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Per SC Code of laws, Title 30, Chapter 4, Section 30-4-80 -- Per SC Code of Laws, Title 30, Chapter 4, Section 3D-4-BD All public bodies shall notify persons or organizations, local news media, or such other news media as may request notification of the times, dates, places, and agenda of all public meetings, whether scheduled, rescheduled, or called, and the efforts made to comply with this requirement must be noted in the minutes of the meetings, The COMET complied with the notification of this meeting on Wednesday, September 25, 2019 at 3:15 p.m.

**Central Midlands Regional Transit Authority
WORKING GROUP TRANSIT OPERATOR RFP SUBCOMMITTEE MEETING
Monday, September 30, 2019 -11:30 A.M.
3613 Lucius Road, Columbia, SC 29201 – Small Conference Room**

Members Present:

Derrick Huggins
John V. Furgess, Sr.
Andy Smith

Guests Present:

Leo Auger, Auger Consulting
Pamela A. Baker, Burr, Foreman, McNair Law Firm

**Indicates participation by phone.*

The COMET Staff Present

John Andoh, Executive Director/CEO
LeRoy Deschamps, Director of Administration & Operations/COO
Paige Jernigan, Interim Administrative & Customer Service Specialist
Dr. Arlene Prince, Director of Regulatory Compliance & Civil Rights Officer

1. CALL TO ORDER

Mr. Huggins called the meeting to order at 11:36 a.m.

2. ADOPTION OF AGENDA

Motion:

A motion was made by Mr. Smith and seconded by Mr. Furgess to adopt the agenda.

Approved: Furgess, Huggins, Smith

Absent: None

Motion passed.



3. DISCUSSION & ACTION ITEMS

A. Discuss Disadvantaged Business Enterprise/Minority & Women Business Enterprise

Program and services.

Mr. Huggins began the meeting by stating that he has a personal matter to deal with so the two-hour allotted time will be shortened. Mr. Andoh reviewed the agenda to outline the meeting while going through the packet. Mr. Auger added that we will first discuss Disadvantaged Business Enterprise and Minority (DBE) & Women Business Enterprise (MWBE) Program and Services. Mr. Auger showed the slides from the last meeting for a refresher.

Mr. Auger explained the federal regulations for DBE and reviewed the participation process. He reminded that the MWBE is the local government agenda and these parameters can be set by Board Policy. He commented that setting the goal must be tied to the use of the Federal Funds. Mr. Auger reminded that we need to make sure we are not getting charged overhead and profit twice when setting goals.

Mr. Auger referred to the spreadsheet showing the DBE allotment this year, totaling \$4.8 Million. Customer Service/Call Center Services should be split up as some information should come to The COMET. Mr. Andoh stated that the first column is the value that is being spent for the service. Pest Control, IT Management Services, Bus Stop maintenance are DBE eligible but not being considered DBE by the current prime contractor.

Dr. Prince mentioned the online SCDOT Unified Certification Program Directory. Mr. Huggins stressed the importance of providing information to the DBE's to encourage participation. Dr. Prince agreed and stated that outreach initiatives would encourage DBE's to participate.

Mr. Smith inquired about the three (3) DBE's that aren't currently in the contract. Mr. Andoh explained and stated that they are not enumerated in the contract for eligibility. He added that the only one that is bonded is the Paratransit & Rural Services. Mr. Andoh stated that the Authority shall maintain limits of no less than:

- Workers' Compensation Statutory Amount
- Comprehensive General Liability \$5 Million
- Comprehensive Auto Liability \$5 Million
- Umbrella Liability \$10 Million

Mr. Auger referred to the slide explaining the DBE items and how they can be provided. Mr. Auger added that currently we are looking at the raw dollars and will determine percentages as the process continues. Dr. Prince agreed and stated that we don't have percentages at this point. Mr. Huggins stated that the Board of Directors will be supportive of the DBE process and the percentages. Mr. Andoh commented that Paratransit, Security and Mystery Riders are all FTA



eligible. He added that tires and vehicle parts could also be FTA eligible.

Mr. Smith expressed concern of the wide swing in the overall budget due to capital fluctuating as

it may appear that we are not meeting the goal. He wanted to clarify that if we have the discretion to set the goal, we need to be sure it is appropriate and transparent. Mr. Andoh agreed. Dr. Prince mentioned the Short Fall Analysis to report to FTA and implementation of a corrective action plan submission if the goal is not met. She added that the goal of 5.7% will start tomorrow per FTA fiscal year reporting.

Mr. Auger stated that this is a challenge, but doable. He asked about the DBE to provide furniture. Dr. Prince confirmed per FTA only cover 60% of the total cost of supplies. Dr. Prince reminded the Committee of the definition of socially and economically disadvantaged and the threshold of \$1.2 Million cap.

Mr. Furgess asked if there is separation from the prime, small businesses wouldn't be able to cover costs. Mr. Andoh stated that contractually Transdev is self-insured. He commented that in 2015 Transdev vehicle insurance cost per year; \$315 thousand and liability; \$9,583 on fixed and Paratransit vehicle cost per year; \$108 thousand and \$7,975 liability. Mr. Smith asked if TCS gets a benefit of scale under Transdev. Mr. Andoh and Attorney Baker both mentioned TCS is a reimbursable contract.

Attorney Baker clarified that Transdev is currently paying for TCS insurance. Dr. Prince agreed and added that TCS invoices Transdev for reimbursement. Mr. Andoh just reminded that we must be mindful of each DBE and the capability of insurance payment. Mr. Smith agreed and mentioned that we will have to be flexible and adjust within reason per the pros and cons. Mr. Andoh mentioned that from 2002–2014 most of the services were done by The COMET.

Short break

Mr. Huggins asked how we can ensure our DBE's have knowledge and build relationships with the banks. Dr. Prince recommended a DBE consultation with the DBE candidates and the banks. Mr. Furgess suggested inviting the banks that we are depositing funds. Mr. Huggins asked who does the bonding and could we have a universal contract? Attorney Baker stated that she would investigate bonding. Mr. Andoh explained that Paratransit is really the only one that needs to be bonded.

Mr. Auger stated that the other challenge with the DBE is Paratransit, it is unique and growing with knowledge but there are pieces that we are not able to monitor. He used Trapeze as an



example and the advantage of having Transdev make sure that Paratransit is working well. He reiterated the importance of asking the question, “how does this affect the service on the street?”

Mr. Furgess asked what type of bonding The COMET currently uses. Mr. Andoh explained we only

require the performance bond and it is through Fidelity. He added that the Executive Director and

the Director of Finance are the only ones currently bonded at The COMET. Mr. Andoh inquired if the committee would like to receive feedback on the recommendations on the four (4) categories from the Staff.

- The Comet
- The COMET and DBE
- The Prime
- The Prime and DBE

Mr. Huggins agreed but added that he wants to be completely prepared for the Board Meeting.

Mr. Smith stated that we should establish policy and stress that one goal of the DBE program is for individual DBEs to grow, perhaps to the point where they could no longer be counted as DBEs because of revenue and net worth thresholds (which would require a reassessment of the COMET’s overall DBE goal). As it grows, we would reassess the agency goal at that point of growth threshold. He added that the prime and sub are closely linked therefore, we need to be knowledgeable of the market. Mr. Smith stressed that there are clear problems between the prime and sub, so we need to be as clear as possible in the contract language and to remove ourselves from the disputes completely. Mr. Andoh agreed and recommended a clear explanation in the contract of the prime and sub relationship, insurance, bonding, performance, etc. Mr. Huggins reminded of the next Penny campaign and the importance of DBE participation in the request for funding.

B. Discuss Finance Related to Transit Operations Contracting

Mr. Andoh explained the finance piece beginning with the 2015 Fixed Route. He pointed out that the section titled Overhead and Profit. Overhead being \$42,892.31 at 5.0% and Profit being \$85,658.46 at 1.0%. On the Paratransit side Overhead is \$61,991.49 and Profit at \$20,663.83.

Mr. Andoh showed the budget comparison to Charleston Area Regional Transportation Authority



(CARTA) to The COMET. Mr. Furgess asked about the Miscellaneous line. Mr. Andoh explained that some items did not match in comparing both budgets, so he added the difference amount to this line, \$2.6 Million. As far as salaries, Mr. Andoh confirmed that the Council Of Government (COG) pays for the operations for CARTA. Mr. Huggins requested the \$2.6 Million in the Miscellaneous line to be broken down and presented. Mr. Andoh responded that the \$2.6 Million is so high because he put depreciation in this line.

Mr. Andoh stated that we need to do a consolidated DBE goal then add this number to the prime. He added that depending on this number we will be able to see determine if it is the same, or growth or decline? Mr. Andoh confirmed that the Committee does not want a percentage any lower than our current number, cumulatively. Mr. Auger asked the percentage or the dollar value? No one could answer. Mr. Smith stated if the denominator is right it will not matter.

Mr. Andoh asked the Committee to look at the fixed service line on document 41-e, under IV. F Other (Mystery Rider Services, DBE Compliance). He stated that at the rate of \$.32 per hour the amount should be \$36 thousand we are paying \$42 thousand as result, they are profiting \$6 thousand as the rate never changed due to the Consumer Price Index (CPI). Mr. Smith asked if contractually The COMET would face recourse because we took that from Transdev? Mr. Andoh stated that we would not.

Mr. Andoh stated that they will need to see if Transdev's Mystery Rider has been DBE compliant. Mr. Andoh stressed that any DBE submitted needs to be validated by the Staff in the future. Mr. Huggins asked why we would put the Mystery Rider in the Transdev budget? Mr. Auger stated he and Mr. Andoh did not think it was a good idea. Mr. Andoh mentioned that Transdev can hide their findings, manipulate the reports, etc.

Mr. Andoh asked if the Committee would like a Staff recommendation of those four (4) categories. Everyone agreed. Mr. Smith inquired about the relationship between Paratransit and the Prime. Specifically, if Transdev was chosen again as our prime would the conflict still be an issue with Paratransit? Mr. Smith rephrased the question, do Paratransit operators typically operate under a prime? Mr. Andoh responded that usually systems our size does both prime and sub together, very few subcontract. Transdev reason of separation is because the goal was set so high.

RFI meetings will be next week and summarize the information and present that at the next meeting. Mr. Andoh asked about the committee's choice for a local DBE. Mr. Smith stated that the committee needs to develop a policy on DBE and encourage participation. Everyone agreed. Mr. Andoh concluded with during the RFP process we need to push incentives and reassure participation.



4. ADJOURN

No motion needed for adjournment.

The meeting adjourned at 1:09 p.m.

CENTRAL MIDLANDS REGIONAL TRANSIT AUTHORITY

Adopted this October, 2019, Agenda Item _____

Prepared by:



Paige Jernigan, Interim Administrative & Customer Service Specialist

Approved by:



Andy Smith, Secretary