

Disadvantaged Business Enterprise (DBE) Program Goals for the Best Friend Express Public Transit System in Aiken County, SC

Introduction

The Best Friend Express (BFE) is a small transit system operating in urbanized portion of Aiken County, SC that is able to be considered a Section 5307 funded “large urban” system due to its inclusion in the Augusta-Richmond Transportation Study (ARTS) MPO. The BFE transit system includes three fixed routes serviced by 14-passenger, ADA equipped, cutaway vehicles and the mandated ADA complementary paratransit service known as Dial-a-Ride.

Requirement

As a recipient of Federal Transit Administration (FTA) dollars to provide for the service of public transportation, LSCOG is required to participate in a DBE program for public transit projects and submit to FTA its methodology used to arrive at an anticipated DBE participation goal. Title 49 Chapter A Part 26 Subpart C Section 26.45 requires two steps for LSCOG to arrive at such a goal.

Step One – Determining the Base Figure / 49 CFR §26.45(c)

Step One of goal methodology is a measurement of the relative availability of DBE firms (both prime and sub) that are ready, willing, and able (RWA) to compete for contracts LSCOG intends to offer during the three year reporting period. The Step One Base Figure is calculated using the number of SCDOT certified DBE firms ready, willing and able to bid divided by the total of all firms ready, willing and able to compete (both DBE and non-DBE), based on the intended type of contracts to be offered. Ready, willing, and able DBE firms are defined as those businesses certified by SCDOT and its partner agencies as DBEs.

Step One Base Figure Methodology = RWA DBE firms
All RWA businesses in the contracted areas
(Both DBE & Non-DBE)

Considerations to Arrive at the Base Figure

Local Market Area

The local geographical service area for the Best Friend Express transit system is the urbanized portion of Aiken County. The geographic area under consideration for data analysis is allowed to be expanded beyond the actual transit service area and FTA does not allow local geographic preferences in its procurement policies for grantees and their third party contractors. LSCOG utilizes the advertising of procurement opportunities in the South Carolina Business Opportunities (SCBO) publication as it is viewed across the state and provides greater geographical outreach. For the Step One geographic defined area for certain BFE contracting opportunities, the counties of Lexington, Barnwell and Orangeburg will be considered since they are bordering counties to Aiken County, South Carolina.

Data Sources

The US Census Bureau and South Carolina Department of Transportation Unified Certification Program (SCUCP) DBE directory were researched to support the Step One Base Figure.

Anticipated Contracting Opportunities for Federal Fiscal Years 2020 – 2022

The Best Friend Express is a small transit system and offers limited contracting opportunities. LSCOG uses in-house staff to perform the required transit planning, as well as provide mobility management for the general public. The fixed routes and ADA paratransit operational contracts are procured and have a comprehensive scope of work to include the vendor/contractor to supply the paratransit vehicles, maintenance, fuel, vehicle storage, staffing of dispatchers, drivers, supervisors and their training needs, and the provision of the physical building for a BFE office that is open to the general public and located within the actual transit system service area. LSCOG provides contract oversight and grant management, transit planning, and the provision of certain supporting equipment or services. The table below represents the anticipated contracting environment for LSCOG for the next three fiscal years, corresponding NAICS codes, federal funding available as a portion of the contract amounts, and the timeframe. **Please note not all of these projects are available for open procurement over the next three years.** The fixed route transit vehicles LSCOG procures on behalf of the operational contractor are excluded from the table, per FTA instruction.

Table 1 LSCOG Contracting Opportunities Generated by the Best Friend Express

Description	NAICS Code	Annual Federal Funds	Total Funds Over 3 Yrs	Timeframe	Comments
Website Improvement	541511	\$12,000	\$12,000	FFY 2020 Only	Technical Services Solicitation
Verizon Wireless Fees	517311	\$875	\$2,625	FFY 2020-22 Each of the 3 Years	Sole Source – Existing infrastructure support for AVL in vehicles
Motorola Data Fees for transmission and network maintenance	811213	\$4,500	\$13,500	FFY 2020-22 Each of the 3 Years	Sole Source – Existing infrastructure mandated from state contract for transit provider AVLS in SC (Palmetto 800 System)
Printing	-----	\$0	-----	FFY 2020-22 Each of the 3 Years	Tickets, Schedules & Brochures Only local, non-federal funds used
Transit Vehicle Wrap for Identification	541850	\$3,050	\$3,050	FFY 2022 Only	Solicitation at time of vehicle purchase
RouteMatch Software Maintenance Contract Fees	518210 541512	\$15,200	\$45,000	FFY 2020-22 Each of the 3 Years	Sole Source – Existing infrastructure support
Operational Contract	485111	\$306,122	\$918,366	FFY 2020-22 Each of the 3 Yrs	Under existing contract with AACOA until September 30, 2022

Table 2 that follows displays the availability of ready, willing and able DBE firms to be found within the SC Unified Certified Program directory listed by the NAICS codes above. Once NAICS coded firms, if any, appeared on the list the address was viewed to learn if the firm was available within the geographical boundaries defined as the “local market area.” Because a few firms were listed in Columbia, SC (right outside Lexington County), they were included in the DBE and non-DBE firm count. Also found on Table 2 is the number of businesses available in their field of work as a total of DBE and non-DBE firms.

Table 2 Ready, Willing, & Available Businesses

NAICS Codes	Category of Work	# RWA DBE Firms	Total RWA DBE & Non-DBE Firms
541511	Web Design/Maint	2	33
517311	Telecomm	0	7
811213	2 Way Radio	0	5
541850	Transit Advert	0	9
518210	Software Devel	1	16
485111	Transit Passenger Service	1	4

$$\text{Step One Base Figure} = \frac{4 \text{ DBE firms}}{78 \text{ All Firms (Both DBE \& Non-DBE)}} = 6\%$$

Step Two - Adjustments to the Step One Base Figure

The Step One Base Figure of 6% was derived from considering all available firms in the geographical area on all contracts. As noted earlier, not all generalized opportunities for contracts is available within the next three years. The operations contract for fixed route dwarfs all other projects and it already under contract through the three years of this goal setting period. The Verizon Wireless, Motorola and RouteMatch Software expenditures are expected to all be sole sourced procurements. That leaves two (2) expected contracting opportunities which are \$15,050 out of a total three year expenditure of \$994,541; or approximately 1.5% of the total.

Past participation of SCDOT certified DBE activity in FTA-assisted contracts has been very low and minimum thresholds of \$250,000 in contracting opportunities per year were not always met, so LSCOG has been under an approved DBE waiver in the past. Since coming off the DBE waiver in FFY17, LSCOG has met its 1% goal once when a planning document (Transit Development Plan) was procured with a prime consultant and DBE sub. This appears to be the first time LSCOG had ever met its goal. Unfortunately, there is no large planning document scheduled for the next three years.

The SC UCP in 2016 revealed only three DBE mass transit providers who were certified as DBEs and they were from Maryland, Michigan and Texas. It has been historically difficult to attract any bidders for operational contracts for fixed route and ADA paratransit because of the small amount of the contract award and the low density population in Aiken County. The situation in 2018 for RWA DBEs has not improved. All operational contracts have actually been fulfilled since 2001;

when LSCOG became the public transit system grantee, by a local Council on Aging, non-profit agency. The exception was two years in 2015 & 2016 when the non-profit Council on Aging from neighboring Barnwell County won the operational transit procurement. The lack of DBE transit providers (which would be the heaviest weighted project) and the limited expectation of future contracting opportunities has led to a Step One Base Figure adjustment.

Lower Savannah Council of Governments (LSCOG) has an adjusted goal of DBE participation for the next three federal fiscal years of 2020 - 2022 (beginning October 1, 2019 to September 30, 2022) of 0.05% . This goal reflects the expected level of participation of SCDOT certified DBE(s) in local FTA-assisted contracts on behalf of the Best Friend Express (BFE) public transit system; exclusive of the purchase of transit vehicles, as is mandated by FTA.

LSCOG will fulfill its DBE goal with 0.05% Race Neutral / 0% Race Conscious

Race Neutral Measures

LSCOG and the Best Friend Express will use race neutral means of facilitating DBE participation. LSCOG will use the following methods to foster participation:

- Inform DBEs and small business participants of contracting opportunities available through solicitations and LSCOG procurement policies
- Provide technical assistance, or make referrals for such technical assistance, in applying for DBE certifications available in the SC Departments of Transportation
- Ensure the inclusion of DBEs, and other small businesses, on any bidders list development
- Attend DBE workshops or training events, which may help foster a working relationship with organizations with programs to assist firms with their possible DBE participation.

Small Business Participation

In 2012, LSCOG included Fostering Small Business Participation (49 CFR Part 26.39) into its Disadvantaged Business Enterprise (DBE) Program. DBE firms are by definition small businesses; Lower Savannah Council of Governments (LSCOG) seeks to implement a small business element into its current DBE policy in accordance with applicable law. LSCOG is hopeful that by including this element it will facilitate competition by, and expand opportunities for, small businesses that could seek SCDOT DBE certification. LSCOG is committed to taking all reasonable steps to eliminate obstacles to small businesses that may preclude their participation in procurements as prime contractors or subcontractors.

A. LSCOG will meet its objectives using a combination of the following methods and strategies:

1. Unbundling: LSCOG, where feasible, may “unbundle” projects or separate large contracts into smaller contracts which may be more suitable for small business participation. LSCOG will conduct contract reviews on each FTA-assisted contract to determine whether portions of the project could be “unbundled” or bid separately. This determination will be made based on the estimated availability of small businesses able to provide specific scopes of

work and will consider any economic or administrative burdens which may be associated with unbundling. Similarly, LSCOG will encourage its prime contractors or prime consultants to unbundle contracts to facilitate participation by small businesses. A determination on whether a future FTA-assisted contract could be unbundled will be made during the earlier procurement process as well.

2. Outreach and technical assistance: LSCOG will seek opportunities to participate in existing outreach and training events offered for small businesses wanting to do business with government funders as those events take place in the state, as well as participate in procurement training events which highlight small and minority-owned businesses for procurement processes and practices.

B. Definitions

1. Small Business:

Small businesses must meet the definitions specified in Section 3 of the Small Business Act and the Small Business Administration (SBA) regulations implementing it (13 CFR Part 121). *A small business is a business that is independently owned and operated, is organized for profit, and is not dominant in its field.* Depending on the industry, size standard eligibility is based on the average number of employees for the preceding twelve months or on sales volume averaged over a three-year period.

2. Disadvantaged Business Enterprise:

A for-profit small business (as defined by the Small Business Administration).

- That is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, or, in the case of a corporation, in which 51 percent of the stock is owned by one or more such individuals;
- Whose socially and economically disadvantaged owners do not exceed the personal net worth (PNW) as described in 49 CFR Part 26. The current PNW cap is \$1.32 million.
- Whose average annual gross receipts, as defined by SBA regulations over the firm's previous three fiscal years is less than \$22.41 million;
- Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it; and
- Has been certified as a DBE by the South Carolina Department of Transportation (SCDOT) in accordance with 49 CFR Part 26. For the purposes of the small business element of the LSCOG DBE Program, small businesses which are also owned and controlled by socially disadvantaged individuals will be encouraged to seek DBE certification. Only DBE certified firms will be counted towards DBE race-neutral participation on FTA-assisted contracts.

Certification and Verification Procedures

FTA Guidance on Small Business Participation programs states recipients of FTA funds should not allow firms to self-certify/verify as small businesses (with the exception of a micro purchase). LSCOG will accept certification for participation in the small business element of the LSCOG DBE Program when the business can be found, but not limited to, the directories of the following programs:

1. SCDOT DBE Certification- DBE Certification by the Department of Transportation, which stipulates that a firm has been determined to meet all the requirements in accordance with 49 CFR Part 26. All certification determinations are evidenced by a letter of DBE certification issued by SCDOT. Certified SCDOT DBE participating businesses will be listed on the SCDOT DBE directory.
2. Office of Small and Minority Business Assistance (OSMBA) directory.

C. Assurances

LSCOG makes the following assurances:

1. The DBE Program, including its small business element is not prohibited by state law;
2. Certified DBEs that meet the size criteria established under the DBE Program are presumptively eligible to participate in the small business element of the DBE Program;
3. There are no geographic or local preferences or limitations imposed on FTA-assisted contracts and the DBE Program is open to small businesses regardless of their location;
4. There are no limits on the number of contracts awarded to firms participating in the DBE program.
5. Reasonable effort will be made to avoid creating barriers to the use of new, emerging, or untried businesses; and
6. Efforts will be taken to encourage that minority and women owned firms participating in the small business element of the DBE Program that are eligible, to become SCDOT DBE certified.

D. Public Participation for the DBE Program

Lower Savannah Council of Governments posts the DBE Policy Statement and Goal Methodology to the Best Friend Express website at www.bestfriendexpress.com.

Any comments received from the public regarding DBE goal methodology will be documented and brought to the attention of the DBELO for possible future refinement of DBE goal methodology.