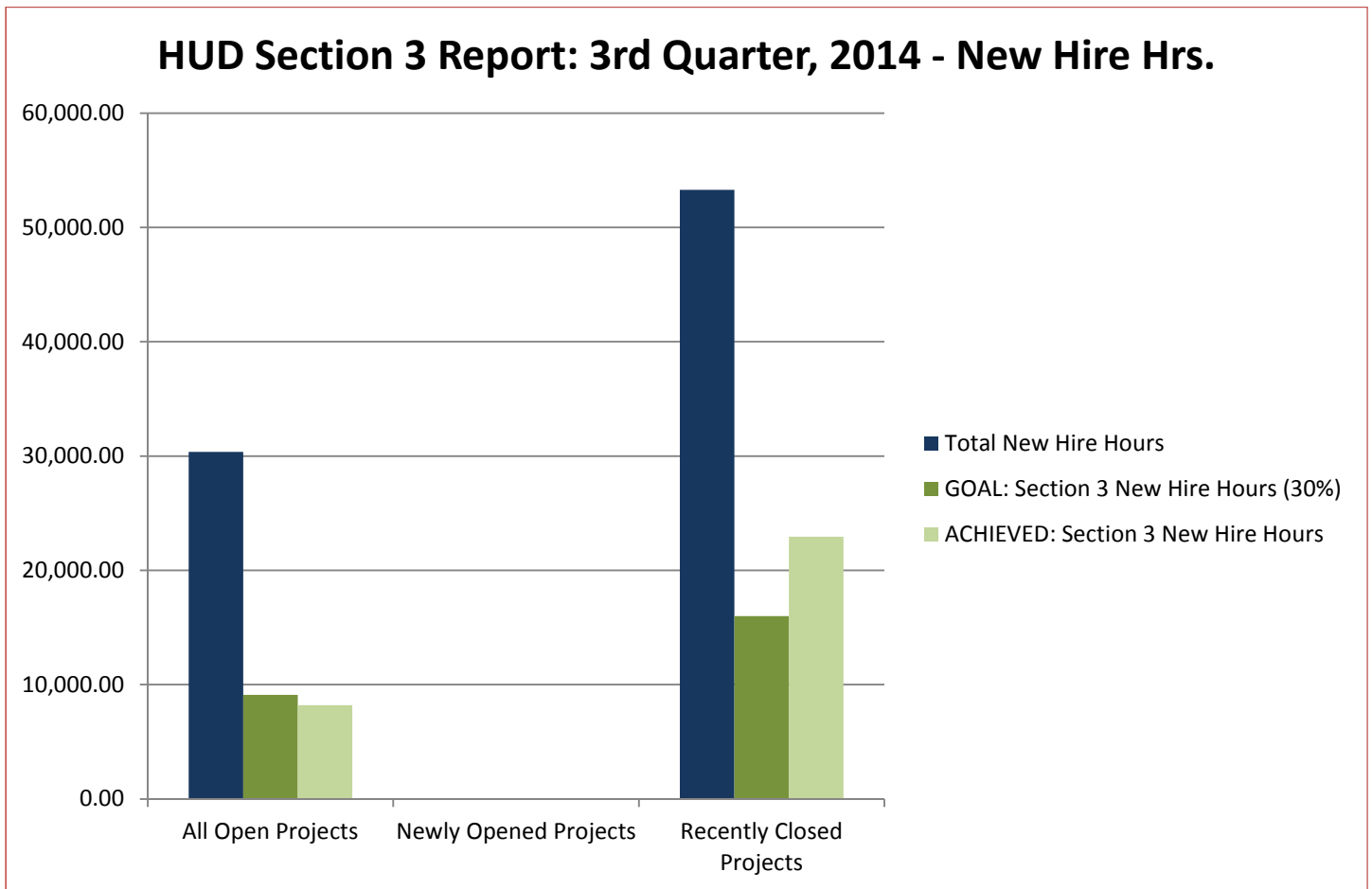
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HUD Section 3: New Employment Opportunities for Low-Income Residents

As a recipient of grant funding from the Department of Housing and Urban Development (HUD), the City of Saint Paul is required to ensure that new employment opportunities generated as a result of HUD funding are filled with Section 3 residents to the greatest extent feasible. A Section 3 resident is an individual residing in Saint Paul or the surrounding metro area whose household income falls below income thresholds¹ defined by HUD. The City is also required to ensure that all contractors and subcontractors on HUD projects who receive a contract in excess of \$100,000 fulfill Section 3 hiring requirements.

In the third quarter of 2014, Section 3 closed out 17 projects, opened 13 new projects, and continues to monitor 95 projects with Section 3 goals. The breakdown of hiring goals is provided below.

Project Status	Total New Hire Hours	GOAL: Section 3 New Hire Hours (30%)	ACHIEVED: Section 3 New Hire Hours
All Open Projects	30,356.75	9,107.03	8,216.00
Newly Opened Projects	0	0	0
Recently Closed Projects	53,279.25	15,983.78	22,929.25



¹ The Section 3 income threshold is determined by a survey of the median household income in the Twin Cities metropolitan area. HUD’s income threshold is equal to 80% of the median household income for Twin Cities metropolitan area.

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Labor Standards: Federal Davis-Bacon and Little Davis-Bacon

Contract Compliance monitors both Federal Davis-Bacon as well as the City of Saint Paul's Davis-Bacon ("Little Davis-Bacon") ordinance. The Federal Davis-Bacon Act requires all contractors and subcontractors performing work on federally-funded construction projects in excess of \$2,000 to pay their laborers and mechanics not less than the prevailing wage rate (as determined by the U.S. Department of Labor) for corresponding classes of laborers and mechanics employed on similar projects in the area. The Little Davis-Bacon City Ordinance requires all contractors and subcontractors performing work on city-funded (or state-funded) construction projects in excess of \$25,000 to pay their laborers and mechanics not less than the prevailing wage rate (as determined by the Minnesota Department of Labor and Industry) for corresponding classes of laborers and mechanics employed on similar projects in the area.

- **Total Project Activity:** As of the third quarter of 2014, the Labor Standards Division is monitoring construction projects, in various stages of construction, with over \$790,614,934.00 in total development costs.
- **Wages monitored:** Labor Standards monitored over \$41,651,001.45 in hourly wages and fringe benefits to onsite employees working more than 807,433 hours on City construction projects.
- **Restitution:** Labor Standards ordered \$29,122.20 in restitution for over 50 onsite employees who were paid less than the prevailing wage.

Business Inclusion Monitoring

The City of Saint Paul monitors business inclusion goals for local small, woman-owned, and minority-owned businesses under the Vendor Outreach Program, as well as low-income businesses under the City's HUD Section 3 program.

Vendor Outreach Program: Business Opportunities for Local Small Businesses

The Vendor Outreach Program (VOP) seeks to improve access in the marketplace for small businesses, minority-owned businesses, and woman-owned businesses. VOP sets a goal of 25% small business participation, comprised of:

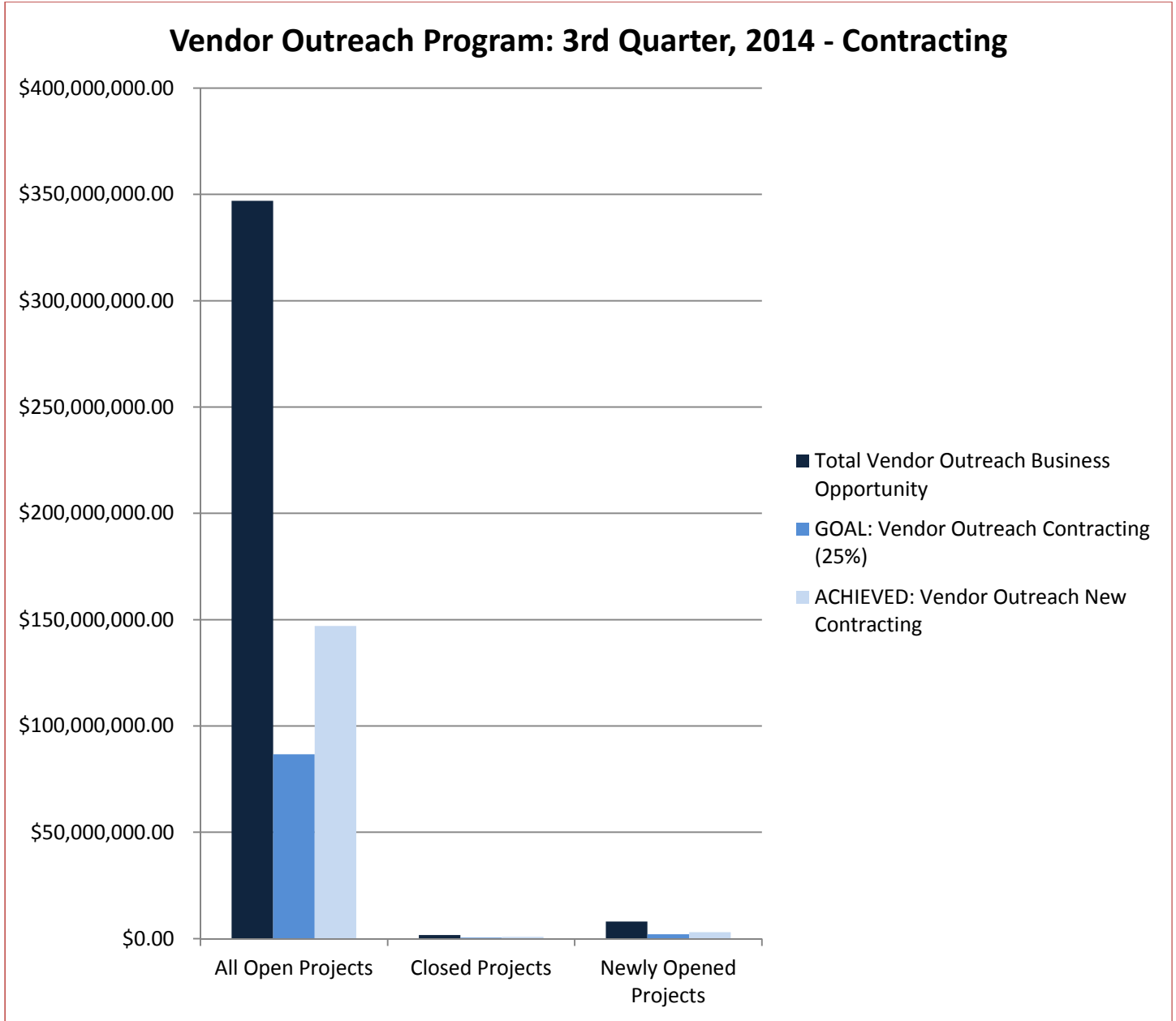
- 5% Minority-owned Business Enterprise (MBE) participation;
- 10% Woman-owned Business Enterprise (WBE) participation;
- 10% Small Business Enterprise (SBE) participation.

In the third quarter of 2014, VOP monitored 278 projects, with 31 new projects opening and 18 projects closing. A breakdown of VOP achievements pertaining to the various VOP goals is displayed below.

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Vendor Outreach Program: Local Small Business Contracting

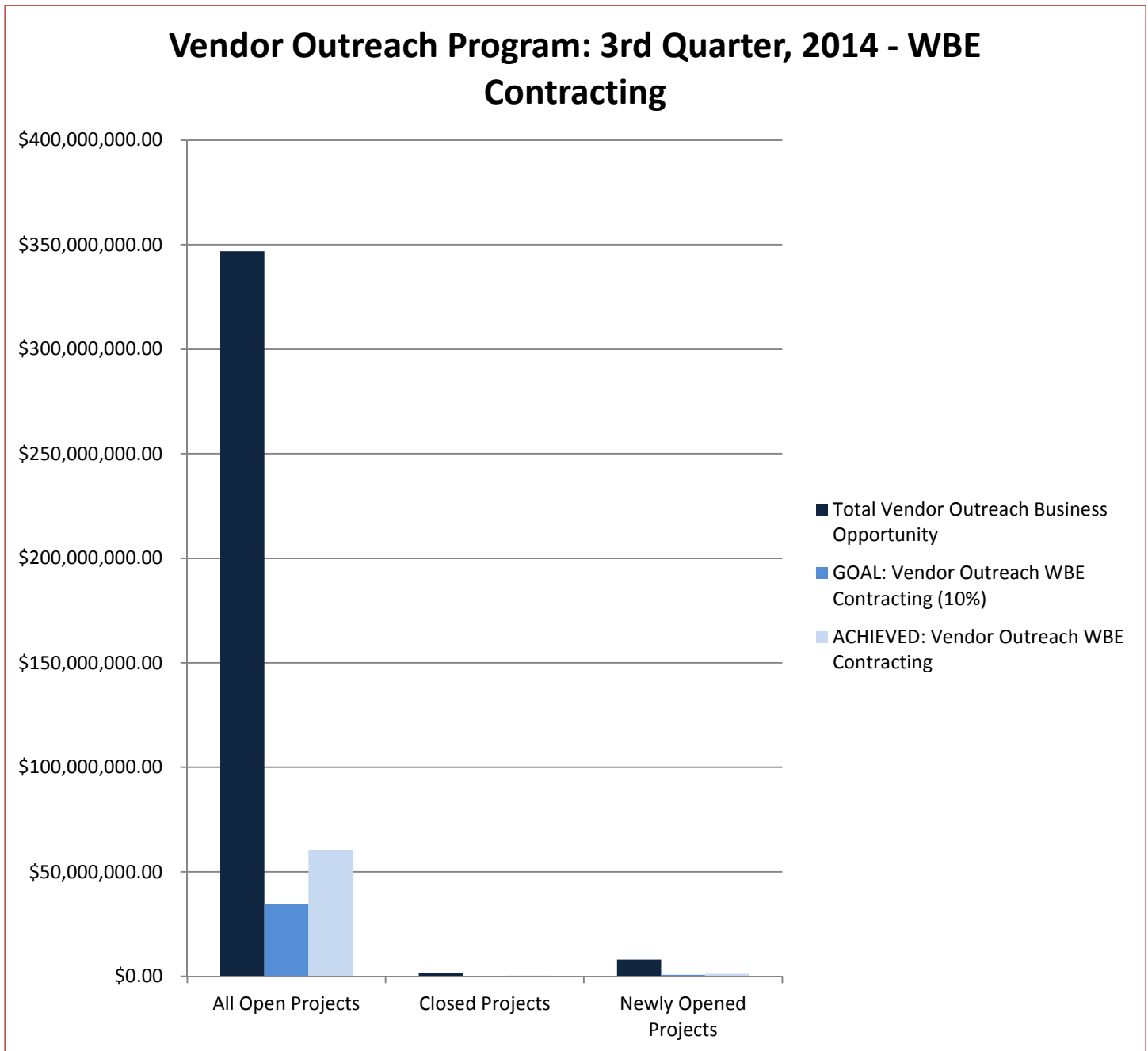
Project Status	Total Vendor Outreach Business Opportunity	GOAL: Vendor Outreach Contracting (25%)	ACHIEVED: Vendor Outreach New Contracting
All Open Projects	\$346,922,605.74	\$86,730,651.44	\$147,060,296.77
Closed Projects	\$1,713,745.59	\$428,436.40	\$822,477.55
Newly Opened Projects	\$8,008,595.07	\$2,002,148.77	\$3,001,850.13



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Vendor Outreach Program: Small Business Inclusion – Woman-owned Business Enterprises (WBE) Contracting

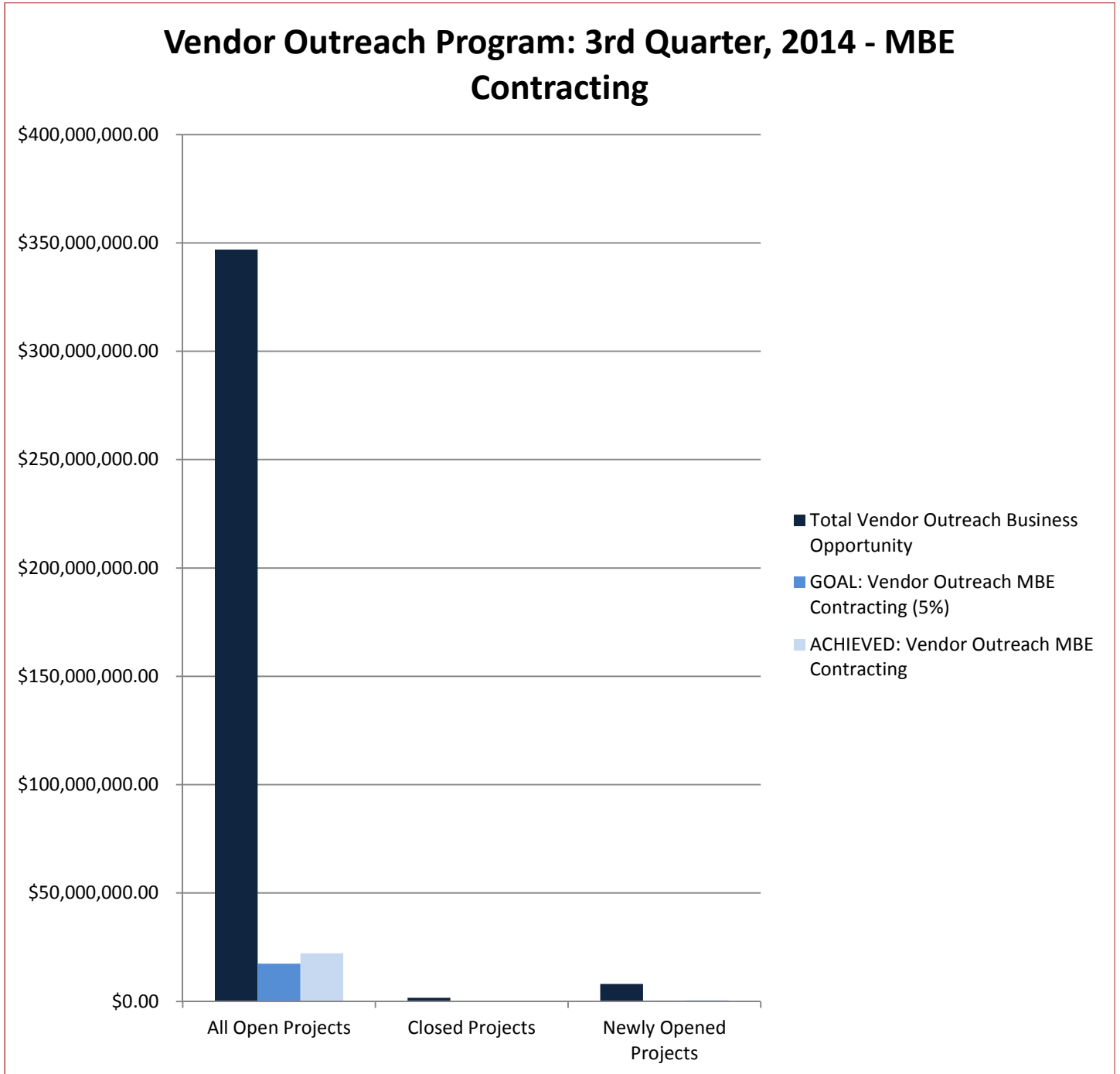
Project Status	Total Vendor Outreach Business Opportunity	GOAL: Vendor Outreach WBE Contracting (10%)	ACHIEVED: Vendor Outreach WBE Contracting
All Open Projects	\$346,922,605.74	\$34,692,260.57	\$60,577,197.55
Closed Projects	\$1,713,745.59	\$171,374.56	\$343,278.03
Newly Opened Projects	\$8,008,595.07	\$800,859.51	\$1,303,537.89



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Vendor Outreach Program: Small Business Inclusion – Minority-owned Business Enterprises (MBE) Contracting

Project Status	Total Vendor Outreach Business Opportunity	GOAL: Vendor Outreach MBE Contracting (5%)	ACHIEVED: Vendor Outreach MBE Contracting
All Open Projects	\$346,922,605.74	\$17,346,130.29	\$22,194,357.62
Closed Projects	\$1,713,745.59	\$85,987.28	\$189,874.00
Newly Opened Projects	\$8,008,595.07	\$400,429.75	\$686,945.24



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HUD Section 3: Business Opportunities for Local Low-Income Businesses

As a recipient of grant funding from the Department of Housing and Urban Development (HUD), the City of Saint Paul is required to ensure that contracting opportunities generated as a result of HUD funding are awarded to Section 3 businesses to the greatest extent feasible. A Section 3 business is a business in Saint Paul or the surrounding metro area which is either owned by a Section 3 resident or employs a substantial number of Section 3 residents. A Section 3 resident is a person in Saint Paul or the surrounding metro area whose household income falls below guidelines defined by HUD. The City is also required to ensure that all contractors and subcontractors on HUD projects who receive a contract in excess of \$100,000 fulfill Section 3 contracting requirements.

In the third quarter of 2014, Section 3 closed out 17 projects, opened 13 new projects, and continues to monitor 95 projects with Section 3 goals. The breakdown of contracting goals is provided below.

Project Status	Total Section 3 Business Opportunity	GOAL: Section 3 Contracting	ACHIEVED: Section 3 Contracting
All Open Projects	\$79,762,743.68	\$7,976,274.37	\$17,349,369.18
Closed Projects	\$89,681,612.91	\$8,968,161.29	\$21,764,016.26
Newly Opened Projects	\$1,803,735.94	\$180,373.59	\$808,714.00

