

MEMORANDUM

Date: December 1, 2024
To: Federal Transit Administration (FTA)
From: Ronald E. Mitchum, Executive Director
Subject: FFY 2024 FTA DBE Program Shortfall Analysis & Corrective Action Plan

Purpose

This memorandum documents the shortfall analysis and corrective action plan for the Berkeley-Charleston-Dorchester Council of Government’s (BCDCOG) Disadvantaged Business Enterprise (DBE) program for FTA-assisted contracts during the period of FFY 2024 (10/1/2023 – 9/30/2024).

DBE Participation

During the three-year period of FFY 2023 through FFY 2025, BCDCOG’s DBE program **goal for FTA-assisted contracts was 10.0%** (100.0% race neutral/ 0.0% race conscious). This goal was set by the South Carolina Department of Transportation (SCDOT) in anticipation of FTA reimbursement for construction of the Lowcountry Rapid Transit (LCRT) project. This project has not yet received FTA reimbursement and is currently funded entirely through local funding sources. Therefore, while the project was the basis for the overall participation goal, it is not represented in the DBE participation rates for FFY 2024.

During FFY 2024, BCDCOG reported **2.5% DBE participation on new contract awards** (7.5% points below the goal) and **2.1% DBE participation on payments to ongoing contracts** (7.9% points below the goal). **Table 1** shows how DBE participation rates so far in FFY 2023-2025 compared to previous three-year periods.

Table 1: BCDCOG DBE Participation Rate on FTA-assisted Contracts (ongoing payments)

Period	BCDCOG FTA DBE Goal	DBE Participation Rate
FFY 2017-2019	10.0%	0.0%
FFY 2020-2022	5.0%	5.7%
FFY 2023-2025 (ongoing)	10.0%	9.7% (to-date)

A full break down of DBE participation on new contracts and ongoing contracts during FFY 2024 is provided in **Table 2** and **Table 3**. All contracts during FFY 2024 used race neutral means of facilitating DBE participation and did not use any race-conscious strategies.

Table 2: BCDCOG DBE Awards & Commitments on New FTA-assisted Contracts (FFY 2024)

Project Name (FTA Funding Program)	FTA Funding Program	FTA Project Number	Total New FFY 24 FTA-assisted Contract Value	DBE Awards & Commitments		Total FFY 2024 DBE Participation
				10/1/23 – 3/30/24	4/1/24 – 9/30/24	
FFY 2023 Charleston Dorchester Mental Health	FTA 5310	SC-2024-005-00	\$24,975.00	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2023 CARTA On-Demand (Uber)	FTA 5310	SC-2024-005-00	\$100,000.00	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2023 CARTA On-Demand (Lyft)	FTA 5310	SC-2024-005-00	\$100,000.00	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2023 Trident United Way	FTA 5310	SC-2024-005-00	\$50,000.00	\$0.00	\$0.00	\$0.00 (0.0%)
CARTA HOP Lot	FTA 5339	SC-2023-017-00	\$233,372.72	\$14,280.00	\$0.00	\$14,280.00 (6.1%)
US-52 Bus Rapid Transit Corridor Study	FTA 5307	SC-2023-002-00	\$587,728.00	\$25,000.00	\$0.00	\$25,000.00 (4.3%)
TRA-FX Fleet Services	FTA 5307	SC-2021-014-00	\$2,482.26	\$0.00	\$0.00	\$0.00 (0.0%)
Ford of Spartanburg	FTA 5307	SC-2021-014-00	\$36,369.60	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2024 BCD RTMA Operating Assistance	FTA 5307	SC-2024-012-00	\$396,435.00	\$0.00	\$0.00	\$0.00 (0.0%)
LCRT Transit-Oriented Development Study, Phase II (HDR)	FTA Pilot Program for TOD Planning	SC-2022-020-00	\$24,416.00	\$0.00	\$0.00	\$0.00 (0.0%)
Total			\$1,555,778.58	\$39,280.00	\$0.00	\$398,280.00 (2.5%)

Table 3: BCDCOG DBE Participation on Ongoing FTA-assisted Contracts (FFY 2024)

Project Name (FTA Funding Program)	FTA Funding Program	FTA Project Number	Total FFY 2024 FTA-assisted Payments	DBE Payments		Total FFY 2024 DBE Participation
				10/1/23 – 3/30/24	4/1/24 – 9/30/24	
Mobile Fare Collection (College of Charleston)	FTA 5312	SC-2021-013-01	\$15,333.34	\$0.00	\$0.00	\$0.00 (0.0%)
Mobile Fare Collection (Token Transit)	FTA 5312	SC-2021-013-01	\$77,262.98	\$0.00	\$0.00	\$0.00 (0.0%)
TRA-FX Fleet Services	FTA 5307	SC-2021-014-00	\$2,482.26	\$0.00	\$0.00	\$0.00 (0.0%)
Ford of Spartanburg	FTA 5307	SC-2021-014-00	\$36,369.60	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2021 BCD RTMA Operating Assistance	FTA 5307	SC-2021-040-00	\$134,333.96	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2021 Berkeley Citizens	FTA 5310	SC-2022-006-00	\$22,367.20	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2021 Charleston Dorchester Mental Health	FTA 5310	SC-2022-006-00	\$2,985.50	\$0.00	\$0.00	\$0.00 (0.0%)
LCRT Transit-Oriented Development Study, Phase II	FTA Pilot Program for TOD Planning	SC-2022-020-00	\$317,313.13	\$16,866.78	\$2,948.18	\$19,814.96 (6.2%)
US-52 Bus Rapid Transit (BRT) Corridor Study	FTA 5307	SC-2023-002-00	\$215,569.23	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2022 Berkeley Citizens	FTA 5310	SC-2023-009-00	\$7,140.80	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2022 Charleston Dorchester Mental Health	FTA 5310	SC-2023-009-00	\$1,331.20	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2022 CARTA On-Demand (Uber)	FTA 5310	SC-2023-009-00	\$25,391.54	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2021 CARTA On-Demand (Lyft)	FTA 5310	SC-2023-009-00	\$1,904.14	\$0.00	\$0.00	\$0.00 (0.0%)

Project Name (FTA Funding Program)	FTA Funding Program	FTA Project Number	Total FFY 2024 FTA-assisted Payments	DBE Payments		Total FFY 2024 DBE Participation
				10/1/23 – 3/30/24	4/1/24 – 9/30/24	
CARTA Hop Lot	FTA 5339	SC-2023-017-00	\$155,668.44	\$0.00	\$10,214.40	\$10,214.40 (6.6%)
FFY 2023 BCD RTMA Operating Assistance	FTA 5307	SC-2024-001-00	\$43,339.00	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2023 CARTA On-Demand (Uber)	FTA 5310	SC-2024-005-00	\$163,332.90	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2023 CARTA On-Demand (Lyft)	FTA 5310	SC-2024-005-00	\$51,741.43	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2023 Charleston Dorchester Mental Health	FTA 5310	SC-2024-005-00	\$2,638.50	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2023 Trident United Way	FTA 5310	SC-2024-005-00	\$2,738.40	\$0.00	\$0.00	\$0.00 (0.0%)
FFY 2024 BCD RTMA Operating Assistance	FTA 5307	SC-2024-012-00	\$121,080.50	\$0.00	\$0.00	\$0.00 (0.0%)
Total			\$1,400,324.05	\$16,866.78	\$13,162.58	\$30,029.36 (2.1%)

Shortfall Analysis

Because BCDCOG fell below its FTA DBE participation goal during the period of FFY 2024, BCDCOG staff completed a shortfall analysis to better understand ways to improve its DBE program in the future. The analysis included a review of FTA-assisted contracts during FFY 2024 and engagement activities.

FTA-assisted Contracts

Contract proposals for the **US-52 Bus Rapid Transit (BRT) Corridor Study** were solicited through BCDCOG's transit planning consultant on-call. Race-neutral strategies included in the proposal solicitation included scoring the level of DBE participation within proposals. **Table 4** shows how the DBE participation was weighted when selecting proposals. No other references or discussion of the DBE program were included in the solicitation. HNTB was selected as the prime contractor, and the contract included Goodstock Consulting, LLC as a DBE subcontractor with a contract value of 5.1% of the total project cost.

Table 4: LCRT TOD Study, Phase II (Selection Criteria & Weighting)

Selection Criteria	Weighting
Understanding the Need	10 points
Method of Approach	30 points
Past Performance	15 points
Key Staff	15 points
Cost	20 points
DBE Participation	10 points
Total	100 points

The **Lowcountry Rapid Transit Transit-Oriented Development Study, Phase II** project awarded a new prime contract to HDR. This contract did not include any subcontractors.

For the FTA **Section 5310** (Enhanced Mobility for Seniors & Individuals with Disabilities) call for applications, no specific DBE-related strategies were used. This is because historically most applications for urban Section 5310 funding in our region have come from nonprofits which are ineligible for DBE certification. Similarly, all new contracts or ongoing payments to Section 5310 recipients were for nonprofits (Charleston Dorchester Mental Health, Berkeley Citizens, and the Dorchester County Board of Disabilities & Special Needs) and on-demand transportation service with no available DBE firms.

For FTA **Section 5307** (CARES Act) funding, BCDCOG expended funds on support vehicles, preventative maintenance, operating assistance for transit services, software, and bus station equipment. Limited DBE opportunities exist for these goods and services within South Carolina.

For **FTA 5312** (COVID Research Demonstration Grant Program) funding, BCDCOG expended funds on contactless payment technology which was not available through a DBE vendor. The College of Charleston's Riley Center for Livable Communities completed a Data Management Plan in support of the contactless payment technology. The College of Charleston is not eligible for SCDOT DBE certification.

Overall, BCDCOG has been successful in contracting with DBEs and making payments to DBEs for FTA-assisted planning projects but not for grant subawards, equipment and software purchases, maintenance services, and operating assistance. Similarly, BCDCOG has experienced similar relatively strong DBE participation on FHWA-assisted planning projects but limited DBE participation on FHWA-assisted equipment and software purchases. This reflects a **lack of DBE availability for most of these goods and services outside of planning projects**. For example, there are no new automobile dealerships (NAICS Code 441110), used automobile dealerships (NAICS Code 441120), automobile repair shops (NAICS Code 811111), transportation equipment manufacturing (NAICS Code 336000), or tire dealers (NAICS Code 441320) within the region or surrounding counties that are certified as DBEs.

BCDCOG did not unbundle any FTA-assisted contracts during FFY 2024. Although this process can be done as part of a planning effort it is typically reserved for larger construction projects. In FFY 2024, BCDCOG did not contract any construction projects. Feedback from agencies that did complete transportation construction projects in our region shows a trend towards bundling multiple projects together. This is because these other agencies were not receiving bids on individual transportation construction projects, and they hope that a large award amount will encourage firms to submit bids.

No known disparity studies are available for this region.

Engagement Activities

The next step in the shortfall analysis was consultation with minority-owned businesses, women-owned businesses, contractor groups, community organizations, and other officials or organizations that could provide insights into the availability of disadvantaged businesses. Below is a list of engagement activities during or immediately after FFY 2024:

On March 9, 2024, BCDCOG staff tabled at the [Charleston Black Expo](#) in North Charleston, SC. This annual event promotes economic development through increased exposure for Black-owned businesses.

On March 28, 2024, BCDCOG tabled at the City of Charleston's [Small Business Expo](#). This event provides an opportunity for entrepreneurs and small business owners to connect with government agencies.

On May 8, 2024, BCDCOG tabled at the [North Charleston Business Expo](#) in North Charleston, SC. The annual event brings together entrepreneurs from across the region to network.

During the week of June 15, 2024, BCDCOG attended [Lowcountry Juneteenth Week](#) activities in North Charleston, SC. The week's activities showcase the contributions and achievements of African Americans in the Lowcountry.

On July 29, 2024, BCDCOG participated in the [Public Sector Career Fair](#) in North Charleston, SC. This annual event gives public sector agencies the opportunity to showcase their available job openings to job seekers.

During FFY 2024, BCDCOG did not provide any DBE-specific training activities or develop any training materials. However, SCDOT's business development office does provide training and training materials.

BCDCOG and SCDOT do not have offices of diversity, so no specific staff responsibility for diversity, equity, and inclusion were present during the FFY 2024 contracting processes.

Corrective Action Plan

During FFY 2025, BCDCOG plans to execute at least one FTA-assisted contract, as shown in **Table 5**.

Table 5: BCDCOG Anticipated FTA-assisted Contracts (FFY 2024)

Project Name (FTA Funding Program)	FTA Funding Program	FTA-assisted Contract Value
On-Demand Rural/Summerville Transit Plan	FTA 5305	\$307,752.72
Total		\$307,752.72

Additional FTA-assisted contracting opportunities may include awards to urban Section 5310 applicants. Because most applicants are nonprofits and, therefore, ineligible to be a DBE, it is unlikely that FFY 2024 or FFY 2025 urban Section 5310 recipients will include any DBEs.

BCDCOG anticipates using the same race-neutral means of encouraging DBE participation for the FFY 2025 FTA Sections 5339, 5307, and 5305 contracts that it used for the FFY 2023 Pilot Program for TOD Planning because these strategies were effective for a similar type of project.

For BCDCOG to reach its 10.0% DBE goal in FFY 2024, it will need to exceed 10.0% DBE participation on new contracts to help offset FTA Section 5307, 5310, and 5312 contracts that will not include DBE participation. **The one anticipated FFY 2025 contract totals \$0.3 million in reimbursable FTA assistance and will need to award 10.0% of funding to DBEs in order to reach the 10.0% DBE new contract goal for FFY 2025.**

In addition, BCDCOG will explore implementation of the following race-neutral strategies:

- Continued participation in events organized to promote minority- and owned businesses
- Highlighting contracting opportunities from BCDCOG's *Unified Planning Work Program* and *Rural Planning Work Program* on BCDCOG's procurement webpage so that contractors can more easily anticipate upcoming contract opportunities during the next two federal fiscal years
- Providing certified DBEs with advanced knowledge of the release of an RFP so that they can coordinate with prime contractors
- Pre-bid meet and greets with potential prime and subcontractors
- Bonding assistance and waiver programs
- Updated RFP language that highlights the intention of the DBE program and BCDCOG's three-year goal of 10.0%
- Creation of a consolidated DBE resource page with all the education and assistance opportunities available within the Southeast, South Carolina, and the local area