

**THANK YOU FOR CLICKING ON THIS DOCUMENT. THIS IS A BRIEF EXPLANATION OF THE DBE
PROGRAM OPPORTUNITIES FOR THE BEST FRIEND EXPRESS.
WE WELCOME YOUR QUESTIONS OR COMMENTS!**

Lower Savannah Council of Governments (LSCOG) is the grantee that manages the Federal Transit Administration (FTA) funds used to pay for public transportation for the urbanized portion of Aiken County. The federal government wants to make sure that minority, woman-owned, and other small business owners have an opportunity to bid on procurements offered by LSCOG using those same FTA funds. This opportunity is known as the Disadvantaged Business Enterprise (DBE) program. This exercise to arrive at goals for DBE or small business (SBE) procurements is submitted to FTA every three years to explain LSCOG intentions to promote the DBE program and the LSCOG goal for expenditures to DBE/SBE firms, as expressed as a “percentage” of overall contracting expenditures.

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Disadvantaged Business Enterprise (DBE) Program Goals for the Best Friend Express Public Transit System in Aiken County, SC Fiscal Years 2023 - 2025

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 and van 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 = $\frac{\text{RWA DBE firms}}{\text{All RWA businesses in the contracted areas (Both DBE \& Non-DBE)}}$

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 as FTA does not allow the limitation of bidders due to 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 of the BFE contracting opportunities are the counties of Lexington, Barnwell, and Orangeburg 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 Fiscal Years 2023 - 2025

The Best Friend Express is a small sized transit system and offers limited contracting opportunities. LSCOG uses in-house staff to perform most of the required transit planning, contracting, policy development, Civil Rights adherence, monitoring, certain mobility management tasks, grant management, and NTD reporting. The fixed routes and demand response transit services (including ADA paratransit) operational contracts are procured and have a comprehensive scope of work which requires the vendor/contractor to supply the paratransit vehicles for demand response mode, 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. The table below represents the anticipated transit system contracting environment for LSCOG for the three fiscal years, corresponding NAICS codes, federal funding available as a portion of the contract amounts, and the timeframe. The fixed route (MB mode) transit vehicles LSCOG procures for use by the operational contractor are excluded from the table, per FTA instruction.

***Table 1 LSCOG Contracting Opportunities Generated by the Best Friend Express Transit System
Eligible Coverage Period: October 1, 2022 thru September 30, 2025***

Description	NAICS Code	Annual Federal Funds	Total Federal Funds Over 3 Yrs	Anticipated Dates of Procurement	Comments
Website Improvement	541511	\$13,000	\$13,000	Calendar Yr 2023	Professional Support Services
Printing	541870	\$6,500	\$15,000	Calendar Yrs 2023-25	Tickets, Schedules & Brochures, Promotional
Security – Cameras	443142	\$9,260	\$9,260	Calendar Yrs 2022-23	Security Cameras
Transit Vehicle Wrap for Identification	541850	\$4,500	\$13,500	Calendar Yrs 2023-25	Solicitation at time of vehicle delivery (delayed delivery still expected for all vehicles)
Contractor for SMS (Safety) Implementation	541611	\$67,500	\$67,500	FFY 2023-24	Professional Support Services
<p><i>Note: LSCOG procures the Contractor(s) to operate the Best Friend Express fixed routes and the Dial-a-Ride ADA paratransit operations. In July 2022 (prior to the eligible coverage period of this DBE methodology) contracts were executed for these services. Since the contract is for three (3) years, with an additional two option years, the operational contracting opportunity is not listed in this table.</i></p>					

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 in Table #1 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
541611	Management Consulting Services	2	30
443142	Electronics	0	2
541511/12	Web Design/Maintenance	2	34
5418550	Printing	0	11
541850	Transit Advertising	0	11

$$\text{Step One Base Figure} = \frac{4 \text{ DBE firms}}{88 \text{ All Firms (Both DBE \& Non-DBE)}} = 4\%$$

Step Two - Adjustments to the Step One Base Figure

The Step One Base Figure of 4% was derived from considering all available firms in the geographical area on all listed contract opportunities. The Step One Base Figure was determined to be 4%. This amount was calculated with the same amount of DBE firms for specific NAICS codes in the numerator divided by both DBE and non-DBE businesses in the denominator. The combined new contracting opportunities available over the upcoming three year period total \$118,260; however, several of the contracting opportunities will not be offered each of the three years.

The operational contract for public transit service will not be awarded during this three year reporting period and is not listed as a new contracting opportunity. The SC UCP in 2022 revealed only one (1) DBE mass transit providers who was certified as DBE and the firm is from Michigan. It has been historically difficult to attract any bidders for operational contracts for fixed route and demand response transit, including ADA paratransit, because of the small amount of the contract award and the low-density population in Aiken County which creates a more expensive per mile operating cost. Historically, these awards have gone to local, non-profit Council on Aging agencies which can leverage their existing human service transportation programs, vehicles, and buildings in order to create an economy of scale and bid at lower prices. The operational contract is by far the largest expenditure(s). The semi-annual expenditures on the operational contract, with it all being spent without the benefit of a certified DBE award, heavily skews any DBE percentages.

There has been a reduction in contracting opportunities between this three year DBE reporting period and the previous one submitted to FTA in 2019. The operational contractor has assumed the financial responsibility and the alternative selection of the scheduling and dispatch software since October 2021, when RouteMatch Software company changed hands and the quality of their product declined. Along with this change in scheduling and dispatch software was the removal of LSCOG financial responsibility for the Verizon wireless data fees and the Motorola radio service that operated with the newly replaced software.

The LSCOG Transit Manager, Ms. Chandler, participated in the SC Chamber of Commerce Women's Leadership Symposium in May 2022 with an emphasis on diversity, inclusion, and women "who opened doors in business." Networking from that event allowed Ms. Chandler to discuss the DBE and SBE programs for the Best Friend Express in Aiken. Ms. Chandler contacted two participants closer to the DBE goal setting exercise in late summer for feedback on whether they, or others they knew about, would be interested in getting certified by SCDOT. The response was "no" at this time. The South Carolina African American Chamber of Commerce (SCAACC) has three county chapters in South Carolina on the other side of the state from Aiken County. The most active at this time appears to be the Beaufort County Black Chamber of Commerce (BDBCC) as they are holding three workshops in Beaufort, SC the last week in September regarding business plans, marketing, and financing. LSCOG mailed an introductory letter to the chapter asking they consider sharing DBE program opportunities at their workshops. They were also encouraged to contact LSCOG directly for questions or comments prior to the workshops. Unfortunately, there was no contact received at this time. The DBE Methodology for Fiscal Years 2023-25 will remain posted to the Best Friend Express website with a statement encouraging questions or comments at any time. There has been no contact from others to date.

Past business participation in the DBE program at LSCOG has not been successful in meeting the current .05% DBE goal for any of the three years of the last methodology reporting period.

For these reasons, Lower Savannah Council of Governments (LSCOG) is submitting an adjusted goal of DBE participation for the next three federal fiscal years of 2023 - 2025 (beginning October 1, 2022, to September 30, 2025) 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 (SBE) participants of contracting opportunities available through solicitations and LSCOG procurement policies

- Provide referrals for 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
- Educate, inform, and encourage the awarded transit service Contractor of the pressing need to seek DBE/SBE participation in their operations of the Best Friend Express transit system.

Small Business Participation

In 2012, LSCOG included Fostering Small Business Participation (49 CRF 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 will take 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, and whose average annual gross receipts, as defined by SBA regulations over the firm's previous three fiscal years falls within the earnings range;

-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.