



City of Kansas City Human Relations Department

LCRA AA 5/18/21
EXHIBIT 1

Date: May 7, 2021
To: LCRA Board Chair
From: Dion Lewis, Contract Compliance Officer
Subject: Land Clearance for Redevelopment Authority (LCRA) Affirmative Action Report (March 2021)

LCRA M/WBE Status Report:

The LCRA Affirmative Action Program includes the Minority & Women Owned Business Enterprise Program (M/WBE). The Affirmative Action Program is also codified at City Code 180535 (§3-401 et seq.) and applies to all Statutory Agency contracts entered into after November 5, 2018 that exceed \$160,000 for Professional Services and that exceed \$300,000 for Construction Services.

Projects monitored by the Human Relations Department are projects that have an approved Contractor Utilization Plan (CUP) with applicable Letters of Intent (LOIs) *awarded* to certified subcontractors. There are a total of **17 LCRA Construction Projects** currently monitored for compliance by the Human Relations Department. For reporting purposes, the projects are delineated between Active and Inactive Projects. Active Projects include projects that are either in the bidding and/or construction phase. Inactive Projects are projects that have entered the close-out process (which includes the punch list phase) and/or has been placed on hold by the Redeveloper. Inactive Projects are monitored until the Developer submits the following documentation: (1) Developer Affidavit of Compliance and (2) all executed Subcontractor Lien Waivers and/or Subcontractor Final Payment Affidavits.

Per City Code, the LCRA is required to make good faith efforts towards achieving M/WBE participation on contracts it directly solicits, or through redevelopment projects receiving tax incentives. The goals for the LCRA are set by City Code 180535, § 3-427. As of **March 31, 2021**, LCRA, through its Redevelopment Agreements, has achieved the participation levels depicted in Table 1 and Table 2 (below).

M/WBE Performance Summary of Active LCRA Projects

	Total Value of Active Projects	MBE Contracts Awarded	MBE Target Goal %	MBE % Awarded	WBE Contracts Awarded	WBE Target Goal %	WBE % Awarded
Professional Services (PS)	\$22,862,589	\$3,125,591	14%	14%	\$2,365,101	14%	10%
Construction Services (CS)	\$333,272,950	\$38,866,372	14%	12%	\$25,520,155	14%	8%

TABLE 1.

M/WBE Performance Summary of Inactive LCRA Projects

	Total Value of All Inactive Projects	MBE Contracts Awarded	MBE Target Goal %	MBE % Awarded	WBE Contracts Awarded	WBE Target Goal %	WBE % Awarded
Professional Services (PS)	\$4,950,817	\$731,552	14%	15%	\$470,893	14%	10%
Construction Services (CS)	\$102,075,919	\$14,998,721	14%	15%	\$9,636,239	14%	9%

TABLE 2.

M/WBE Enforcement Action Update:

As of December 2015, all Redevelopers subject to the Affirmative Action Program are required to report contract payments through the City of Kansas City's electronic B2Gnow system. All reports are due by the 15th of the following month. Subcontractors must confirm receipt of the payments or initiate a discrepancy of the contract amount through this electronic system. If such a discrepancy is initiated, the Compliance Officer investigates the discrepancy to resolution. Once the discrepancy is resolved, the Compliance Officer approves the audit and that amount is reported in the attached detailed report. The M/WBE detailed report ("LCRA M/WBE Expenditure & Progress Report") is included as Exhibit A.

In the month of **March 2021**, there were **0 out of 7** of the **Active Projects** that had expended at least 30% of its estimated budget and are currently not meeting M/WBE goals or has not submitted a required Affirmative Action report(s). Letters have been sent to the Developer allowing fourteen (14) days to provide documentation on how they intend to comply with the M/WBE requirements. The following is a list of projects and the corresponding action taken by the Human Relations Department Contract Compliance Officer(s):

LCRA Projects Not Meeting M/WBE Utilization Goals w/ Corresponding Action

Project Name	Developer	Type	MWBE Goal	Total MWBE Percentage Shortage	Action Taken

TABLE 3.

Good Faith Efforts Review:

- None

Contractor Utilization Plan Updates:

Project Name	Location	Value	Issue(s)	Action Taken
Brookside East Overlook (PS)	6410 Paseo Blvd	\$377,750	1-A Goal and CUP	Developer is scheduled to meet with the HRD on 5/12/2021
13 th & Wyandotte Tower (PS)	13 th & Wyandotte	\$3,316,492	1-A Goal and CUP	Sent email to Developer
13 th & Wyandotte Tower (CS)	13 th & Wyandotte	\$47,708,846	1-A Goal and CUP	Sent email to Developer
Hyatt House (CS)	900 Broadway	\$31,014,881	1-A Goal and CUP	Awaiting for Developer to get financing together
Hyatt House (PS)	900 Broadway	\$2,780,104	1-A Goal and CUP	Awaiting for Developer to get financing together
Columbus Park Lofts (CS)	401 Charlotte	\$1,425,240	1-A Goal and CUP	Sent email to Developer
Troost 53 rd – 63 rd URA/5522 Troost Ave (CS)	5522 Troost Ave	\$3,568,800	1-A Goal and CUP	Developer is scheduled to meet with the HRD on 5/12/2021
Troost 53 rd – 63 rd URA/5522 Troost Ave (PS)	5522 Troost Ave	\$239,790	1-A Goal and CUP	Developer is scheduled to meet with the HRD on 5/12/2021

Close-Outs Pending and Payment Discrepancies:

As of **March 31, 2021**, there are **zero (0)** projects that did not complete reporting for close-out in order for HRD to determine whether the project complied with the good faith efforts in achieving M/WBE utilization (see Exhibit A).

There was **0 payment discrepancies** reported by subcontractors. Those discrepancies are currently being resolved between the parties. No further action is needed at this time.

The following project(s) were closed during the reporting period:

- None

Construction Workforce Action Update:

The Construction Employment Program (commonly referred to as Construction Workforce) requires more than 800 construction labor hours and exceeds a total estimated cost of \$300,000. On December 15, 2009 the Statutory Agencies, including the TIF, adopted the City's Construction Employment Program as embodied in Ordinance No. 070504. The Workforce Ordinance under Chapter 38 was repealed in its entirety June 1, 2013 and replaced with Ordinance 130275, Sections 3-501 thru 3-527. All projects (including public projects, private projects with City funding, and Statutory Agency projects) that started after June 1, 2013 are subject to the monitoring and liquidated damages set forth therein. All TIF projects (including Active and Inactive Projects) that meet these thresholds are required to report construction workforce hours until the Redeveloper has submitted a final audit for workforce.

All workforce reports are due by the 15th of the following month. The report included is the month that the Construction Workforce Board has most recently accepted. The hours for the **month of March 2021** are depicted in Table 4 (below). This report consists of LCRA projects that have a CUP on file.

Under the Ordinance and LCRA Policy, the Prime contractors are to self-report worker hours for their Company-wide construction workforce in the Kansas City Metropolitan Statistical Area (KCMSA). Primes are also required to self-report worker hours on specific projects funded by the City or that are tax incentivized. Subcontractors are only required to report their Project-specific worker hours. Redevelopers are Prime Contractors for purposes of the Redevelopment agreement. However, because Redevelopers do not have a per se "construction workforce" to report, only subcontractors' hours are reported for purposes of compliance. Accordingly, the information for Company-wide and Project-specific for the Prime (or Redeveloper) is not applicable. NOTE: The General Contractor is considered a subcontractor for purposes of the Redevelopment Agreement and therefore the General Contractor hours are counted in the subcontractors' Project-specific hour totals unless otherwise noted.

The City's Construction Workforce Report, which includes all City and Statutory Agency projects, details hours worked by each contractor and subcontractor and is delineated by ethnicity, sex, and KCMO Resident status. An archive of the Construction Workforce Reports is available at www.kcmo.org/humanrelations.

The established workforce participation hours goals for **minority and female workers are 10 percent (10%) and 2 percent (2%) respectively**. The incentive goals for minority and female workforce participation hours are 20 percent (20%) and four percent (4%) respectively.

Below is a synopsis of the workforce hour totals for the **month of March 2021** for LCRA projects:

LCRA Construction Projects Workforce Hours

	Total Hours Worked	Minority Hours Worked	Actual %*	Female Hours Worked	Actual %	KCMO Hours Worked	Actual**
Project Specific Hours Worked	2,400	788	32%	107	4%	184	8%

TABLE 4.

Site Visit Report:

As part of the monthly audits, site visits are randomly conducted by Staff to ensure compliance reporting matches onsite work. The following projects were visited during the **month of March 2021**:

- **None**

Any questions regarding this report may be directed to your Compliance Liaison, Dion Lewis, at dion.lewis@kcmo.org or 816-513-1836.

(end report)