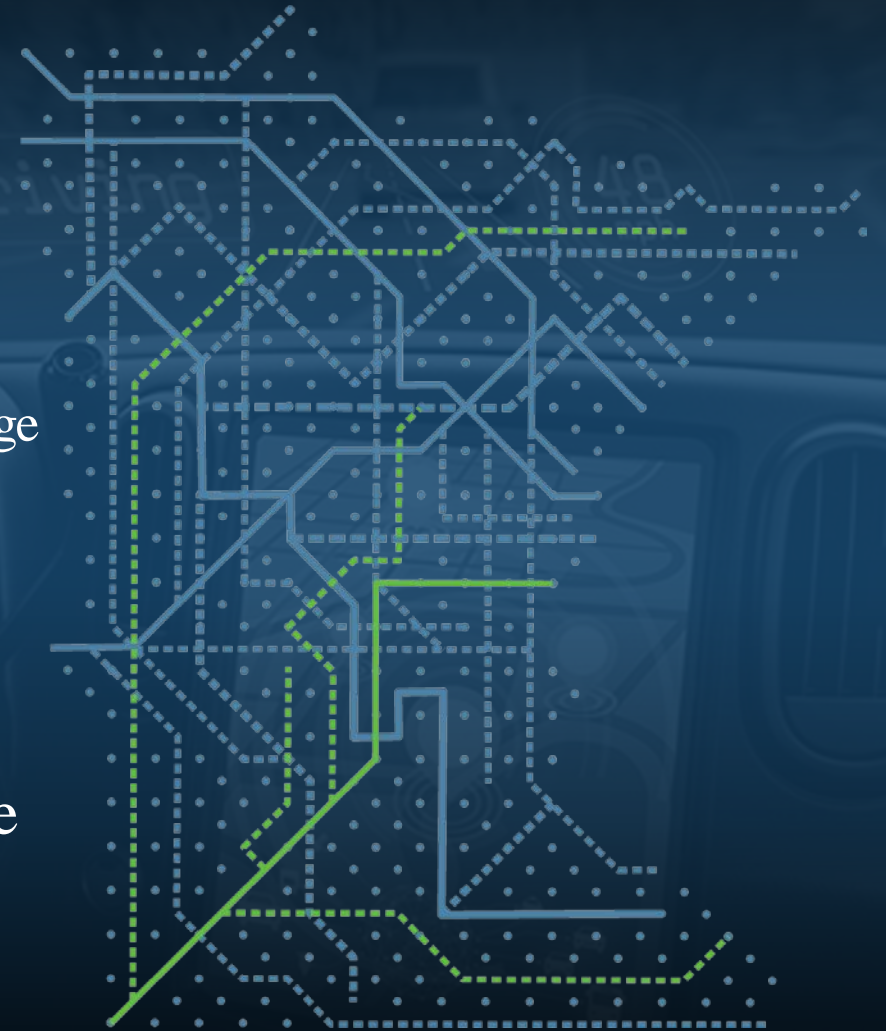


TOPIC 3: LEVERAGING CREATIVE FUNDING AND PARTNERSHIPS

NOCoe – Innovative Procurement and Contracting Peer Exchange
May 2021

Jed Falgren, PE - TSMO Director

Mary B. Schmidt – Director Advancing Equity Office



MINNESOTA CAV CHALLENGE: HOW ‘MINNOVATION’ INSPIRED VALUES-BASED PARTNERSHIPS

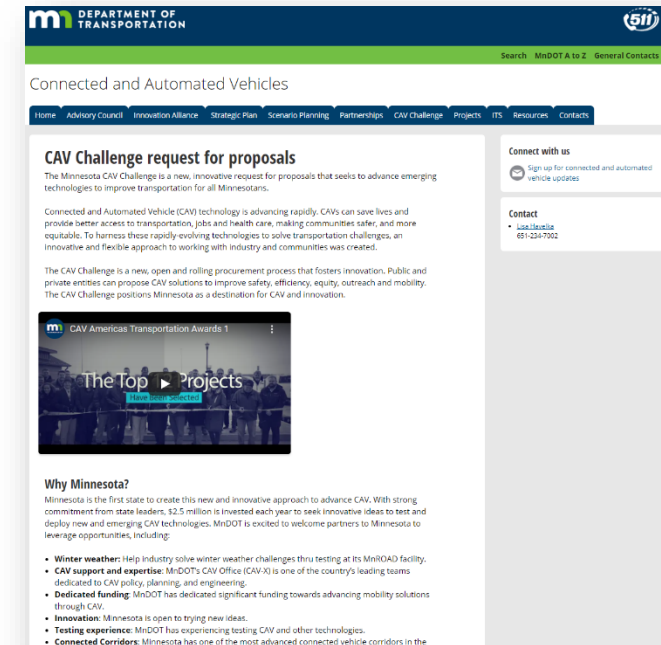


Minnesota Office of Connected and Automated Vehicles

BACKGROUND

- Launched in October 2018 and resulted in 16 awards and 7 fully-negotiated contracts
- Winner of the 2019 National Cronin Award for Procurement Excellence, the 2020 AASHTO Innovation Award and the 2021 WTS Innovation Award
- Notable projects include Rochester autonomous shuttle pilot, fiber optic feasibility study, Smart Snelling connected vehicle corridor, and autonomous trucks
- Partnering with new entities: economic development, IT, counties, medical centers, cities, tech industry and new voices in innovation
- Saved \$2M+ in RFP resources and 200+ hours of staff time

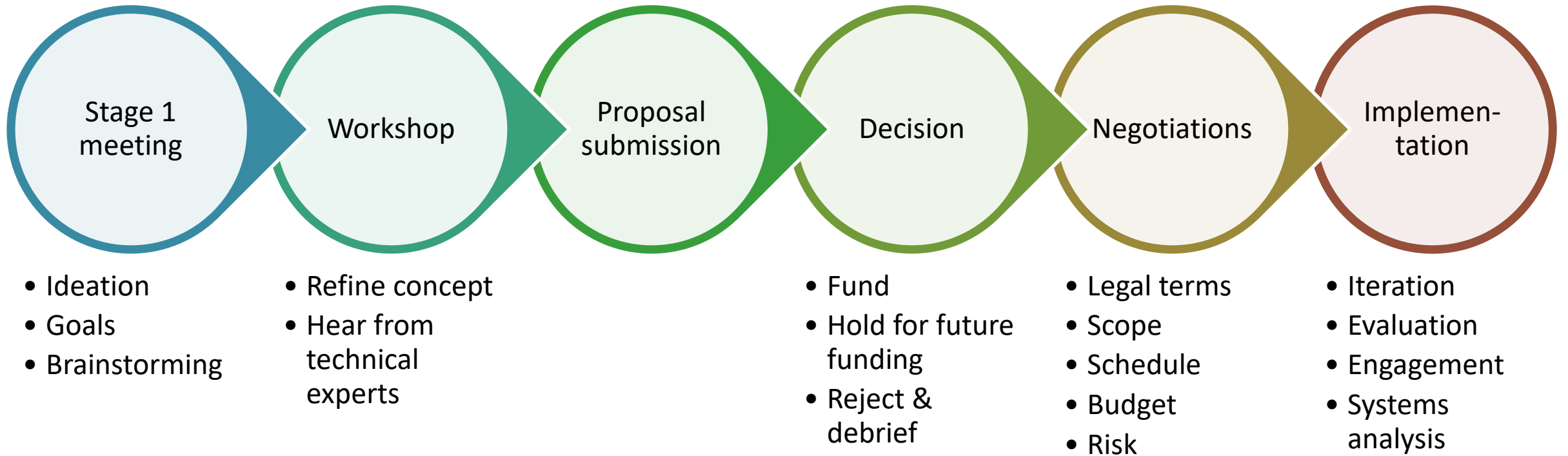
CAV Challenge website
www.mndot.gov/automated/cavchallenge



BENEFITS AND OPPORTUNITIES

- RFP open for an indefinite amount of time (open, rolling)
- Open to wide variety of CAV solutions
- Ability to talk with vendors
- Protect trade secrets
- Contract with partners that meet our goals
- Hear from new and unique voices and industries
- Fair and open competition
- Consistent requirements for vendors
- Rules and guidelines are clear to vendors
- Subjective and objective criteria
- Systematic approach to vendor selection
- Proposals evaluated against documented goals in RFP
- Same team scores all proposals
- Technical experts evaluate proposals within their field of expertise

PROCUREMENT PROCESS





WHEN TO USE CHALLENGE-BASED RFPS

- Ideas seeking new outside partners
- Flexible timelines; not urgent
- Open to ideation and brainstorming
- You can pose a problem to solve or define broad goals for vendors to meet
- Requirements are:
 - Unknown
 - Hard to define
 - Rapidly changing
- Innovation

WHAT WE HEARD FROM PARTICIPANTS

- Really like the ability to speak confidentially
- Use workshops to brainstorm ideas and hear reactions from technical experts
- Make the process crystal clear
- Leverage the virtual environment for online meetings, tools, and proposal submissions
- Make the decision process, timelines and criteria clear
- Clearly state your goals and prioritize them in the RFP

Example showing how project goals match with Minnesota goals

CAV Goal	Project Deliverable	How Deliverable Meets CAV Goal
CAV Strategic Plan Recommendation 58 – Conduct public demonstrations throughout Minnesota	1 Level 4 AV demonstration held in Northern Minnesota for 1 week	Public will have the ability to interact with technology.

Risk assessment and strategy example

Risk Category	Description	Likelihood	Owner	Mitigation Strategy
Safety	Vehicle technology may not work properly and may stop abruptly	Medium	Applicant, technology sub-consultant	Develop safety plan and emergency communications plan

MINNESOTA CAV CHALLENGE

HAVE AN IDEA? REQUEST A MEETING TO ADVANCE A COMMUNITY PARTNERSHIP



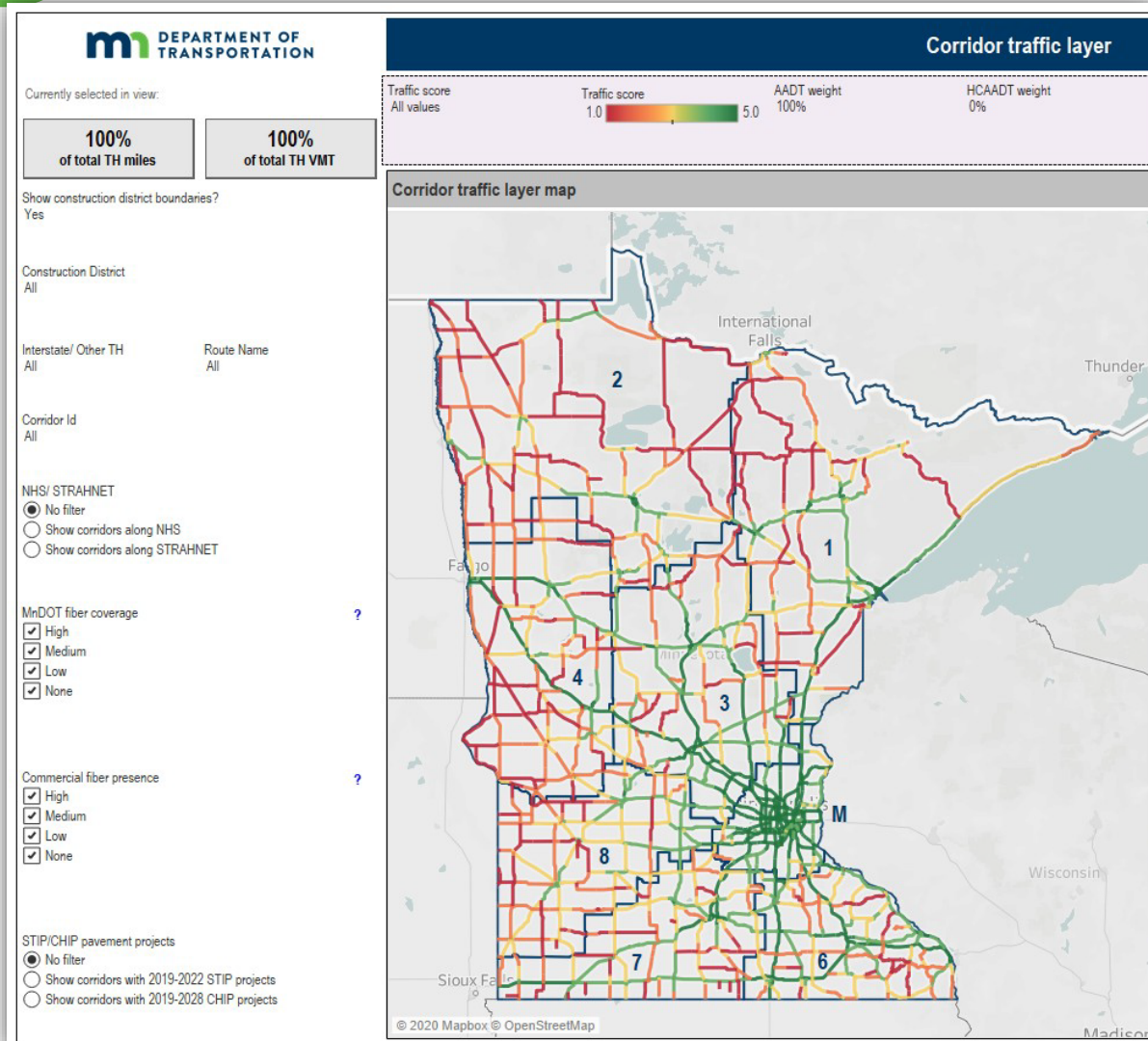
A large white circle containing the "Destination CAV" logo in the center, which features a stylized "CAV" and a map of Minnesota. Below the logo is the text "DESTINATION CAV" and "THE FUTURE OF MOBILITY IS IN MINNESOTA". Surrounding the central logo are various partner logos including: POLARIS INDUSTRIES INC., wsb, AECOM, iteris, VISION SYSTEMS INTELLIGENCE, EY, TRAFFIC CONTROL CORPORATION, id8, HNTB, plus.ai, applied INFORMATION, KRATOS, here, Athey Creek CONSULTANTS, wsp, THE EHRICHMAN GROUP, easy MILE, Center for Transportation Studies, ALLIANT, MobilityMania, and 3M.

103
VENDOR MEETINGS

69
PROPOSALS SUBMITTED

16
AWARDED PROJECTS

FIBER OPTIC STUDY & PARTNERSHIP



GIS overview of Minnesota traffic volumes



Traffic layer - Daily traffic volumes to prioritize investment where most traffic is



Opportunity layer – Connect state assets (cameras, buildings, signals, traffic data collectors) to prioritize corridors that connect cameras, sensors and buildings.



Commercial layer – Shows private sector plans to build to prioritize investment based on private interest.



Combined – Shows all the layers to prioritize different corridors.

AUTONOMOUS MAINTENANCE

SELF-DRIVING TRUCKS WITH 'CRASH CUSHIONS' TO PROTECT WORKERS



CONNECTED VEHICLE CORRIDORS

SMARTPHONE AND IN-VEHICLE TECHNOLOGIES CAN WARN DRIVERS AND AVOID COLLISIONS




TRAVELER INFO

Minnesota Department of Transportation ✓
 January 22 · 🌐

Our snowplows and maintenance vehicles on I-35 are testing technology to boost safety. Once they drive by a digital highway sign, it will warn motorists that a slow-moving vehicle is ahead on the road.

➡ More details: mndot.gov/news/2021/01/22-d6-i35.html

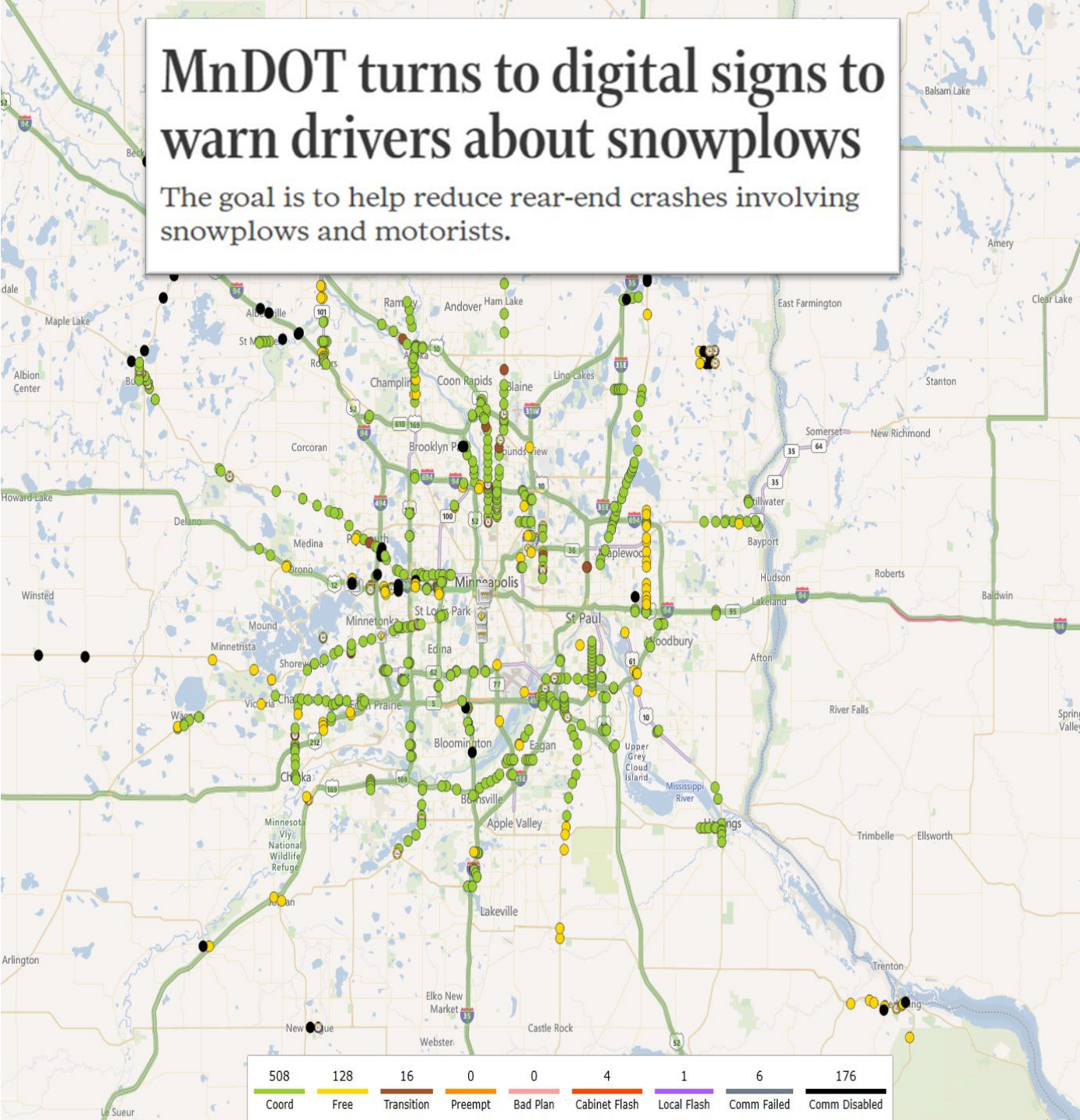
Please note that the sign does not flicker in person. It appears to flicker in the video because of the way the camera captured the LED lights.



0:01 / 0:13

👍 12 1 Comment

👍 Like 💬 Comment ➦ Share



TOP 10* LESSONS LEARNED

1. Begin with the end in mind
2. Equity must be addressed explicitly
3. Prioritize the priorities
4. Workshop ideas
5. Use design thinking and human-centered design
6. Protect IP and trade secrets
7. Technology is a means to an end
8. Create interdisciplinary teams
9. Performance measures and accountability
10. Seek feedback
11. Advertise your program
12. Manage expectations



DEPARTMENT OF
TRANSPORTATION

Using Small Contracts to Advance Contracting Equity
TSMO – NOCoE Innovative Procurement and Contracting Peer Exchange
May 14, 2021

Advancing Equity Office

Mary Schmidt, Director

Equity: *Impact* we seek to create by making our contracting and procurement more inclusive of diverse businesses

3 principles to make every contract a catalyst for individual prosperity and community vitality



Less is more



Use your leverage



Keep it simple

Every contract or purchase is an opportunity to advance equity and drive our economy

Building a diverse contractor pool: Leveling the playing field, remedying for past discrimination

One Minnesota approach to governing: “Give everyone a seat at the table. Bring racial, economic and geographic equity to public policy and decisions.”

Governor Tim Walz, January 2019

Disadvantaged Business Enterprises DBE -- 730 certified in MN – Fed certification

Level the playing field for women and minority-owned small businesses to give them a fair opportunity to perform USDOT-assisted contracts; remedy ongoing discrimination and continuing effects of past discrimination.

Targeted Group Business TGB – Over 1,400 in MN – State certification

Create broader opportunities for women, persons with a substantial physical disability or specific minorities to contract with the state and remedy effects of past discrimination

Veteran-Owned Business VET – 130 in MN – State/VA certification

Increase opportunities for veteran-owned small businesses to contract with the state

Economically Disadvantaged (ED) – State certification

Business located or owner resides in one of 40 counties certified as labor surplus area or low-income

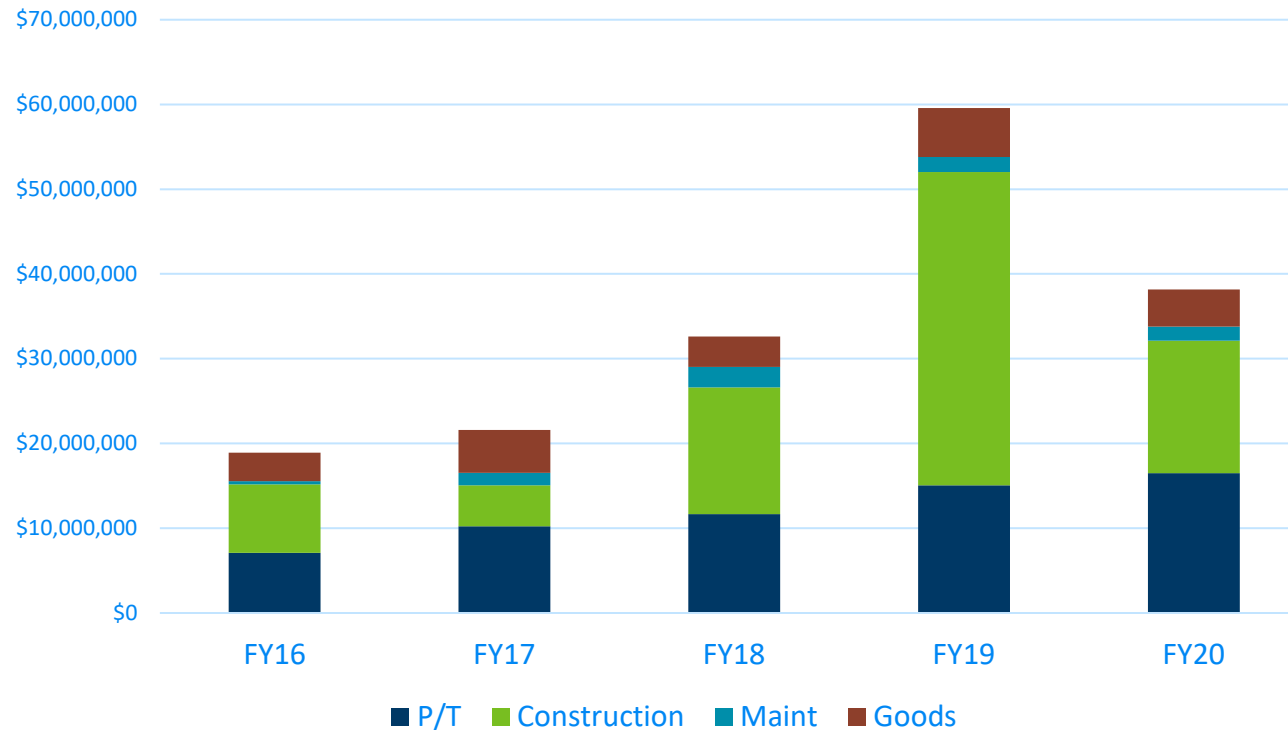
Why get certified?

TGBs, Vets, EDs may be eligible for up to 6% preference

Name in the applicable directory



MnDOT has awarded \$171 million in Prime Contracts to underutilized businesses



FY	P/T	Construction	Maint	Goods	
FY16	\$7,078,118	\$8,108,212	\$366,485	\$3,368,082	\$18,920,897
FY17	\$10,209,681	\$4,836,072	\$1,485,046	\$5,057,211	\$21,588,010
FY18	\$11,646,348	\$14,967,375	\$2,422,858	\$3,591,519	\$32,628,100
FY19	\$15,061,125	\$36,978,715	\$1,754,678	\$5,779,470	\$59,573,988
FY20	\$16,481,421	\$15,629,891	\$1,666,792	\$4,385,451	\$38,163,555
					<u>\$170,874,550</u>

P/T consultant contracts awarded to under-utilized businesses, related to traffic safety, management

Professional Technical Consultants

- Corridor Studies
- Work Zone and TMP Travel Demand Forecasting
- Seatbelt study/survey for baseline on behavior and counts
- Signing Design/plans
- Electrical Plans
- Traffic Control Plans

Use Equity Select (Equity Direct Selection) for firms not in Prequalification Program

- Purpose: Create opportunities for under-utilized businesses to do work with state agencies and reduce contracting disparity
- Rolled out 2017 Selection/procurement method available to all state agencies
- Allows to hire a consultant from a TGB, Vet or ED without advertisement or multiple quotes
- Max \$25k per contract/PO
- Can also be used to purchase goods not on state contract

MnDOT's Equity Selection (ES) Method Usage

18 ES contracts with 12 firms in FY20
= \$364,188 including 7 firms not in the Prequal Program

Opportunity to demonstrate and acquire experience that helps our industry

16C.16 DESIGNATION OF PROCUREMENTS FROM SMALL BUSINESSES.

Subd. 6. Purchasing methods.

(b) The commissioner may award a contract for goods, services, or construction directly to a small business or small targeted group business without going through a competitive solicitation process up to a total contract award value, including extension options, of \$25,000.

<https://www.revisor.mn.gov/statutes/cite/16C.16>

Quick Call Multi-award

- \$25,000-100,000 professional/technical services contract
- Invite 3-6 bidders
- Able to award more than 1 bidder
- Solicit bids from TGBs, DBEs, Vets and EDs
- Allows to award without advertisement
- Allow to hire firms not in prequal program

Leverage: Be selective of those capable but need to prove it.

Working directly with small businesses to construct and maintain MnDOT infrastructure

What's a Negotiated Contract?

- State statute 161.32 subd. 2
- Max value \$250,000
- Must be state funds
- No advertisement
- Obtain two quotes
- Simplified plans, lots of photos
- Lump sum payment

Leverage: Always invite under-utilized to quote!

	FY19	FY20
Number of NMCs awarded	109	119
Value of NMCs awarded	\$6,373,763	\$8,349,930
Number (%) awarded to Underutilized businesses	56 (51.3%)	62 (52.1%)
Value(%) awarded to Underutilized businesses	\$2,569,091 (40.3)	\$3,894,428 (46.6%)



FY20 Contractor Demographics
 11 Black - performed \$1.42 m
 2 Asian - \$292,000
 2 Latino - \$38,000
 2 Indigenous - \$518,924
 3 Vet - \$368,330
 4 Low income - \$461,459
 10 women (3 POC) - \$1,651,331

<https://www.revisor.mn.gov/statutes/cite/161.32>

Subd. 2. Direct negotiation.

In cases where the estimated cost of construction work or maintenance work does not exceed \$250,000, the commissioner may enter into a contract for the work by direct negotiation, by obtaining two or more quotations for the work, and without advertising for bids or otherwise complying with the requirements of competitive bidding if the total contractual obligation of the state for the directly negotiated contract or contracts on any single project does not exceed \$250,000. All quotations obtained shall be kept on file for a period of at least one year after receipt of the quotation.

Examples of NMCs traffic safety, sign, management

Install post mounted DMSs on I35 near Iowa border
Traffic management
\$74,000 / \$15,00

Remove changeable message insert and static sign, replace with new sign and changeable message sign insert and install conduit
Electrical
\$45,000

Install DMS's and guardrail for pavement system
Traffic management, safety
\$85,000

Install fiber cable, power cables and sensors on Lafayette Bridge
Electrical
\$50,000

Install signing structure and Dynamic message sign on TH 52. Connect to the existing RTMC system
Electrical
\$150,000

Install reflectorized panels to stop signposts D2, D4, D6, D8
Safety
Multiple NMCs. \$350k

Multiple stop sign upgrades
Traffic, safety
\$83,550

Upcoming TSMO NMCs

Road Weather Information Systems
Installation of Towers

Roadway entrances to sites

Concrete foundations for towers

Striping, grinding, pavement markings

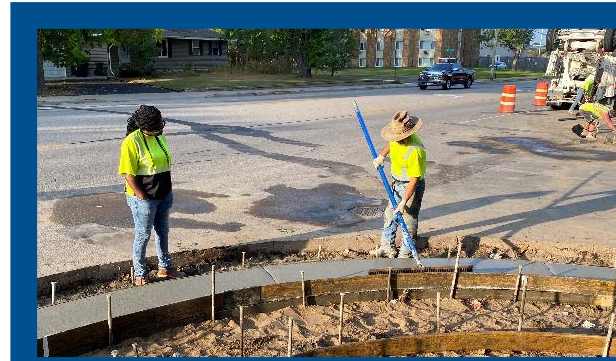
Guardrail

Anti-icing systems repair



How did we accelerate our contracting with under-utilized businesses

- ✓ Use statutory authority
- ✓ Right-size contracts: less than \$150,000
- ✓ “Incentive” funds of encouragement
- ✓ Simplify docs and processes
- ✓ Demystify the spec book
- ✓ Outreach to small businesses
- ✓ Be transparent to build credibility
- ✓ Variety matters
- ✓ Track results so know progress and gaps
- ✓ Consider wider marketplace
- ✓ Collaborate
- ✓ Office to advise and drive results



Let's make every public works project a catalyst for individual prosperity and community vitality

Let's share and learn from each other!

What barriers are you facing when trying to hire small businesses?

What's been your experience with small contracts?

Are you able to pursue small, simplified contracts with federal funds?



Advancing Equity Office

Mary Schmidt – Office Director Mary.b.Schmidt@state.mn.us

Advancing contracting and procurement ideas to improve economic outcomes for all Minnesotans

THANK YOU

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