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January 23, 2012

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, FY 2010-11*.

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.

With best wishes, I am,

Sincerely yours,

A handwritten signature in black ink, appearing to read "M. G. Yudof", written over a white background.

Mark G. Yudof
President

Enclosure

cc: Ms. Jody Martin, Joint Legislative Budget Committee
Ms. Tina McGree, Legislative Analyst's Office
Ms. Amy Leach, Office of the Chief Clerk of the Assembly
Mr. Jim Lasky, Legislative Counsel Bureau
Mr. Gregory Schmidt, Secretary of the Senate
Mr. Dotson Wilson, Chief Clerk of the Assembly
Ms. Ana J. Matosantos, Director of Finance
Ms. Sara Swan, Department of Finance
Executive Vice President Nathan Brostrom
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

Small Business Utilization, FY 2010-11

January 2012

Legislative Report



UNIVERSITY *of* CALIFORNIA

UNIVERSITY OF CALIFORNIA

Small Business Utilization Report, FY 2010-11

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 California Public Contract Code Section 10500.5, which states in 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 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 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.

Contact information:

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**Small Business Utilization Report, FY 2010-11
SUMMARY**

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Purchasing									
Campuses & Med Ctrs	4,668,985,973	515,856,751	11.05%	72,006,359	1.54%	86,523,681	1.85%	809,601	0.02%
National Labs	290,555,887	148,587,112	51.14%	24,071,050	8.28%	17,506,439	6.03%	529,922	0.18%
Purchasing Total	4,959,541,860	664,443,863	13.4%	96,077,409	1.9%	104,030,120	2.1%	1,339,523	0.0%
Construction									
Campuses & Med Ctrs	1,384,028,804	171,513,053	12.39%	13,194,710	0.95%	23,796,008	1.72%	1,361,668	0.10%
National Labs	42,166,462	7,803,223	18.51%	1350.0	0.00%	201,487	0.48%	0.0	0.0%
Construction Total	1,426,195,266	179,316,276	12.6%	13,196,060	0.9%	23,997,495	1.7%	1,361,668	0.1%
Design									
Campuses & Med Ctrs	292,349,647	94,582,638	32.35%	23,022,982	7.88%	8,157,538	2.79%	126,568	0
National Labs	4,835,548	2,152,398	44.51%	504,312	10.43%	484,683	10.02%	0.00%	0.00%
Design Total	297,185,195	96,735,036	32.6%	23,527,294	7.9%	8,642,221	2.9%	126,568	0.0%
Grand Total	6,682,922,321	940,495,175	14.1%	132,800,763	2.0%	136,669,836	2.0%	2,827,759	0.0%

**Small Business Utilization Report, FY 2010-11
PURCHASING**

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley	531,117,684	478,380	0.09%	15,897	0.00%	22,935,966	4.32%	518,380	0.10%
Davis Campus	521,516,127	30,904,299	5.93%	4,080,181	0.78%	7,680,116	1.47%	133,985	0.03%
Davis Med Ctr	254,501,257	9,574,645	3.76%	1,331,844	0.52%	3,431,434	1.35%	1,128	0.00%
Irvine Campus	64,515,380	42,369,851	65.67%	5,694,974	8.83%	3,536,991	5.48%	173,804	0.27%
Irvine Med Ctr	254,783,306	80,645,733	31.65%	37,165	0.01%	6,570,445	2.58%	0	0.00%
Los Ang. Campus	488,007,172	119,513,216	24.49%	26,490,853	5.43%	15,221,612	3.12%	285,970	0.06%
Los Ang. Med Ctr	393,864,344	4,923,304	1.25%	4,824,838	1.22%	1,329,292	0.34%	0	0.00%
UC Office of the Pres	102,949,711	19,341,924	18.79%	3,944,881	3.83%	1,019,202	0.99%	43,887	0.04%
Merced	27,248,242	9,734,785	35.73%	600,431	2.20%	653,834	2.40%	0	0.00%
Riverside	73,935,140	19,305,157	26.11%	3,925,499	5.31%	2,852,784	3.86%	7,081	0.01%
S. Diego Campus	461,317,225	78,665,590	17.05%	17,083,155	3.70%	4,490,119	0.97%	102,833	0.02%
S. Diego Med Ctr	314,401,996	23,951,990	7.62%	20,480	0.01%	34,858,624	11.09%	0.00	11.09%
San Francisco	627,552,835	5,563,791	0.89%	682,975	0.11%	892,030	0.14%	32	0.00%
San Francisco Med Ctr	368,749,189	17,655,487	4.79%	8,928	0.00%	763,381	0.21%	27,058	0.01%
Santa Barbara	48,114,427	18,038,411	37.49%	20,208	0.04%	79,713	0.17%	0	0.00%
Santa Cruz	136,411,938	35,668,568	26.15%	3,259,947	2.39%	3,144,104	2.30%	33,823	0.02%
TOTAL CAMPUS	4,668,985,973	515,856,751	11.05%	72,006,359	1.54%	86,523,681	1.85%	809,601	0.02%
Lawrence Berkeley Lab	290,555,887	148,587,112	51.14%	24,071,050	8.28%	17,506,439	6.03%	529,922	0.18%
TOTAL LABS	290,555,887	148,587,112	51.14%	24,071,050	8.28%	17,506,439	6.03%	529,922	0.18%
TOTAL	4,959,541,860	664,443,863	13.40%	96,077,409	1.94%	104,030,120	2.10%	1,339,523	0.03%

Small Business Utilization Report, FY 2010-11
CONSTRUCTION

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley	15,442,540	1,856,162	12.02%	25,306	0.16%	26,225	0.17%	0	0.00%
Davis Campus Davis Med Ctr	94,424,242 <i>Included in campus</i>	14,992,661	15.88%	696,715	0.74%	2,701,216	2.86%	1,034,035 *	1.10%
Irvine Campus Irvine Med Ctr	187,660,685 7,144,650	24,823,275 2,126,417	13.23% 29.76%	339,040 0	0.18% 0.0	7,471,515 157,788	3.98% 2.21%	48,000.0 0	0.03% 0.00%
Los Ang. Campus Los Ang. Med Ctr UC Office of the Pres	90,834,566 <i>Not Available</i> <i>Included in campus</i>	57,676,978	63.50%	2,190,851	2.41%	9,765,240	10.75%	0	0.00% 0.00% 0.00%
Merced	27,209,998	3,812,168	14.01%	561,126	2.06%	0	0.00%	0	0.00%
Riverside	21,361,521	866,773	4.06%	111,915	0.52%	303,070	1.42%	135,275	0.63%
S. Diego Campus S. Diego Med Ctr	46,155,503 <i>Included in campus</i>	28,559,636	61.88%	2,528,728	5.48%	2,766,361	5.99%	131,290	0.28%
San Francisco San Francisco Med Ctr	53,245,951 777,984,766	9,843,375 13,197,625	18.49% 1.70%	5,700,975 245,345	10.71% 0.03%	429,445 57,280	0.81% 0.01%	13,068 0.0	0.02% 0.00%
Santa Barbara	43,152,295	10,519,309	24.38%	685,745	1.59%	117,175	0.27%	0.0	0.00%
Santa Cruz	19,412,086	3,238,674	16.68%	108,964	0.56%	694	0.00%	0.0	0.00%
TOTAL CAMPUS	1,384,028,804	171,513,053	12.39%	13,194,710	0.95%	23,796,008	1.72%	1,361,668	0.10%
Lawrence Berkeley Lab	42,166,462	7,803,223	18.51%	1350	0.00%	201,487	0.48%	0.0	0.00%
TOTAL LABS	42,166,462	7,803,223	18.51%	1350	0.00%	201,487	0.48%	0.0	0.00%
TOTAL	1,426,195,266	179,316,276	12.57%	13,196,060	0.93%	23,997,495	1.68%	1,361,668	0.10%

Small Business Utilization Report, FY 2010-11
DESIGN

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley	15,846,498	9,589,207	60.51%	1,473,665	9.30%	1,358,910	8.58%	24,512	0.15%
Davis Campus Davis Med Ctr	11,872,745 <i>Included in campus</i>	3,685,816	31.04%	281,823	2.37%	140,725	1.19%	0.0	0.00%
Irvine Campus Irvine Med Ctr	1,302,660 3,742,428	214,513 0	16.47% 0.00%	263,650 0	20.24% 0.00%	256,258 0	19.67% 0.00%	0 0	0.00% 0.00%
Los Ang. Campus Los Ang. Med Ctr UC Office of the Pres	29,233,675 <i>Not Available</i> <i>Included in campus</i>	20,720,950	70.88%	5,646,242	19.31%	2,866,483	9.81%	0.0	0.00%
Merced	7,610,073	3,882,557	51.02%	0.0	0.00%	0.0	0.00%	0.0	0.00%
Riverside	4,725,067	175,368	3.71%	28,040	0.59%	99,090	2.10%	102,056	2.16%
S. Diego Campus S. Diego Med Ctr	70,287,785 52,087,801	4,734,130 18,425,217	6.74% 35.37%	1,422,646 6,498,845	2.02% 12.48%	616,358 287,383	0.88% 0.55%	0.0 0	0.00% 0.00%
San Francisco San Francisco Med Ctr	26,413,539 52,087,801	8,995,727 18,425,217	34.06% 35.37%	555,686 6,498,845	2.10% 12.48%	1,936,403 287,838	7.33% 0.55%	0.0 0	0.00% 0.00%
Santa Barbara	4,099,386	2,135,098	52.08%	30,163	0.74%	67,020	1.63%	0.0	0.00%
Santa Cruz	13,040,189	3,598,838	27.60%	323,377	2.48%	241,070	1.85%	0.0	0.00%
TOTAL CAMPUS	292,349,647	94,582,638	32.35%	23,022,982	7.88%	8,157,538	2.79%	126,568	0.04%
Lawrence Berkeley Lab	4,835,548	2,152,398	44.51%	504,312	10.43%	484,683	10.02%	0.0	0.00%
TOTAL LABS	4,835,548	2,152,398	44.51%	504,312	10.43%	484,683	10.02%	0.0	0.00%
TOTAL	297,185,195	96,735,036	32.55%	23,527,294	7.92%	8,642,221	2.91%	126,568	0.04%