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January 6, 2011

The Honorable Denise Moreno Ducheny  
Chair, Joint Legislative Budget Committee  
1020 N Street, Room 553  
Sacramento, California 95814

Attention: Ms. Jody Martin

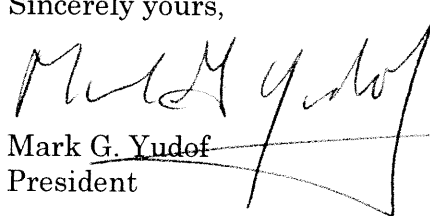
Dear Senator Ducheny:

Pursuant to Section 10500.5 of the Public Contract Code, I am pleased to enclose the University of California's annual report to the Legislature on *Small Business Utilization, 2009-2010*.

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 e-mail at [Debora.Obley@ucop.edu](mailto:Debora.Obley@ucop.edu).

With best wishes, I am,

Sincerely yours,



Mark G. Yudof  
President

Enclosure

cc: Mr. Gregory Schmidt, Secretary of the Senate  
Ms. Jody Martin, JLBC  
Ms. Tina McGree, Legislative Analyst's Office  
Ms. Amy Leach, Office of the Chief Clerk of the Assembly  
Ms. Diane Anderson, Legislative Counsel Bureau  
Executive Vice President Nathan Brostrom  
Chief Financial Officer Peter J. Taylor  
Vice President Patrick Lenz  
Associate Vice President and Director Steve Juarez  
Associate Vice President Debora Obley  
Executive Director Jenny Kao

**Report on Small Business Utilization, 2009-2010**

July 1, 2009 - June 30, 2010

January 2011

Legislative Report

**An investment in UC pays  
dividends far beyond what  
can be measured in dollars.  
An educated, high-achieving  
citizenry is priceless.**

## UNIVERSITY OF CALIFORNIA

### Report on Small Business Utilization

July 1, 2009 - June 30, 2010

#### **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**

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 promotes 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 interest, including groups oriented toward small businesses including DBE, WBE and DVBE; and
8. Creation and maintenance of small business information pages other 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 report is divided into four pages. The first page is a summary of University business contracting activity for all contracting categories (Purchasing, Construction, and Design Professionals). The subsequent pages show the activity for each contracting category. Campus/Medical Center activity and DOE Laboratory activity are shown separately on each page.

**Small Business Utilization, FY 2009-10**

**PURCHASING**

| <b>Location</b>       | <b>Total \$ Expenditure</b> | <b>SBE</b>         | <b>%</b>     | <b>DBE</b>        | <b>%</b>    | <b>WBE</b>        | <b>%</b>    | <b>DVBE</b>      | <b>%</b>    |
|-----------------------|-----------------------------|--------------------|--------------|-------------------|-------------|-------------------|-------------|------------------|-------------|
| Berkeley              | \$ 292,865,174              | 54,339,988         | 18.6%        | 6,463,226         | 2.2%        | 2,695,717         | 0.9%        | 554,659          | 0.2%        |
| Davis Campus          | 523,558,046                 | 28,015,233         | 5.4%         | 3,532,962         | 0.7%        | 6,751,601         | 1.3%        | 138,128          | 0.0%        |
| Davis Med Ctr         | <i>Not Available</i>        |                    |              |                   |             |                   |             |                  |             |
| Irvine Campus         | 88,679,166                  | 36,980,591         | 41.7%        | 8,278,720         | 9.3%        | 2,498,535         | 2.8%        | 209,535          | 0.2%        |
| Irvine Med Ctr        | 232,649,680                 | 73,193,767         | 31.5%        | 1,623,104         | 0.7%        | 8,471,117         | 3.6%        | 0.0              | 0.0%        |
| Los Ang. Campus       | 431,080,451                 | 109,009,938        | 25.3%        | 23,751,506        | 5.5%        | 13,670,580        | 3.2%        | 55,472           | 0.0%        |
| Los Ang. Med Ctr      | 363,326,716                 | 4,178,257          | 1.1%         | 4,094,692         | 1.1%        | 1,128,129         | 0.3%        | 0.0              | 0.0%        |
| UC Office of the Pres | 122,262,723                 | 21,057,143         | 17.2%        | 4,056,829         | 3.3%        | 965,068           | 0.8%        | 0.0              | 0.0%        |
| Merced                | 20,531,667                  | 8,655,801          | 42.2%        | 764,288           | 3.7%        | 709,832           | 3.5%        | 0.0              | 0.0%        |
| Riverside             | 59,177,634                  | 16,246,319         | 27.5%        | 3,279,620         | 5.5%        | 3,278,679         | 5.5%        | 24,553           | 0.0%        |
| S. Diego Campus       | 412,022,488                 | 62,725,311         | 15.2%        | 11,190,157        | 2.7%        | 1,387,518         | 0.3%        | 51,099           | 0.0%        |
| S. Diego Med Ctr      | 4,908,589                   | 1,560,537          | 31.8%        | -                 | 0.0%        | 17,444            | 0.4%        | -                | 0.0%        |
| San Francisco         | 513,074,774                 | 9,432,464          | 1.8%         | 696,004           | 0.1%        | 2,127,950         | 0.4%        | 6,030            | 0.0%        |
| San Francisco Med Ctr | 1,791,439,069               | 16,304,219         | 0.9%         | 4,960             | 0.0%        | 26,436,551        | 1.5%        | 30,933           | 0.0%        |
| Santa Barbara         | 46,159,748                  | 21,454,640         | 46.5%        | 147,914           | 0.3%        | 111,118           | 0.2%        | 4,959            | 0.0%        |
| Santa Cruz            | 74,659,813                  | 37,527,878         | 50.3%        | 4,199,846         | 5.6%        | 3,191,486         | 4.3%        | 77,302           | 0.1%        |
| <b>TOTAL CAMPUS</b>   | <b>4,976,395,738</b>        | <b>500,682,086</b> | <b>10.1%</b> | <b>72,083,828</b> | <b>1.4%</b> | <b>73,441,325</b> | <b>1.5%</b> | <b>1,152,670</b> | <b>0.0%</b> |
| Lawrence Berkeley Lab | 301,593,880                 | 158,965,732        | 52.7%        | 23,385,740        | 7.7%        | 25,102,357        | 8.3%        | 241,160          | 0.0%        |
| <b>TOTAL LABS</b>     | <b>301,593,880</b>          | <b>158,965,732</b> | <b>52.7%</b> | <b>23,385,740</b> | <b>7.7%</b> | <b>25,102,357</b> | <b>8.3%</b> | <b>241,160</b>   | <b>0.0%</b> |
| <b>TOTAL</b>          | <b>5,277,989,618</b>        | <b>659,647,818</b> | <b>12.5%</b> | <b>95,469,568</b> | <b>1.8%</b> | <b>98,543,682</b> | <b>1.9%</b> | <b>1,393,830</b> | <b>0.0%</b> |

**Small Business Utilization, FY 2009-10**

**CONSTRUCTION**

| <b>Location</b>       | <b>Total \$ Expenditure</b> | <b>SBE</b>         | <b>%</b>     | <b>DBE</b>        | <b>%</b>    | <b>WBE</b>        | <b>%</b>    | <b>DVBE</b>      | <b>%</b>    |
|-----------------------|-----------------------------|--------------------|--------------|-------------------|-------------|-------------------|-------------|------------------|-------------|
| Berkeley              | 222,441,370                 | 7,244,241          | 3.3%         | 182,228           | 0.1%        | 196,326           | 0.1%        | 28,369           | 0.0%        |
| Davis Campus          | 66,955,146                  | 28,122,072         | 42.0%        | 1,883,871         | 2.8%        | 609,198           | 0.9%        | 4,214,071        | 6.3%        |
| Davis Med Ctr         | <i>Included in campus</i>   |                    |              |                   |             |                   |             |                  |             |
| Irvine Campus         | 91,150,240                  | 7,460,822          | 8.2%         | 497,022           | 0.5%        | 1,823,839         | 2.0%        | 121,084          | 0.1%        |
| Irvine Med Ctr        | <i>Included in campus</i>   |                    |              |                   |             |                   |             |                  |             |
| Los Ang. Campus       | 324,428,750                 | 17,811,082         | 5.5%         | 5,287,570         | 1.6%        | 2,154,730         | 0.7%        | 0.0              | 0.0%        |
| Los Ang. Med Ctr      | 6,268,812                   | 0.0                | 0.0%         | 59,950            | 1.0%        | 0.0               | 0.0%        | 0.0              | 0.0%        |
| UC Office of the Pres | <i>Included in campus</i>   |                    |              |                   |             |                   |             |                  |             |
| Merced                | 25,252,864                  | 4,507,705          | 17.9%        | 315,264           | 1.2%        | 396,332           | 1.6%        | 0.0              | 0.0%        |
| Riverside             | 4,954,445                   | 2,286,609          | 46.2%        | 0                 | 0.0%        | 33,800            | 0.7%        | 11,500           | 0.2%        |
| S. Diego Campus       | 248,281,330                 | 27,310,946         | 11.0%        | 1,862,109         | 0.7%        | 7,448,439         | 3.0%        | 0.0              | 0.0%        |
| S. Diego Med Ctr      | <i>Included in campus</i>   |                    |              |                   |             |                   |             |                  |             |
| San Francisco         | 189,097,339                 | 16,099,063         | 8.5%         | 1,969,630         | 1.0%        | 5,244,871         | 2.8%        | 83,630           | 0.0%        |
| San Francisco Med Ctr | 19,025,215                  | 3,633,562          | 19.1%        | 300,987           | 1.6%        | 268,719           | 1.4%        | 0.0              | 0.0%        |
| Santa Barbara         | 24,337,865                  | 498,603            | 2.0%         | 593,864           | 2.4%        | 99,965            | 0.4%        | 0.0              | 0.0%        |
| Santa Cruz            | 55,766,830                  | 3,847,360          | 6.9%         | 368,724           | 0.7%        | 26,913            | 0.0%        | 0.0              | 0.0%        |
| <b>TOTAL CAMPUS</b>   | <b>1,277,960,206</b>        | <b>118,822,065</b> | <b>9.3%</b>  | <b>13,321,219</b> | <b>1.0%</b> | <b>18,303,132</b> | <b>1.4%</b> | <b>4,458,654</b> | <b>0.3%</b> |
| Lawrence Berkeley Lab | 25,556,841                  | 10,344,684         | 40.5%        | 0.0               | 0.0%        | 1,634             | 0.0%        | 0.0              | 0.0%        |
| <b>TOTAL LABS</b>     | <b>25,556,841</b>           | <b>10,344,684</b>  | <b>40.5%</b> | <b>0.00</b>       | <b>0.0%</b> | <b>1,634</b>      | <b>0.0%</b> | <b>0.0</b>       | <b>0.0%</b> |
| <b>TOTAL</b>          | <b>1,303,517,047</b>        | <b>129,166,749</b> | <b>9.9%</b>  | <b>13,321,219</b> | <b>1.0%</b> | <b>18,304,766</b> | <b>1.4%</b> | <b>4,458,654</b> | <b>0.3%</b> |

**Small Business Utilization, FY 2009-10**

**DESIGN**

| <b>Location</b>       | <b>Total \$ Expenditure</b> | <b>SBE</b>        | <b>%</b>     | <b>DBE</b>        | <b>%</b>     | <b>WBE</b>       | <b>%</b>    | <b>DVBE</b>   | <b>%</b>    |
|-----------------------|-----------------------------|-------------------|--------------|-------------------|--------------|------------------|-------------|---------------|-------------|
| Berkeley              | 34,318,273                  | 2,882,792         | 8.4%         | 453,538           | 1.3%         | 830,184          | 2.4%        | 4,052         | 0.0%        |
| Davis Campus          | 14,759,237                  | 8,826,127         | 59.8%        | 694,019           | 4.7%         | 150,197          | 1.0%        | 17,792        | 0.1%        |
| Davis Med Ctr         | <i>Included in campus</i>   |                   |              |                   |              |                  |             |               |             |
| Irvine Campus         | 5,323,603                   | 2,467,671         | 46.4%        | 448,394           | 8.4%         | 285,802          | 5.4%        | 0.0           | 0.0%        |
| Irvine Med Ctr        | <i>Included in campus</i>   |                   |              |                   |              |                  |             |               |             |
| Los Ang.Campus        | 9,540,197                   | 2,382,560         | 25.0%        | 881,275           | 9.2%         | 663,715          | 7.0%        | 0.0           | 0.0%        |
| Los Ang.Med Ctr       | <i>Included in campus</i>   |                   |              |                   |              |                  |             |               |             |
| UC Office of the Pres | <i>Included in campus</i>   |                   |              |                   |              |                  |             |               |             |
| Merced                | 7,071,264                   | 811,152           | 11.5%        | 0.0               | 0.0%         | 0.0              | 0.0%        | 0.0           | 0.0%        |
| Riverside             | 8,146,866                   | 220,465           | 2.7%         | 0.0               | 0.0%         | 0.0              | 0.0%        | 2,375         | 0.0%        |
| S.Diego Campus        | 30,229,339                  | 6,952,747         | 23.0%        | 906,880           | 3.0%         | 1,662,613        | 5.5%        | 0.0           | 0.0%        |
| S.Diego Med Ctr       | <i>Included in campus</i>   |                   |              |                   |              |                  |             |               |             |
| San Francisco         | 56,373,412                  | 16,010,908        | 28.4%        | 9,300,786         | 16.5%        | 1,284,271        | 2.3%        | 0.0           | 0.0%        |
| San Francisco Med Ctr | 13,761,614                  | 4,077,726         | 29.6%        | 274,099           | 2.0%         | 904,459          | 6.6%        | 0.0           | 0.0%        |
| Santa Barbara         | 4,798,342                   | 1,053,815         | 22.0%        | 6,500             | 0.1%         | 0.0              | 0.0%        | 0.0           | 0.0%        |
| Santa Cruz            | 8,534,467                   | 2,075,561         | 24.3%        | 140,723           | 1.6%         | 120,585          | 1.4%        | 0.0           | 0.0%        |
| <b>TOTAL CAMPUS</b>   | <b>192,856,614</b>          | <b>47,761,524</b> | <b>24.8%</b> | <b>13,106,214</b> | <b>6.8%</b>  | <b>5,901,826</b> | <b>3.1%</b> | <b>24,219</b> | <b>0.0%</b> |
| Lawrence Berkeley Lab | 5,903,011                   | 3,645,232         | 61.8%        | 1,494,689         | 25.3%        | 89,402           | 1.5%        | 0.0           | 0.0%        |
| <b>TOTAL LABS</b>     | <b>5,903,011</b>            | <b>3,645,232</b>  | <b>61.8%</b> | <b>1,494,689</b>  | <b>25.3%</b> | <b>89,402</b>    | <b>1.5%</b> | <b>0.0%</b>   | <b>0.0%</b> |
| <b>TOTAL</b>          | <b>198,759,625</b>          | <b>51,406,756</b> | <b>25.9%</b> | <b>14,600,903</b> | <b>7.3%</b>  | <b>5,991,228</b> | <b>3.0%</b> | <b>24,219</b> | <b>0.0%</b> |



**Small Business Utilization, FY 2009-10  
SUMMARY**

| <b>Location</b>           | <b>Total \$ Expenditure</b> | <b>SBE</b>         | <b>%</b>     | <b>DBE</b>         | <b>%</b>    | <b>WBE</b>         | <b>%</b>    | <b>DVBE</b>      | <b>%</b>    |
|---------------------------|-----------------------------|--------------------|--------------|--------------------|-------------|--------------------|-------------|------------------|-------------|
| <b>Purchasing</b>         |                             |                    |              |                    |             |                    |             |                  |             |
| Campuses & Med Ctrs       | 4,976,395,738               | 500,682,086        | 10.1%        | 72,083,828         | 1.4%        | 73,441,325         | 1.5%        | 1,152,670        | 0.0%        |
| National Labs             | 301,593,880                 | 158,965,732        | 52.7%        | 23,385,740         | 7.8%        | 25,102,357         | 8.3%        | 241,160          | 0           |
| <i>Purchasing Total</i>   | <b>5,277,989,618</b>        | <b>659,647,818</b> | <b>12.5%</b> | <b>95,469,568</b>  | <b>1.8%</b> | <b>98,543,682</b>  | <b>1.9%</b> | <b>1,393,830</b> | <b>0.0%</b> |
| <b>Construction</b>       |                             |                    |              |                    |             |                    |             |                  |             |
| Campuses & Med Ctrs       | 1,277,960,206               | 118,822,065        | 9.3%         | 13,321,219         | 1.0%        | 18,303,132         | 1.4%        | 4,458,654        | 0.3%        |
| National Labs             | 25,556,841                  | 10,344,684         | 40.5%        | 0.0                | 0.0         | 1,634              | 0.0         | 0.0              | 0.0%        |
| <i>Construction Total</i> | <b>1,303,517,047</b>        | <b>129,166,749</b> | <b>9.9%</b>  | <b>13,321,219</b>  | <b>1.0%</b> | <b>18,304,766</b>  | <b>1.4%</b> | <b>4,458,654</b> | <b>0.3%</b> |
| <b>Design</b>             |                             |                    |              |                    |             |                    |             |                  |             |
| Campuses & Med Ctrs       | 192,856,614                 | 47,761,524         | 24.8%        | 13,106,214         | 6.8%        | 5,901,826          | 3.1%        | 24,219           | 0.0%        |
| National Labs             | 5,903,011                   | 3,645,232          | 61.8%        | 1,494,689          | 25.3%       | 89,402             | 2.5%        | 0                | 0.0%        |
| <i>Design Total</i>       | <b>198,759,625</b>          | <b>51,406,756</b>  | <b>25.9%</b> | <b>14,600,903</b>  | <b>7.3%</b> | <b>5,991,228</b>   | <b>3.0%</b> | <b>24,219</b>    | <b>0.0%</b> |
| <b>Grand Total</b>        | <b>6,780,266,290</b>        | <b>840,221,323</b> | <b>12.4%</b> | <b>123,391,690</b> | <b>1.8%</b> | <b>122,839,676</b> | <b>1.8%</b> | <b>5,876,703</b> | <b>0.1%</b> |

**Contact information:**

UCOP Budget and Capital Resources  
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