



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 2, 2016:
Report

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

The Contract Compliance division ensures that the entire community can participate in the economic life of the City. Specifically, Contract Compliance enforces several local and federal laws to make sure that all residents and businesses are treated fairly on public contracts. These laws include Labor Standards & Prevailing Wage, Affirmative Action, the Vendor Outreach Program, and Section 3.

	What's the goal?	When does it apply?	Who does it apply to?
Labor Standards & Prevailing Wage	All construction workers on site are paid at least the prevailing wage for their industry.	Labor Standards & Prevailing Wage applies on almost all federal construction projects and most local projects, with some exceptions.	Labor Standards & Prevailing Wage applies to anyone employing construction workers on site.
Affirmative Action	All businesses the City contracts with engage in fair hiring and employment practices.	Affirmative Action applies any time the City buys from a business for at least \$50,000.	Affirmative Action applies to anyone selling goods or services to the City who meets the \$50,000 threshold.
Workforce Inclusion	At least 32% of construction hours on a job site are worked by minorities, and at least 6% of hours are worked by women.	Workforce Inclusion applies any time a public project has at least \$50,000 of public funding.	Workforce Inclusion applies to all contractors working on site.
Vendor Outreach Program (VOP)	Local small businesses receive 25% of business opportunities on public contracts.	VOP applies to any public contract or project of at least \$50,000.	VOP applies to any contractor who is awarding subcontracts on a project.
HUD Section 3	Local low-income residents receive jobs and contracts to the greatest extent feasible.	Section 3 most typically applies on housing projects, including both single-family and multi-family construction.	Section 3 applies to the City of Saint Paul, and to any contractor who <ol style="list-style-type: none"> 1) Is working on a project funded with HUD dollars, and 2) Has a contract of at least \$100,000

Table of Contents

Workforce Inclusion Monitoring..... **3**

 Affirmative Action 3

 HUD Section 3 Hiring..... 5

Labor Standards Monitoring..... **6**

Business Inclusion Monitoring..... **7**

 Vendor Outreach Program..... 7

 HUD Section 3 Business Inclusion 12

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)

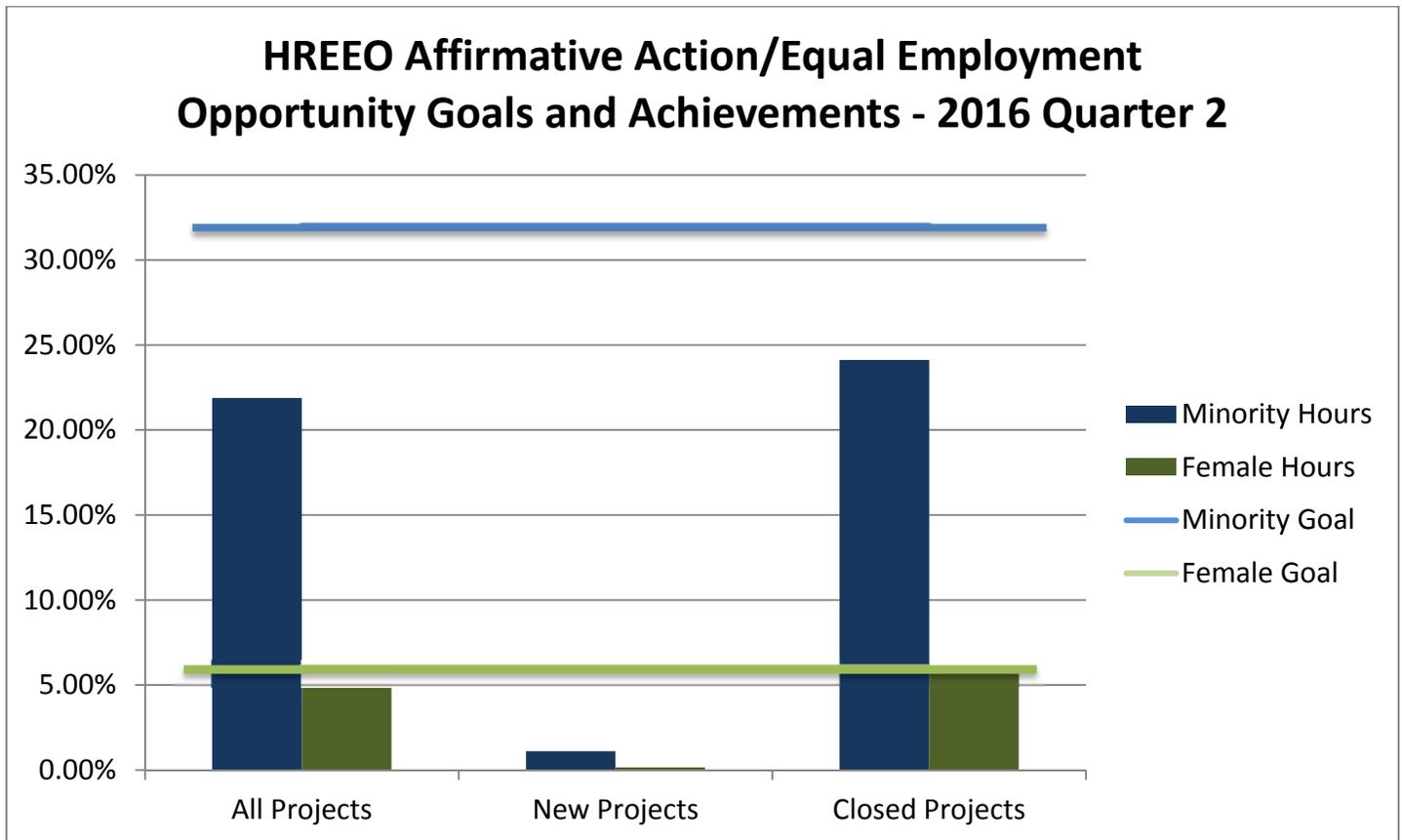
The City of Saint Paul’s Human Rights Ordinance, § 184.04, requires every business with at least a \$50,000.00 contract to submit an Affirmative Action Program Registration form. In the second quarter, 2016, the City certified Affirmative Action plans for 70 businesses, and monitored Affirmative Action Plans from 685 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 goals. Employment goals are 32% minority hours and 6% female hours.

In the second quarter of 2016, AA/EEO closed out 9 projects and opened 10 new projects. Overall, AA/EEO monitored 38 construction projects totaling \$438,594,933.00 in construction contracts in the second quarter. A breakdown of AA/EEO goals by minority inclusion and female inclusion is displayed on the next page.

AA/EEO Workforce Inclusion: Minority Participation

The City’s goal is to achieve at least 32% minority hours and 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 goals. The following numbers represent project totals for all projects, all closed projects, and all new projects as of the end of the second quarter.

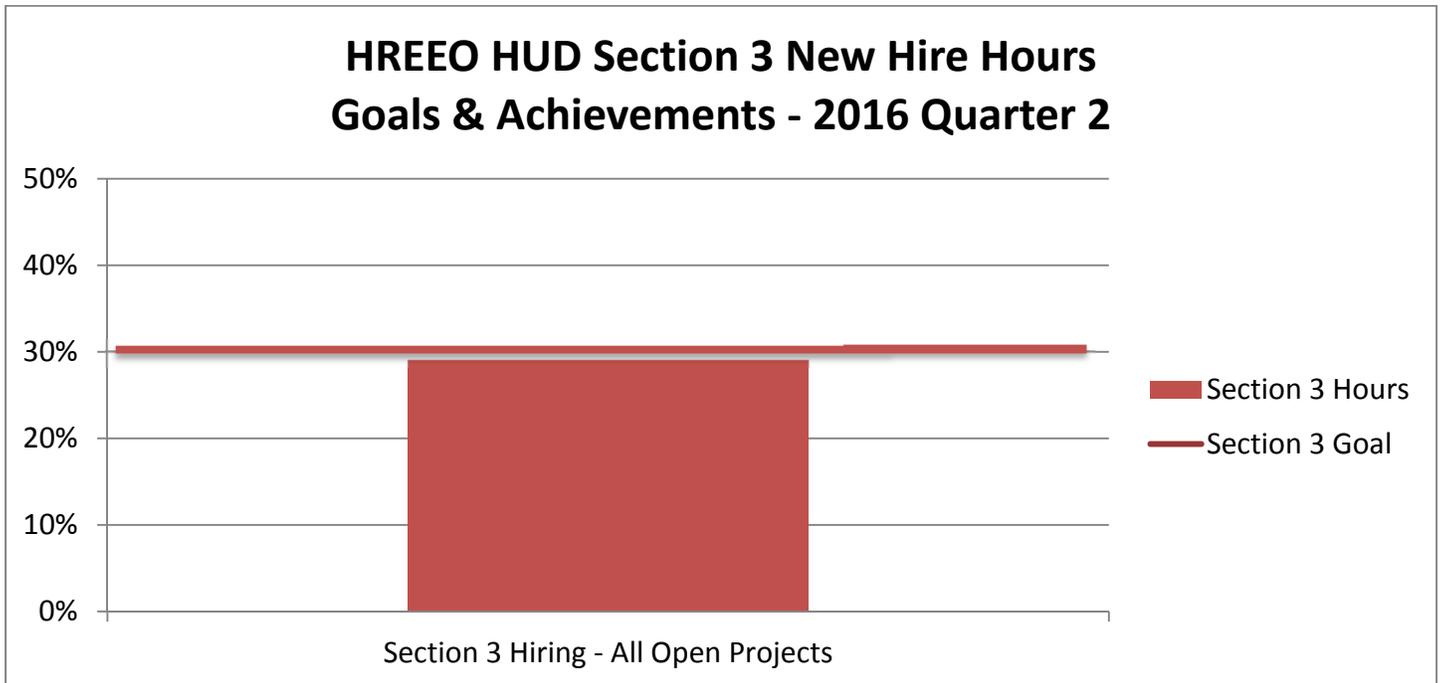


	All Projects		New Projects		Closed Projects	
Total Workforce Hours	1,070,002.10		6,263.75		493,907.28	
	Hours	%	Hours	%	Hours	%
ACHIEVED: Minority Workforce Hours	234,232.01	21.89%	70.00	1.10%	119,133.52	24.12%
GOAL: Minority Workforce Hours	342,400.67	32.00%	2,004.40	32.00%	158,050.33	32.00%
ACHIEVED: Female Workforce Hours	51,750.40	4.84%	9.25	0.15%	28,952.44	5.86%
GOAL: Female Workforce Hours	64,200.13	6.00%	375.83	6.00%	29,634.44	6.00%

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

The City receives grant funding from the Department of Housing and Urban Development (HUD) and therefore must ensure that new employment opportunities are filled with Section 3 residents to the greatest extent feasible. A Section 3 resident is a local resident whose household qualifies as low-income¹. The City also ensures that contractors and subcontractors on HUD projects fulfill Section 3 hiring requirements.

In the second quarter of 2016, Section 3 closed out 1 project, opened 18 new projects, and continues to monitor 129 projects with Section 3 goals. The breakdown of hiring goals is provided below. The following numbers represent done in the second quarter.



All Projects		
Total new hire hours	5,235.08	
	Hours	%
Achieved: Section 3 New Hire Hours	1,522.25	29.08%
Goal: Section 3 New Hire Hours	1,570.52	30.00%

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.

Labor Standards Monitoring

Contract Compliance enforces prevailing wages. Federal and local law require the City to monitor wages and order restitution where required.

- Total Project Activity: Labor Standards is monitoring 122 construction projects, with \$799 million in total development costs.
- Wages monitored: Labor Standards has monitored \$30.4 million in hourly wages and benefits, covering 555,640 hours worked on City construction projects.
- Restitution: Labor Standards has ordered over \$32,000.00 in restitution for 29 onsite employees who were paid less than the prevailing wage.

Year	Total Wage + Fringe Reported	Total Hours Reported	# of Payroll Entries Monitored
2015			
Q1	\$12,974,083.40	239,098.48	8,630
Q2	\$12,373,777.49	231,497.41	10,201
Q3	\$13,857,858.11	254,535.44	10,472
Q4	\$13,772,305.64	253,837.09	11,563
2016			
Q1	\$12,939,376.09	239,610.90	9,428
Q2	\$17,493,972.23	316,029.50	12,421

Business Inclusion Monitoring

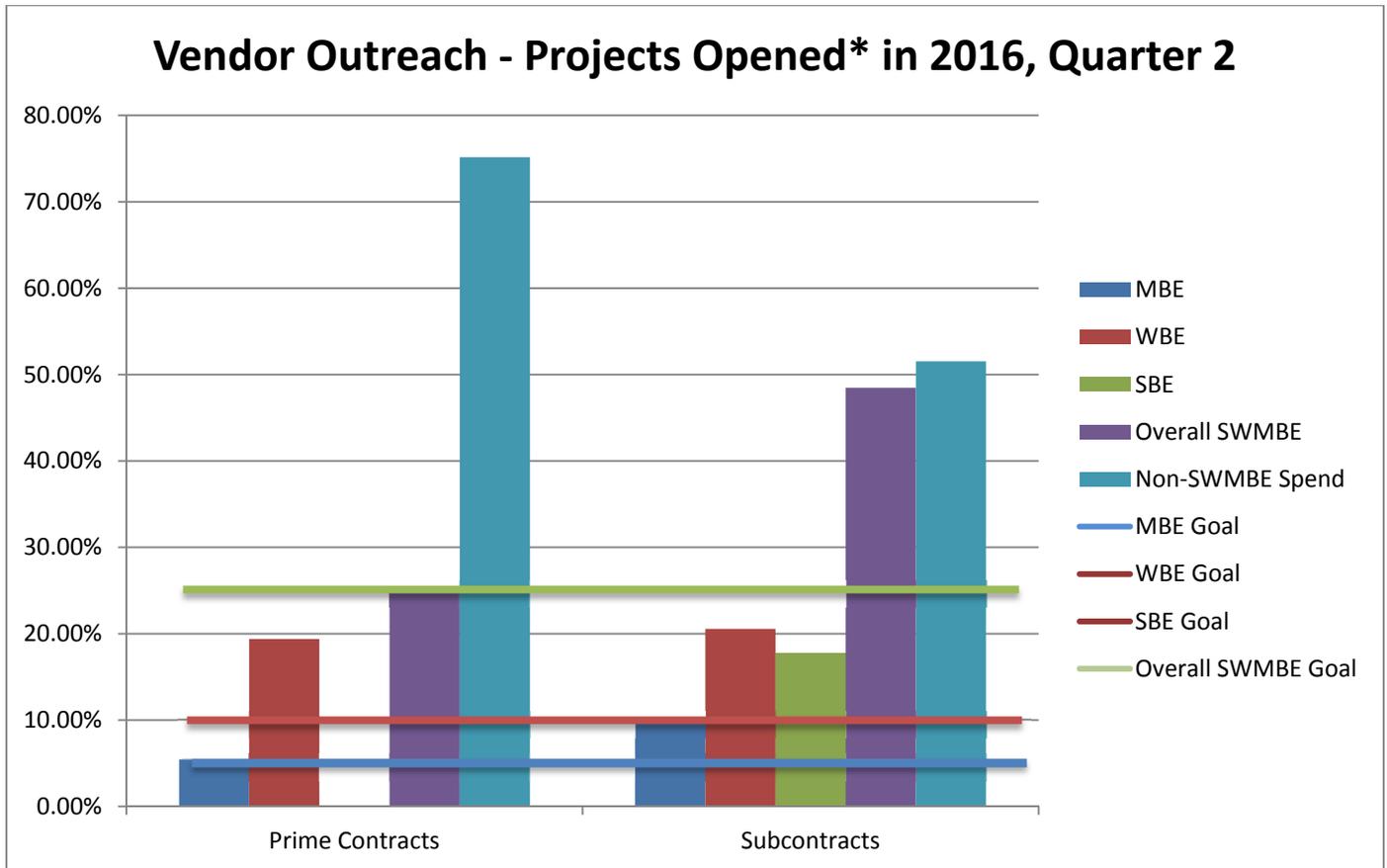
The City of Saint Paul monitors business inclusion goals for local small, woman-owned and minority-owned businesses under the Vendor Outreach Program ordinance. The City also monitors projects for including low-income businesses under the HUD Section 3 program.

Vendor Outreach Program: Business Opportunities for Local Small Businesses

The City has a goal to include local small businesses under the Vendor Outreach Program (VOP) ordinance. VOP sets inclusion goals for local small businesses. The overall goal is to include small businesses on 25% of all contracts. VOP also sets sub-goals:

- For minority-owned businesses, 5%;
- For woman-owned businesses, 10%;
- For all other small businesses, 10%.

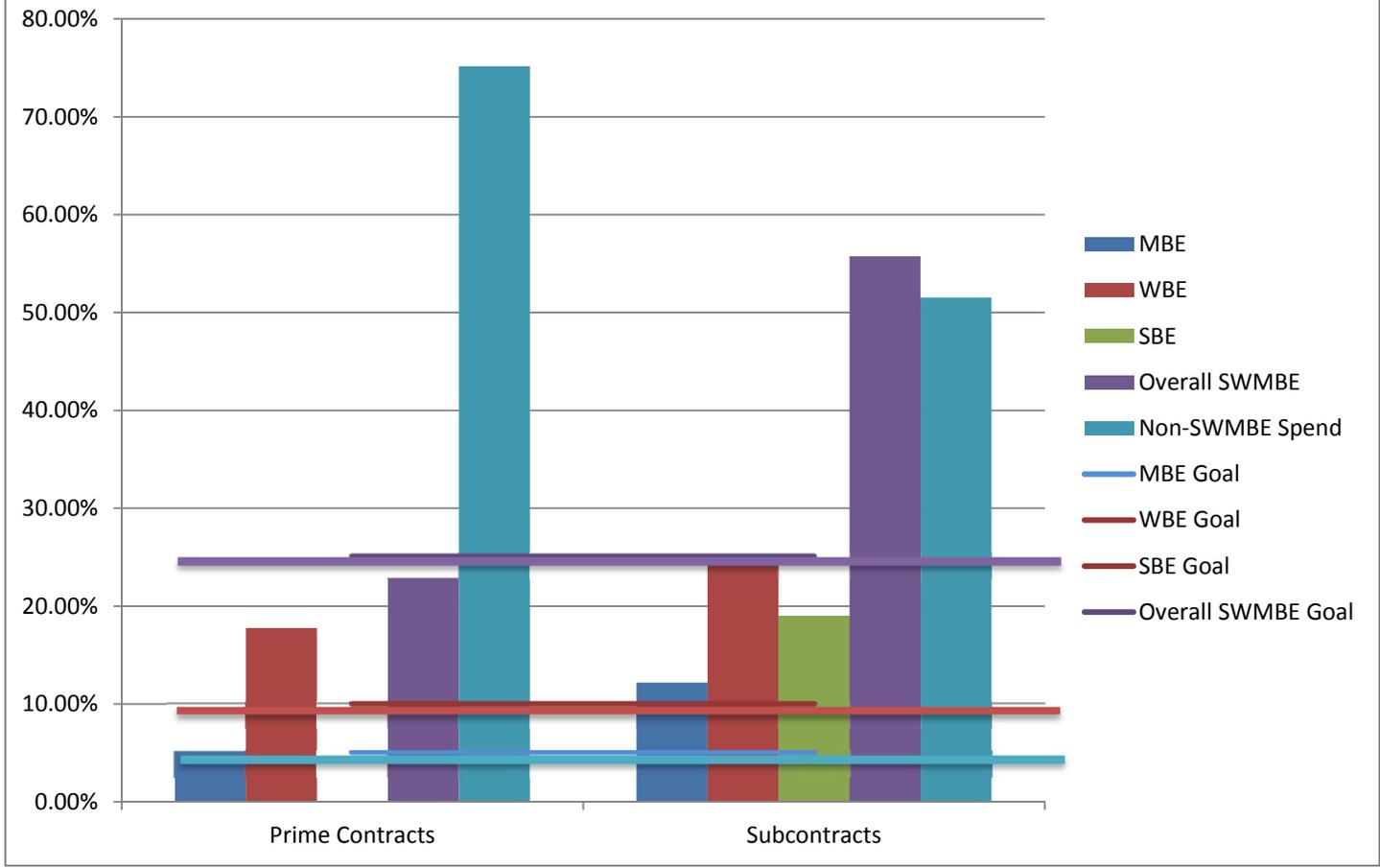
In the second quarter of 2016, VOP monitored 280 projects, with 35 new projects opening and 41 projects closing. VOP goals and achievements are detailed below.



*This includes all projects that were entered into the City’s Contract Compliance System in the second quarter of 2016 (April 1, 2016 – June 30, 2016).

Contracting: Projects opened in the second quarter, 2016	Total Opportunity	Prime Contracts		Subcontracts	
		Dollars	%	Dollars	%
		\$51,661,398.15		\$22,524,803.57	
Small Minority-Owned (MBE) Contracting	Goal	\$2,583,069.91	5.00%	\$1,126,240.18	5.00%
	Achieved	\$2,811,000.00	5.44%	\$2,304,209.19	10.23%
Small Women-Owned (WBE) Contracting	Goal	\$5,166,139.82	10.00%	\$2,252,480.36	10.00%
	Achieved	\$10,018,648.00	19.39%	\$4,631,048.19	20.56%
Small Business (SBE) Contracting	Goal	\$5,166,139.82	10.00%	\$2,252,480.36	10.00%
	Achieved	\$-	0.00%	\$3,983,606.11	17.69%
Overall Small Business (SWMBE) Contracting	Goal	\$12,915,349.54	25.00%	\$5,631,200.89	25.00%
	Achieved	\$12,829,648.00	24.83%	\$10,918,863.49	48.47%

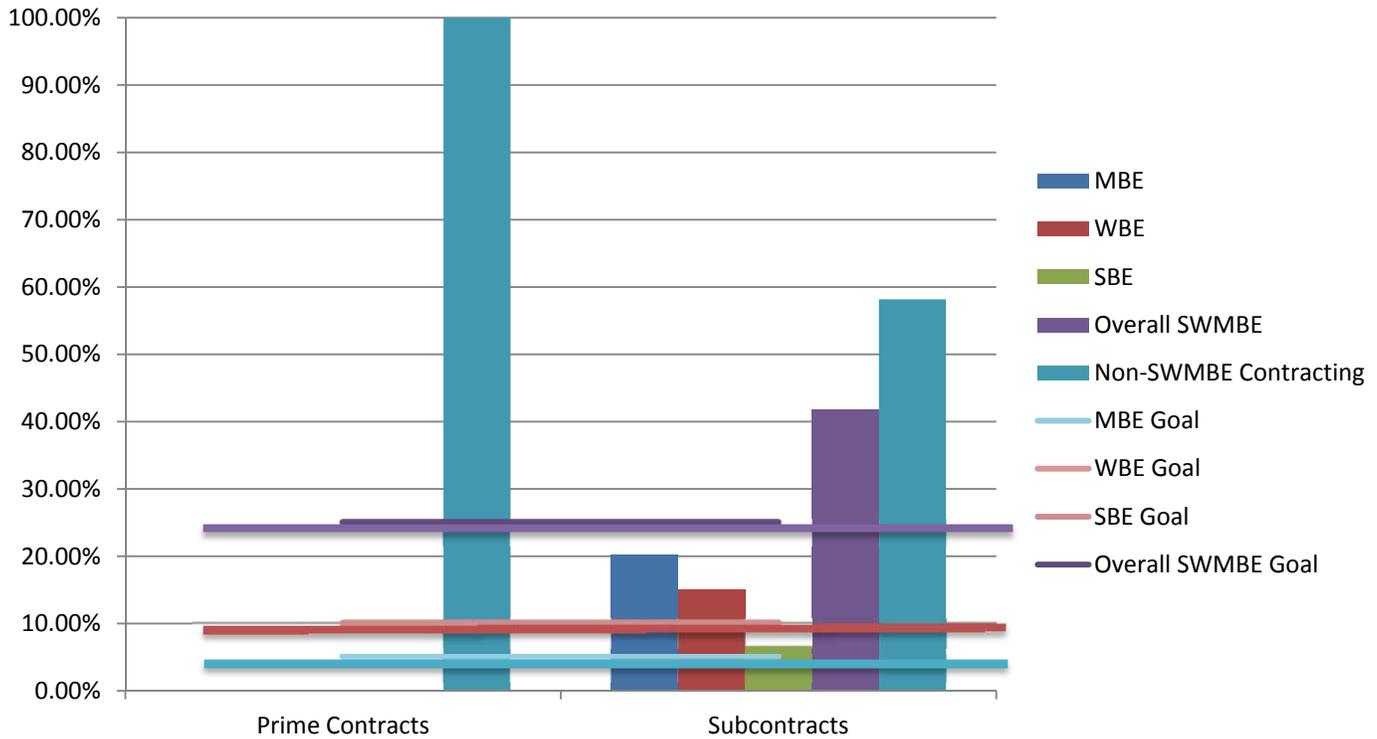
Vendor Outreach - All Projects Opened* in 2016



*This includes all projects that were entered into the City's Contract Compliance System in 2016, through the end of quarter 2 (June 30, 2016).

Contracting: All 2016 projects, to date	Total Opportunity	Prime Contracts		Subcontracts	
		Dollars	%	Dollars	%
Small Minority-Owned (MBE) Contracting	Goal	\$2,938,946.15	5.00%	\$1,597,685.49	5.00%
	Achieved	\$3,005,900.00	5.11%	\$3,893,540.19	12.18%
Small Women-Owned (WBE) Contracting	Goal	\$5,877,892.29	10.00%	\$3,195,370.98	10.00%
	Achieved	\$10,447,878.00	17.77%	\$7,865,108.84	24.61%
Small Business (SBE) Contracting	Goal	\$5,877,892.29	10.00%	\$3,195,370.98	10.00%
	Achieved	\$-	0.00%	\$6,051,575.09	18.94%
Overall Small Business (SWMBE) Contracting	Goal	\$14,694,730.73	25.00%	\$7,988,427.45	25.00%
	Achieved	\$13,453,778.00	22.89%	\$17,810,224.12	55.74%

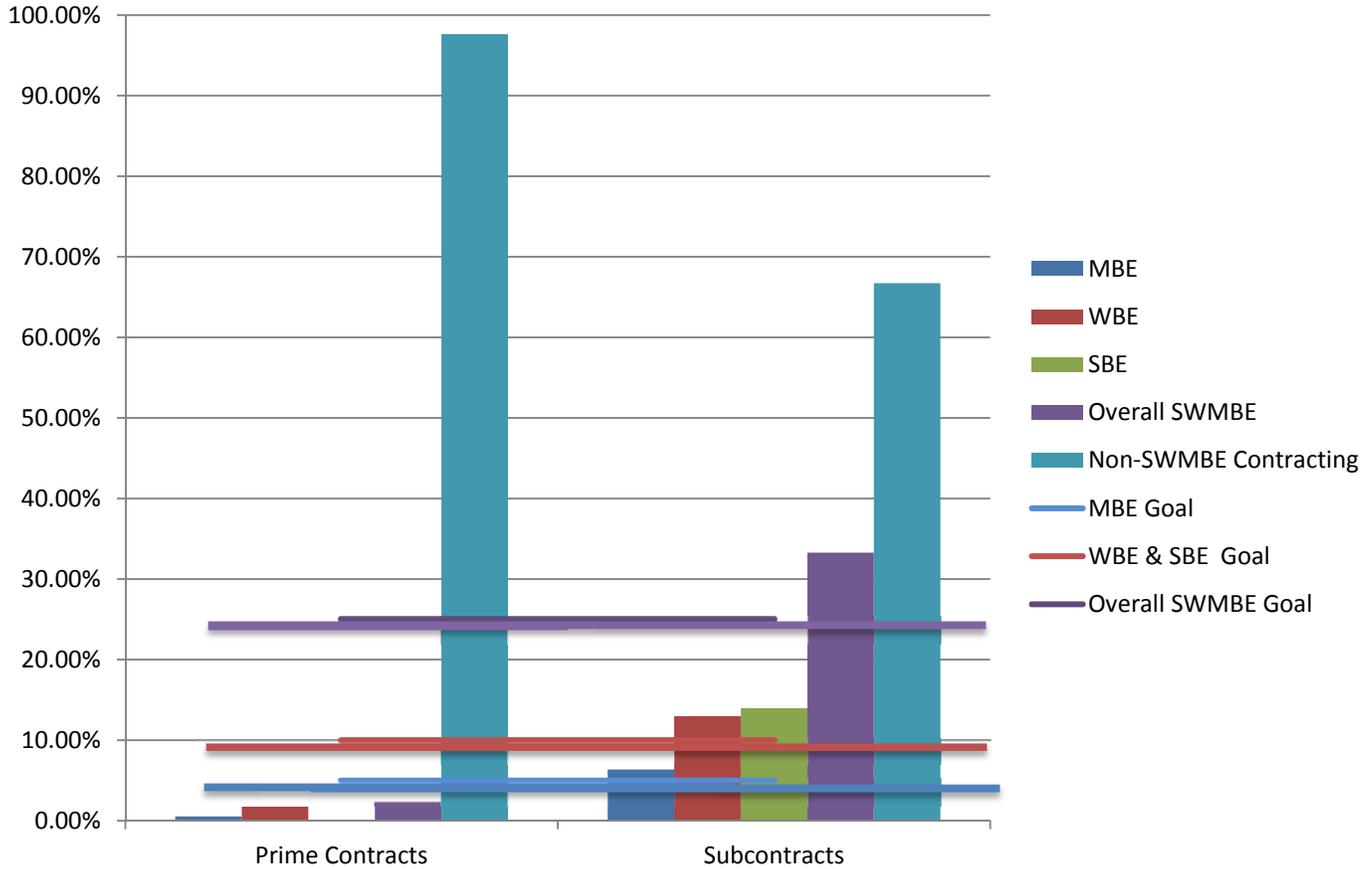
Vendor Outreach - Projects Closed* in Quarter 2, 2016



*This includes all projects that were closed out in the City’s Contract Compliance System in the second quarter of 2016 (April 1, 2016 – June 30, 2016).

Contracting: Projects closed in the second quarter, 2016	Total Opportunity	Prime Contracts		Subcontracts	
		Dollars	%	Dollars	%
		\$3,536,263.24		\$744,948.32	
Small Minority-Owned (MBE) Contracting	Goal	\$176,813.16	5.00%	\$37,247.42	5.00%
	Achieved	\$-	0.00%	\$150,136.82	20.15%
Small Women-Owned (WBE) Contracting	Goal	\$353,626.32	10.00%	\$74,494.83	10.00%
	Achieved	\$-	0.00%	\$111,647.50	14.99%
Small Business (SBE) Contracting	Goal	\$353,626.32	10.00%	\$74,494.83	10.00%
	Achieved	\$-	0.00%	\$49,832.00	6.69%
Overall Small Business (SWMBE) Contracting	Goal	\$884,065.81	25.00%	\$186,237.08	25.00%
	Achieved	\$-	0.00%	\$311,616.32	41.83%

Vendor Outreach - All Projects Monitored in Quarter 2, 2016



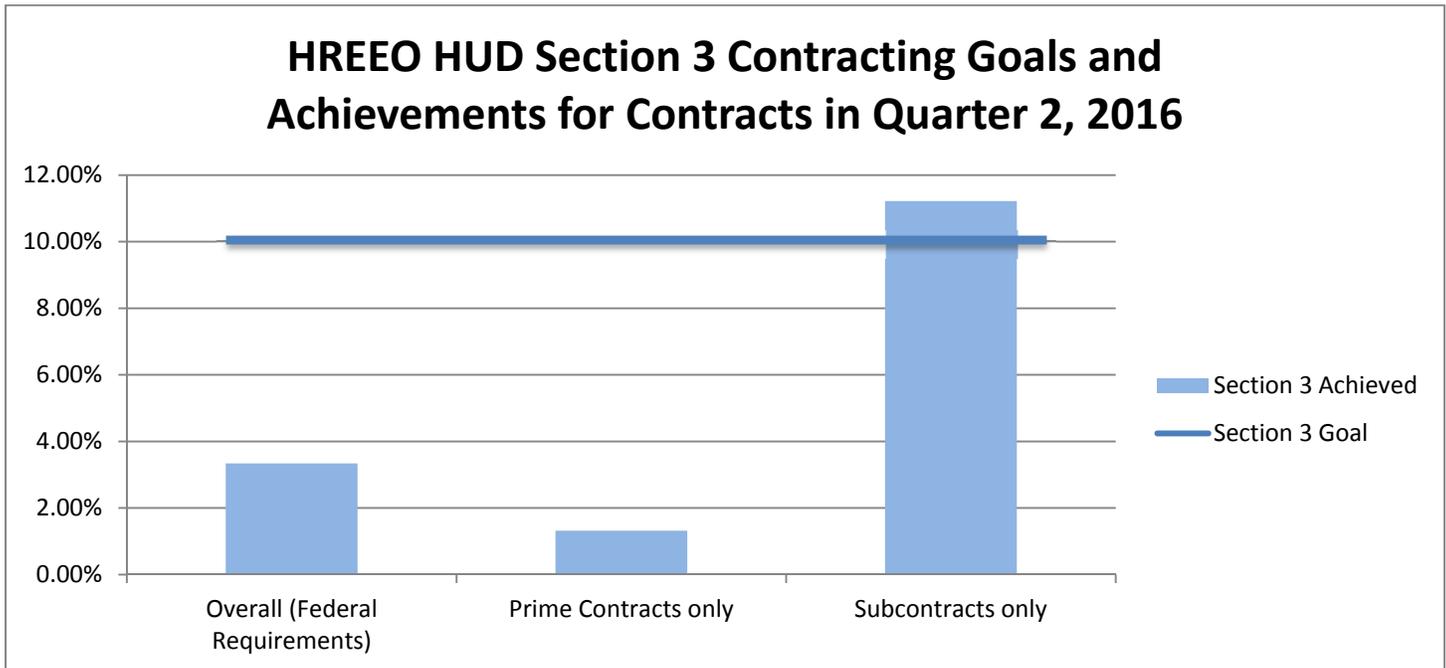
**This includes all projects that were open and being monitored in the City’s Contract Compliance System as of the end of the second quarter of 2016 (June 30, 2016).*

Contracting: All projects monitored in the second quarter, 2016	Total Opportunity	Prime Contracts		Subcontracts	
		Dollars	%	Dollars	%
Small Minority-Owned (MBE) Contracting	Goal	\$28,005,506.79	5.00%	\$16,804,546.63	5.00%
	Achieved	\$3,065,791.00	0.55%	\$21,401,406.06	6.37%
Small Women-Owned (WBE) Contracting	Goal	\$56,011,013.57	10.00%	\$33,609,093.26	10.00%
	Achieved	\$10,197,348.00	1.82%	\$43,649,836.80	12.99%
Small Business (SBE) Contracting	Goal	\$56,011,013.57	10.00%	\$33,609,093.26	10.00%
	Achieved	\$-	0.00%	\$46,803,542.69	13.93%
Overall Small Business (SWMBE) Contracting	Goal	\$140,027,533.94	25.00%	\$84,022,733.16	25.00%
	Achieved	\$13,263,139.00	2.37%	\$111,854,785.55	33.28%

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

The City of Saint Paul receives grant funding from the Department of Housing and Urban Development (HUD). By receiving this funding, the City must ensure that contracting opportunities on HUD projects are awarded to Section 3 businesses to the greatest extent feasible. A Section 3 business is a local business which is either owned by a Section 3 resident or employs a substantial number of Section 3 residents. A Section 3 resident is local resident whose household income qualifies as low-income. The City also ensures that contractors and subcontractors on HUD projects fulfill Section 3 contracting requirements.

In the second quarter of 2016, Section 3 closed out 1 project, opened 18 new projects, and continues to monitor 129 projects with Section 3 goals. The breakdown of contracting goals is provided below. The following numbers represent contracting activity taking place in the second quarter of 2016 (April 1, 2016 – June 30, 2016).



	Overall (Federal Requirements)		Prime Contracts Only		Subcontracts Only	
	Dollars	%	Dollars	%	Dollars	%
Total Section 3 Opportunity	\$20,972,916.73		\$20,972,916.73		3,774,859.04	
Section 3 Contracting Goal	\$2,097,291.67	10.00%	\$2,097,291.67	10.00%	\$377,485.90	10.00%
Section 3 Contracting Achieved	\$699,711.98	3.34%	\$222,080.00	1.32%	\$15,787.00	11.22%