



Disadvantaged Business Enterprise  
&  
Small Business Participation  
Goal Setting Methodology for FY 2017 - FY 2019

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# BCDCOG

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## Berkeley-Charleston-Dorchester Council of Governments

### Goal Setting Methodology for the DBE Program

#### **INTRODUCTION**

The United States Department of Transportation (U.S. DOT) revised the Disadvantaged Business Enterprise (DBE) program and published revised program regulations (49 CFR Part 26) on January 28, 2011. The U.S. DOT has set a 10% “aspirational goal” at the national level, which the U.S. DOT uses as a tool in evaluating and monitoring the national DBE program. The revised program rule does not authorize or require recipients to set overall goals at the 10% level. Instead, the revised regulation requires individual recipients to establish a goal that reflects the amount of participation by DBEs that can be achieved in the recipient’s area in the absence of discrimination. On February 23, 2010, 49 CFR Part 26 was updated to allow for the establishment of goals which apply to the three forthcoming fiscal years, in this case FY 2017, FY 2018 and FY 2019.

The U.S. DOT has outlined a two-step process recipients can use to set goals. Initially, recipients determine a baseline figure that represents the number of ready, willing, and able DBE firms relative to the number of all businesses ready, willing, and able to participate in U.S. DOT funded projects. The second step involves examining all evidence available to determine what adjustments, if any, are needed to the base figure. Evidence that must be considered in the second step includes current capacity of DBEs to perform work in the recipient’s program as measured by the volume of work DBEs have performed in recent years. A recipient’s goal must be based on demonstrable evidence of the availability of ready, willing, and able DBEs to participate in the recipient’s U.S. DOT funded contracts.

The purpose of the goal setting process for the BCDCOG DBE Program is to determine the overall program goal for the Federal Transit Administration funding it will receive for Federal Fiscal Years 2017-2019, and as a condition of receiving this assistance, BCDCOG has signed an assurance that it will comply with 49 CFR Part 26.

#### **DBE PROGRAM POLICY STATEMENT**

BCDCOG has established a Disadvantaged Business Enterprise (DBE) and Small Business Participation Program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. BCDCOG has received federal financial assistance from the Department of Transportation, and as a condition of receiving this assistance, BCDCOG has signed an assurance that it will comply with 49 CFR Part 26.

It is the policy of BCDCOG to ensure that DBEs, as defined in 49 CFR Part 26, have an equal opportunity to receive and participate in DOT-assisted contracts. It is also the BCDCOG's policy:

1. To ensure nondiscrimination in the award and administration of DOT-assisted contracts;
2. To create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
3. To ensure that the DBE Program is narrowly tailored in accordance with applicable law;
4. To ensure that only firms that fully meet 49 CFR Part 26 eligibility standards are permitted to participate as DBEs;
5. To help remove barriers to the participation of DBEs in DOT assisted contracts;
6. To assist the development of firms that can compete successfully in the market place outside the DBE Program; and
7. To facilitate competition in DOT-assisted public works projects by small business concerns, both DBEs and non-DBE small businesses.

## **METHODOLOGY FOR SETTING THE BASE FIGURE**

### **Step 1 – Base Figure**

The initial step in the goal setting process was to establish the base figure that represents the number of willing, ready, and able DBE firms relative to the number of businesses ready, willing and able to perform work for the FTA funded projects undertaken by the BCDCOG. BCDCOG has historically undertaken a consistent mix of contracting activities which include engineering, financial, consulting, public involvement, and legal services. The base figure was developed by reviewing available vendors in the professional services sector and also reviewing the available certified DBE firms in those same areas. Several source options, presented in the U.S. DOT's revised regulations, were considered including:

- DBE Directory and Census Bureau Data
- Bidders List
- Disparity Study Data
- Goal of another recipient
- Alternative Methods

The standard method of utilizing DBE Directory Information and Census Bureau data was selected for the establishment of the baseline figure. Census Bureau data for Berkeley, Charleston, and Dorchester counties, which encompasses all of BCDCOG's current urbanized and rural area, was used in determining the denominator, which is the total number of businesses available for BCDCOG's FTA funded projects (County Business Patterns). BCDCOG is a participant in the South Carolina DOT Unified Certification Program (UCP). The UCP directory was then used to identify the numerator by selecting the total DBE firms in the NAICS code categories that BCDCOG anticipates contracting with in the next three years - FY 2017-2019.

- Total Number of businesses in Berkeley, Charleston, Dorchester counties: **17,270**

- Total Number of businesses within Berkeley, Charleston, Dorchester counties that BCDCOG may contract with having relevant 2012 NAICS code – 54: **2108**
- Total Number of DBEs in Berkeley, Charleston, Dorchester counties: **115**
- Total Number of DBEs in that can be used in Berkeley, Charleston, Dorchester counties with NAICS code of 54: **37**
- Overall Percentage of DBE businesses feasible for BCDCOG to use:  $37/2108 = 1.76\%$

Year	BCDCOG Project Type	2012 NAICS Code	Anticipated Project Cost	Anticipated Federal Dollars
	Professional, scientific, and technical svcs	54		
2017	Congestion Management Plan		\$50,000	\$40,000
2017	Regional Transit Framework		\$243,000	\$194,400
2017	Transit Demand Model Update		\$25,000	\$20,000
2017	Long Range Transportation Plan		\$400,000	\$320,000
2017	Bike/Pedestrian Plan		\$200,000	\$160,000
2018	BRT PE/NEPA		\$3,000,000	\$1,800,000
2019	BRT PE/NEPA		\$3,000,000	\$1,800,000
<b>Grand Total</b>			<b>\$6,918,000</b>	<b>\$4,334,400</b>

### **Step 2: Adjust the Base Figure**

The base figure in the first step estimates the ready, willing, and able DBE firms relevant to all businesses ready, willing, and able to participate in BCDCOG’s federally funded projects. The second step involves examining all evidence available to determine what adjustment, if any is needed to the base figure.

After presenting the findings, the BCDCOG Board of Directors (BOD) voted and decided to implement a **10% goal** for the next three year cycle. Our adjustment is based on this vote by the Board of Directors.

### **Breakout of Race Neutral And Race Conscious Participation**

The BCDCOG will meet the maximum feasible portion of its overall goal by using race-neutral means of facilitating DBE participation. BCDCOG uses the following race-neutral means to increase DBE participation:

1. Arranging solicitations, times for the presentation of bids, quantities, specifications and delivery schedules in ways that facilitates DBE and other small business participation.

2. Carrying out information and communications programs on contracting procedures and specific contract opportunities.
3. Ensuring distribution of DBE directory, through print and electronic means, to the widest feasible universe of potential prime contractors.

In 2017-2019, the BCDCOG will strive to meet or exceed its Race Neutral Goal of 10%. 100% of this goal is through Race Neutral means. The BCDCOG will track actual DBE participation by Race Neutral and Race Conscious DBE participation and report Race Neutral and Race Conscious participation separately. For reporting purposes, race-neutral DBE participation includes, but is not necessarily limited to, the following:

1. DBE participation through a prime contract a DBE obtains through customary competitive procurement procedures.
2. DBE participation through a subcontract on a prime contract that does not carry DBE goal.
3. DBE participation on a prime contract exceeding a contract goal; and DBE participation through a subcontract from a prime contractor that did not consider a firm's DBE status in making the award.
4. We will maintain data separately on DBE achievements in those contracts with and without contract goals, respectively.

### **Contract Goals**

BCDCOG will use contract goals to meet any portion of the overall goal that is not projected to be met using race neutral means. Contract goals are established so that, over the period to which the overall goal applies, they will cumulatively result in meeting any portion of the overall goal that is not projected to be met through race neutral means.

BCDCOG will establish contract goals only on those U.S. DOT-assisted contracts that have subcontracting possibilities. Pursuant to 49 CFR Part 26, contract goals are not required to be established for every contract, and the size of the contract goals will be adapted to the circumstances of each such contract. BCDCOG will express its contract goals as a percentage of the total amount of the potential award.

### **PUBLIC PARTICIPATION – CONSULTATION PROCESS**

The FY2017 to FY2019 goal calculation was published in the Post Courier and Charleston Chronicle on June 15, 2016 and available for public comment for 45-days during normal operating hours at the BCDCOG offices through August 1<sup>st</sup>, 2016. We received 0 comments during this period.

In addition to a public notice, the Charleston County Minority Business Development Office was consulted during the process. BCDCOG will diligently continue to identify and certify more DBEs in the BCD Region and monitor its overall goal each year.