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March 31, 2014


The Honorable Mark Leno
Chair, Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, California 95814

Dear Senator Leno:

Pursuant to Section 10500.5 of the Public Contract Code, enclosed is the University of California's annual report to the Legislature on *Small Business Utilization*.

If you have any questions regarding this report, Associate Vice President Debora Obley would be pleased to speak with you. She can be reached by telephone at (510) 987-9112, or by email at Debora.Obley@ucop.edu.

Yours very truly,


Janet Napolitano
President

Enclosure

cc: The Honorable Marty Block, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Mr. Joe Stephenshaw)
(Attn: Ms. Cheryl Black)
The Honorable Das Williams, Chair
Assembly Budget Subcommittee #2
(Attn: Mr. Mark Martin)
(Attn: Ms. Amy Rutschow)
Mr. Michael Cohen, Department of Finance
Mr. Mac Taylor, Legislative Analyst's Office
Ms. Peggy Collins, Joint Legislative Budget Committee
Mr. Gregory Schmidt, Secretary of the Senate
Ms. Tina McGee, Legislative Analyst's Office
Ms. Amy Leach, Office of the Chief Clerk of the Assembly
Mr. Jim Lasky, Legislative Counsel Bureau
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Executive Vice President Nathan Brostrom
Executive Vice President and Chief Financial Officer Peter Taylor
Senior Vice President Dan Dooley
Vice President Patrick Lenz
Associate Vice President and Director Steve Juarez
Associate Vice President Debora Obley
Executive Director Jenny Kao
Deputy Marsha Sato

Small Business Utilization

March 2014

Legislative Report



UNIVERSITY *of* CALIFORNIA

UNIVERSITY OF CALIFORNIA

Small Business Utilization (July 1, 2012- June 30, 2013)

Legislative Intent

This report on small business utilization at the University of California presents a summary of dollars awarded by campuses, medical centers, and the University-managed Department of Energy (DOE) Laboratory to small (SBE), disadvantaged (DBE), women-owned (WBE), and disabled veteran (DVBE) business enterprises in purchasing, construction, and design. It is submitted to the Legislature pursuant to the California Public Contract Code Section 10500.5 which states in relevant part:

“It is also the intent of the Legislature that the Regents of the University of California report annually to the Legislature, commencing July 1, 1985, on the participation of small disadvantaged businesses, particularly disadvantaged business enterprises, and women’s business enterprises in university business contracting.”
(Note: Approval was granted to change the annual submittal date to January 1).

POLICY TO ENSURE EQUAL OPPORTUNITY IN UNIVERSITY BUSINESS CONTRACTING

- A. It is the policy of The Regents of the University of California that race, religion, sex, color, ethnicity, and national origin will not be used as criteria in its business contracting practices except as provided in section B., below. Every effort will be made to ensure that all persons, regardless of race, religion, sex, color, ethnicity, and national origin have equal access to contracts and other business opportunities with the University.
- B. Nothing in this policy shall prohibit any action which is necessary to comply with state and federal law, or to maintain eligibility for any federal or state funded program, where ineligibility would result in a loss of funds to the University. Example of program elements that may be required are:
 - (1) establishment of annual goals for use of small, disadvantaged, women-owned, and disabled veteran business enterprises as appropriate; and
 - (2) appropriate record-keeping and preparation of annual statistical reports on the participation of small, disadvantaged, women-owned, and disabled veteran business enterprises, as suppliers, general contractors, and subcontractors.

- C. The University shall establish effective outreach programs to assure equal opportunity in business contracting.

Compliance With State and Federal Law or Regulation

California Public Contract Code Section 10500.5 requests The Regents to adopt policies and procedures to facilitate the participation of small businesses, particularly small, disadvantaged, women-owned, and disabled veteran business enterprises in business contracting with the University. California Proposition 209 was passed into law by the electorate and provides similar requirements prohibiting the use of race and gender on a statewide basis. However, The Regents' policy to ensure equal opportunity in University business contracting and California law do not prohibit the consideration of business size or disabled veteran status as criteria in University business contracting practices. Pursuant to The Regents' policy and state law, the University will comply with the provisions of Public Contract Code Section 10500.5 only in University business contracting with small or disabled veteran business enterprises; continue to set goals and timetables for small disadvantaged and women-owned business enterprises where such goals and timetables are required as a condition of federally funded contracts or grants; maintain statistics on utilization of such businesses; and rely on self-certification or Small Business Administration certification as required by federal regulation. In addition, the University will continue to utilize outreach programs to assure equality of opportunity.

Small Business Outreach

Small Business is vital to the success of the University of California and its mission. We have maintained a strong institutional commitment to Small Business over the years and it is our intention that we continue that commitment. We work together as an institution with the community to develop acquisition strategies that maximize small business participation without compromise to business requirements while ensuring that we meet the needs of our internal customers.

Each UC Campus utilizes a broad range of outreach activities designed to improve the University's access to qualified small business suppliers, including disadvantaged, women-owned and disabled veteran business enterprises. Utilization of small businesses allows us to build goodwill in the community in support of the University's commitment to access and opportunity. Each campus runs outreach program and designs new ones as needed. Small Business activities may include but are not limited to:

1. Brochures and/or other instructional materials in hard copy and electronic format on University websites designed to convey information about the University's supplier diversity and contracting programs. The material may contain a directory information on how to access the University's purchasing and contracting systems;

2. Sponsorship of trade fairs enables small businesses affordability in demonstrating their abilities and meeting potential customers/buyers;
3. Attendance at trade fairs and business opportunity events *presented* by other organizations for the purpose of meeting new qualified small businesses, including DBE, WBE and DVBE and discussing common concerns and best practices with procurement professionals and organizations.
4. Seminars for groups of small business suppliers including DBE, WBE and DVBE for the purposes of instructing them on how to do business with the University;
5. Meetings with small business suppliers on an individual basis to understand their capabilities and qualifications.
6. Visits to small business locations to tour their facilities, to better understand their capabilities and to ensure satisfactory business practices in supporting the needs of the University.
7. Participation in local organizations, which support small business interests, including groups oriented toward small businesses including DBE, WBE and DVBE; and
8. Creation and maintenance of small business information pages on UC Office of the President and campus websites to provide information on University contracting and outreach programs to interested small businesses and campus contracting personnel. Some campuses have also implemented online Supplier Diversity databases so that staff can search for certified and self-certified small businesses.

The first page displaying the utilization figures for fiscal year 2012-13 is a summary of University business contracting activity for all contracting categories (Construction, Design Professionals and Purchasing). The subsequent pages show the activity for each contracting category.

Small Business Utilization Report, FY 2012-2013
SUMMARY

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Purchasing									
Campuses & Med Ctrs	\$ 4,482,402,547	\$ 652,449,418	14.56%	\$ 92,161,271	2.06%	\$ 176,793,162	3.94%	\$ 1,328,993	0.03%
National Labs	\$ 777,625,538	\$ 350,848,641	45.12%	\$ 45,439,230	5.84%	\$ 49,783,691	6.40%	\$ 4,332,254	0.56%
PURCHASING TOTAL	\$ 5,260,028,085	\$ 1,003,298,059	19.07%	\$ 137,600,501	2.62%	\$ 226,576,853	4.31%	\$ 5,661,247	0.11%
Construction									
Campuses & Med Ctrs	\$ 947,338,674	\$ 260,708,999	27.52%	\$ 48,220,151	5.09%	\$ 97,607,739	10.30%	\$ 3,036,267	0.32%
National Labs	\$ 67,236,908	\$ 23,448,616	34.87%	\$ 3,398,079	5.05%	\$ 935,438	1.39%	\$ -	0.00%
CONSTRUCTION TOTAL	\$ 1,014,575,582	\$ 284,157,615	28.01%	\$ 51,618,230	5.09%	\$ 98,543,177	9.71%	\$ 3,036,267	0.30%
Design									
Campuses & Med Ctrs	\$ 108,294,011	\$ 33,651,478	31.07%	\$ 2,665,263	2.46%	\$ 4,681,824	4.32%	\$ 1,433,201	1.32%
National Labs	\$ 3,058,861	\$ 1,760,066	57.54%	\$ 873,268	28.55%	\$ 362,616	11.85%	\$ -	0.00%
DESIGN TOTAL	\$ 111,352,872	\$ 35,411,544	31.80%	\$ 3,538,531	3.18%	\$ 5,044,440	4.53%	\$ 1,433,201	1.29%
Grand Total	\$ 6,385,956,539	\$ 1,322,867,218	20.72%	\$ 192,757,261	3.02%	\$ 330,164,470	5.17%	\$ 10,130,715	0.16%

Small Business Utilization Report, FY 2012-2013
PURCHASING

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley Campus	\$ 23,621,126	\$ 596,310	2.52%	\$ 229,102	0.97%	\$ 1,502,287	6.36%	2,084	0.01%
Davis Campus	\$ 532,937,373	\$ 17,795,294	3.34%	\$ 3,837,102	0.72%	\$ 7,176,432	1.35%	273,062	0.05%
Davis Medical Ctr.	\$ 278,368,579	\$ 8,574,999	3.08%	\$ 2,162,398	0.78%	\$ 4,632,045	1.66%	-	0.00%
Irvine Campus	\$ 344,145,760	\$ 70,868,424	20.59%	\$ 2,354,212	0.68%	\$ 3,961,772	1.15%	379,228	0.11%
Irvine Medical Ctr.	\$ 288,278,470	\$ 98,824,530	34.28%	\$ 1,862,081	0.65%	\$ 6,895,026	2.39%	-	0.00%
Los Angeles Campus	\$ 545,848,622	\$ 133,632,027	24.48%	\$ 27,826,222	5.10%	\$ 20,707,579	3.79%	325,004	0.06%
Los Angeles Medical Ctr.	\$ 666,009,738	\$ 26,640,390	4.00%	\$ 23,976,351	3.60%	\$ 17,865,015	2.68%	-	0.00%
Merced Campus	\$ 28,685,811	\$ 9,963,547	34.73%	\$ 458,805	1.60%	\$ 767,160	2.67%	850	0.00%
Riverside Campus	\$ 77,110,078	\$ 17,034,630	22.09%	\$ 4,754,500	6.17%	\$ 3,940,627	5.11%	6,891	0.01%
San Diego Campus	\$ 552,670,815	\$ 109,502,981	19.81%	\$ 9,502,726	1.72%	\$ 13,843,843	2.50%	198,024	0.04%
San Diego Medical Ctr.	\$ 310,846,879	\$ 41,881,429	13.50%	\$ 546,566	0.20%	\$ 37,795,420	12.20%	771	0.02%
San Francisco	\$ 115,586,021	\$ 378,867	0.33%	\$ 211,876	0.18%	\$ 2,511,464	2.17%	32,802	0.03%
San Francisco Med. Ctr.	\$ 328,531,032	\$ 25,356,357	7.72%	\$ 1,021,210	0.31%	\$ 48,296,617	14.70%	13,293	0.00%
Santa Barbara Campus	\$ 145,897,475	\$ 35,995,234	24.67%	\$ 626,674	0.43%	\$ 237,602	0.16%	-	0.00%
Santa Cruz Campus	\$ 74,035,918	\$ 33,381,686	45.09%	\$ 4,300,652	5.81%	\$ 4,164,424	5.62%	24,052	0.03%
Office of the President	\$ 169,828,851	\$ 22,022,714	12.97%	\$ 8,490,793	5.00%	\$ 2,495,848	1.47%	72,932	0.04%
TOTAL CAMPUS	\$ 4,482,402,547	\$ 652,449,418	14.56%	\$ 92,161,271	2.06%	\$ 176,793,162	3.94%	1,328,993	0.03%
Berkeley Lab	\$ 219,832,027	\$ 118,106,714	53.73%	\$ 17,827,383	8.11%	\$ 15,756,744	7.17%	4,332,254	1.97%
Livermore Lab	\$ 557,793,511	\$ 232,741,927	41.73%	\$ 27,611,847	4.95%	\$ 34,026,947	6.10%	-	0.00%
TOTAL LABS	\$ 777,625,538	\$ 350,848,641	45.12%	\$ 45,439,230	5.84%	\$ 49,783,691	6.40%	4,332,254	0.56%
PURCHASING TOTAL	\$ 5,260,028,085	\$ 1,003,298,059	19.07%	\$ 137,600,501	2.62%	\$ 226,576,853	4.31%	\$ 5,661,247	0.11%

Small Business Utilization Report, FY 2012-2013

CONSTRUCTION

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley Campus	\$ 20,500,000	\$ 2,775,957	13.5%	\$ 21,290	0.10%	\$ 316,757	1.55%	\$ 12,000	0.06%
Davis Campus	\$ 88,709,444	\$ 36,370,205	41.00%	\$ 2,740,331	3.09%	\$ 5,334,963	6.01%	\$ 113,105	0.13%
Davis Medical Ctr.	\$ 11,320,835	\$ 7,273,279	64.25%	\$ -	0.00%	\$ 224,228	1.98%	\$ -	0.00%
Irvine Campus	\$ 120,118,234	\$ 12,325,319	10.26%	\$ 330,246	0.27%	\$ 3,175,781	2.64%	\$ 1,858,050	1.55%
Irvine Medical Ctr.	\$ 8,973,163	\$ 5,097,701	56.81%	\$ -	0.00%	\$ 420,570	4.69%	\$ -	0.00%
Los Angeles Campus	\$ 225,909,900	\$ 62,092,864	27.50%	\$ 17,908,109	7.90%	\$ 36,007,884	15.90%	\$ 561,156	0.20%
Los Angeles Medical Ctr.	\$ 8,470,427	\$ 649,847	7.67%	\$ 2,025,010	23.91%	\$ 41,480	0.49%	\$ -	0.00%
Merced Campus	\$ 69,904,068	\$ 7,215,047	10.32%	\$ 337,424	0.48%	\$ 384,400	0.55%	\$ -	0.00%
Riverside	\$ 193,165,044	\$ 62,987,524	32.60%	\$ 16,789,427	8.70%	\$ 43,620,784	22.60%	\$ 7,700	0.04%
San Diego Campus	\$ 56,350,579	\$ 23,708,234	42.07%	\$ 3,579,059	6.35%	\$ 4,267,517	7.57%	\$ 399,871	0.71%
San Diego Medical Ctr.	\$ 5,864,946	\$ 1,319,800	22.50%	\$ -	0.00%	\$ 18,080	0.31%	\$ -	0.00%
San Francisco	\$ 39,080,890	\$ 17,327,898	44.3%	\$ 1,300,722	3.3%	\$ 827,440	2.1%	\$ 84,385	0.22%
San Francisco Med. Ctr.	\$ 24,601,410	\$ 10,412,778	42.3%	\$ 1,510,696	6.1%	\$ 2,857,808	11.6%	\$ -	0.0%
Santa Barbara Campus	\$ 20,780,572	\$ 5,841,043	28.11%	\$ 1,413,828	6.80%	\$ 110,047	0.53%	\$ -	0.00%
Santa Cruz Campus	\$ 53,589,162	\$ 5,311,502	9.90%	\$ 264,009	0.50%	\$ -	0.00%	\$ -	0.00%
TOTAL CAMPUS	\$ 947,338,674	\$ 260,708,999	27.52%	\$ 48,220,151	5.09%	\$ 97,607,739	10.30%	\$ 3,036,267	0.32%
Berkeley Lab	\$ 23,524,531	\$ 10,029,406	42.63%	\$ -	0.00%	\$ 480,980	2.04%	\$ -	0.00%
Livermore Lab	\$ 43,712,377	\$ 13,419,210	30.70%	\$ 3,398,079	7.77%	\$ 454,458	1.04%	\$ -	0.00%
TOTAL LABS	\$ 67,236,908	\$ 23,448,616	34.87%	\$ 3,398,079	5.05%	\$ 935,438	1.39%	\$ -	0.00%
CONSTRUCTION TOTAL	\$ 1,014,575,582	\$ 284,157,615	28.01%	\$ 51,618,230	5.09%	\$ 98,543,177	9.71%	\$ 3,036,267	0.30%

Small Business Utilization Report, FY 2012-2013

DESIGN

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley Campus	\$ 22,678,075	\$ -	0.00%	\$ 27,164	0.12%	\$ 3,503	0.02%	\$ -	0.00%
Davis Campus	\$ 9,248,734	\$ 2,658,866	28.75%	\$ 153,483	1.66%	\$ 194,456	2.10%	\$ -	0.00%
Davis Medical Ctr.	\$ 4,771,296	\$ 548,791	11.50%	\$ 256,330	5.37%	\$ 156,851	3.29%	\$ -	0.00%
Irvine Campus	\$ 2,507,233	\$ 435,804	17.38%	\$ 318,170	12.69%	\$ 65,572	2.62%	\$ -	0.00%
Irvine Medical Ctr.	\$ 3,535,804	\$ 1,986,689	56.19%	\$ 314,923	8.91%	\$ 45,820	1.30%	\$ 1,396,201	39.49%
Los Angeles Campus	\$ 14,306,028	\$ 2,023,988	14.10%	\$ 234,405	1.60%	\$ 91,100	0.60%	\$ -	0.00%
Los Angeles Medical Ctr.	\$ 775,438	\$ 217,179	28.01%	\$ 111,230	14.34%	\$ 121,114	15.62%	\$ -	0.00%
Merced Campus	\$ 4,580,888	\$ 998,010	21.79%	\$ -	0.00%	\$ 29,595	0.65%	\$ -	0.00%
Riverside	\$ 1,311,901	\$ 634,433	48.40%	\$ 56,337	4.30%	\$ 36,987	2.80%	\$ -	0.00%
San Diego Campus	\$ 7,774,898	\$ 5,704,700	73.37%	\$ 104,557	1.34%	\$ 297,516	3.83%	\$ 20,000	0.26%
San Diego Medical Ctr.				(Numbers are included in the Construction totals)					
San Francisco	\$ 9,910,360	\$ 3,335,850	33.7%	\$ 595,527	6.0%	\$ 1,023,671	10.3%	\$ -	0.00%
San Francisco Med. Ctr.	\$ 15,478,966	\$ 8,867,339	57.3%	\$ 163,098	1.1%	\$ 2,411,070	15.6%	\$ -	0.0%
Santa Barbara Campus	\$ 7,455,646	\$ 3,732,597	50.06%	\$ 99,980	1.34%	\$ 162,479	2.18%	\$ 17,000	0.23%
Santa Cruz Campus	\$ 3,958,744	\$ 2,507,233	63.30%	\$ 230,058	5.80%	\$ 42,090	1.10%	\$ -	0.00%
TOTAL CAMPUS	\$ 108,294,011	\$ 33,651,478	31.07%	\$ 2,665,263	2.46%	\$ 4,681,824	4.32%	\$ 1,433,201	1.32%
Berkeley Lab	\$ 2,534,942	\$ 1,493,147	58.90%	\$ 820,814	32.38%	\$ 362,616	14.30%	\$ -	0.00%
Livermore Lab	\$ 523,919	\$ 266,919	50.95%	\$ 52,454	10.01%	\$ -	0.00%	\$ -	0.00%
TOTAL LABS	\$ 3,058,861	\$ 1,760,066	57.54%	\$ 873,268	28.55%	\$ 362,616	11.85%	\$ -	0.00%
DESIGN TOTAL	\$ 111,352,872	\$ 35,411,544	31.80%	\$ 3,538,531	3.18%	\$ 5,044,440	4.53%	\$ 1,433,201	1.29%