

PART 5

PURCHASING AND PUBLIC POLICY

Part 5 describes the University's program to ensure equal opportunity in University business contracting.

I. SCOPE

University Policy - It is the policy 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.

This policy is to be implemented to the extent consistent with basic University materiel management principles which, especially as they pertain to purchasing activities, include:

1. Recognition that the basic purpose of materiel management is to support the teaching, research, and public service missions of the University in a cost-effective manner which best serves the interests of the people of the State of California.
2. Full compliance with obligations undertaken by the University as set forth in the specific terms, conditions, and provisions of Federal contracts and grants, and other similar extramural sponsor agreements.
3. Assurance that no firm seeking to do business with the University shall be discriminated against because it is owned by a person or persons of a particular race; color; religion; age; marital status; national origin; ancestry; sex; sexual orientation; physical or mental handicap; medical condition; status as a Vietnam era veteran or disabled veteran; or, within the limits imposed by law or University regulations, because of citizenship.

II. IMPLEMENTATION

- A. General - The University conducts its purchasing activities in the most consistent manner possible regardless of fund source. However, the University recognizes its obligations in connection with extramural contracts and grants by incorporating the requirements of statute, Executive Order, and regulation into its purchasing activities.
- B. Program Development - Chancellors and Laboratory Directors shall develop written programs to implement requirements applicable to the above stated University policy and this Section II.

- C. Public Funding - Nothing in the above policy shall prohibit any action which is necessary to comply with state or federal law, or to maintain eligibility for any state or federal program where ineligibility would result in a loss of funds.

Examples 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; and
2. Appropriate record keeping and preparation of annual statistical reports on the participation of small, disadvantaged, women-owned, and disabled veteran business enterprises.

- D. Outreach - Chancellors and Laboratory Directors shall develop and implement effective outreach programs to assure equal opportunity in business contracting. Such programs shall:

1. Create an awareness of business opportunities available from the University and, in the process, apply continuing effort to develop potential new sources of supply.
2. Obtain written representation from suppliers regarding their status as a small, disadvantaged, women-owned, or disabled veteran business enterprise.
3. Determine the availability and inventory, or other relevant capability, of suppliers identified in the preceding categories either through investigation or through written representation from such suppliers.
4. Evaluate goods and services needs to determine to what extent these suppliers can participate and, when practicable, provide specifications to facilitate participation.
5. Encourage participation through trial purchases and other means, such as arranging orientation visits to facilitate communication and understanding, or consulting on methods the University employs.
6. Increase competitiveness by providing adequate time to prepare quotations, and to establish quantities, specifications, and schedules consistent with the requirements of the specific program or project.
7. Increase outreach efforts by participating in trade fairs, meetings, and seminars and maintain records to support such participation and other outreach efforts.

8. Cooperate in studies or surveys that may be conducted by the SBA or the contracting agency which may be necessary to evaluate the University's compliance with the provisions of this Section II.

E. Records, Reports

1. Records - Identify supplier categories and maintain records of purchases applicable to small, disadvantaged women-owned, and disabled veteran business concerns.
2. Reports - Reports from campuses shall be as specified by the Office of the President. Reports for DOE Laboratories shall be in accordance with the terms of the DOE contract.

III. IMPLEMENTATION OF AFFIRMATIVE ACTION IN BUSINESS CONTRACTING FOR FEDERAL CONTRACTS OVER \$500,000

A formal subcontracting plan is to be submitted to a Federal sponsor when the prime contract, negotiated amendment, or modification is over \$500,000 for goods and services, is neither for personal services nor to be performed entirely (including all subcontracts) outside the United States, and offers subcontracting possibilities.

The dollar thresholds of \$500,000 and \$1 million are not cumulative amounts, but are one-time amounts of new funds to be awarded by the instant contract action, i.e., if the total estimated cost of an ongoing research contract is increased by \$100,000, from \$420,000 to \$520,000, the requirement for a subcontracting plan does not apply.

The determination as to whether there are subcontracting possibilities rests with the University. Consultation between Materiel Management staff and Principal Investigators, Program, or Technical Staff will be the basis for determining if goods and services required for a subcontract over \$500,000 are available from small, small disadvantaged, and women-owned business concerns consistent with efficient utilization of on-site shop facilities, minimum program delay, and efficient performance of the contract.

The requirements for subcontracting plans and flow down to subcontractors are described in the Federal Acquisition Regulations, FAR 52.219-9.