



1111 Franklin Street
Oakland, California 94607-5200
Phone: (510) 987-9074
Fax: (510) 987-9086
<http://www.ucop.edu>

February 13, 2013

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 *2012 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.

With best wishes, I am,

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark G. Yudof".

Mark G. Yudof
President

Enclosure

cc: Ms. Peggy Collins, Joint Legislative Budget Committee
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. Gregory Schmidt, Secretary of the Senate
Mr. E. 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

2012 Small Business Utilization

February 2013
Legislative Report



UNIVERSITY *of* CALIFORNIA

UNIVERSITY OF CALIFORNIA

2012 Small Business Utilization (July 1, 2011- June 30, 2012)

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 2011-12 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.

University of California
F.Y. 2011/12 Small Business Utilization

Summary

Department Type	Total Expenditures (\$)	SBE (\$)	SBE (%)	DBE (\$)	DBE (%)	WBE (\$)	WBE (%)	DVBE (\$)	DVBE (%)
Construction	886,175,900	151,136,643	17.1%	18,688,372	2.1%	34,148,853	3.9%	1,850,962	0.2%
Campus & Med Ctrs.	849,285,851	138,710,900	16.3%	18,601,085	2.2%	33,662,294	4.0%	1,850,962	0.2%
Lab	36,890,049	12,425,743	33.7%	87,287	0.2%	486,559	1.3%	0	0.0%
Design	137,489,688	39,337,869	28.6%	4,695,234	3.4%	5,656,035	4.1%	69,932	0.1%
Campus & Med Ctrs.	135,276,587	38,283,739	28.3%	4,447,474	3.3%	5,430,824	4.0%	69,932	0.1%
Lab	2,213,101	1,054,130	47.6%	247,760	11.2%	225,211	10.2%	0	0.0%
Purchasing	5,519,775,257	765,581,297	13.9%	101,735,092	1.8%	126,724,961	2.3%	1,354,566	0.0%
Campus & Med Ctrs.	5,273,165,210	624,084,569	11.8%	82,536,608	1.6%	110,205,313	2.1%	1,181,949	0.0%
Lab	246,610,047	141,496,728	57.4%	19,198,484	7.8%	16,519,648	6.7%	172,617	0.1%
Grand Total	6,543,440,845	956,055,809	14.6%	125,118,698	1.9%	166,529,849	2.5%	3,275,460	0.1%

Department Type	Total Expenditures (\$)	SBE (\$)	SBE (%)	DBE (\$)	DBE (%)	WBE (\$)	WBE (%)	DVBE (\$)	DVBE (%)
Campus & Med Ctrs.	6,257,727,648	801,079,208	12.8%	105,585,167	1.7%	149,298,431	2.4%	3,102,843	0.0%
Lab	285,713,197	154,976,601	54.2%	19,533,531	6.8%	17,231,418	6.0%	172,617	0.1%
Grand Total	6,543,440,845	956,055,809	14.6%	125,118,698	1.9%	166,529,849	2.5%	3,275,460	0.1%

**University of California
F.Y. 2011/12 Small Business Utilization**

Department Type	Location	Total Expenditures	SBE (\$)	SBE (%)	DBE (\$)	DBE (%)	WBE (\$)	WBE (%)	DVBE (\$)	DVBE (%)
Construction	Berkeley	29,545,343	3,279,776	11.1%	516,528	1.7%	808,498	2.7%	0	0.0%
	Davis Campus	75,795,303	16,770,481	22.1%	921,123	1.2%	899,100	1.2%	1,049,069	1.4%
	Davis Med Ctr (inc in campus)									
	Irvine Campus	12,803,665	3,234,739	25.3%	0	0.0%	579,678	4.5%	1,400	0.0%
	Irvine Med Ctr (N/A)									
	Lawrence Berkeley Lab	36,890,049	12,425,743	33.7%	87,287	0.2%	486,559	1.3%	0	0.0%
	Los Ang. Campus	148,944,310	39,625,032	26.6%	1,224,063	0.8%	10,581,754	7.1%	3,520	0.0%
	Los Ang. Med Ctr	4,010,000	0	0.0%	2,000,000	49.9%	0	0.0%	0	0.0%
	Merced	28,226,921	2,526,259	8.9%	15,827	0.1%	8,528	0.0%	12,903	0.0%
	Riverside	14,334,263	8,202,091	57.2%	0	0.0%	0	0.0%	0	0.0%
	S.Diego Campus	410,370,644	30,583,456	7.5%	2,934,045	0.7%	15,443,255	3.8%	276,281	0.1%
	S.Diego Med Ctr (Inc in campus)									
	San Francisco	42,561,011	9,770,025	23.0%	7,809,289	18.3%	1,868,808	4.4%	0	0.0%
	San Francisco Med Ctr	26,419,464	17,047,649	64.5%	2,176,922	8.2%	3,398,814	12.9%	507,789	1.9%
	Santa Barbara	36,818,091	3,079,084	8.4%	981,921	2.7%	73,859	0.2%	0	0.0%
	Santa Cruz	19,456,836	4,592,308	23.6%	21,367	0.1%	0	0.0%	0	0.0%
Construction Total		886,175,900	151,136,643	17.1%	18,688,372	2.1%	34,148,853	3.9%	1,850,962	0.2%

**University of California
F.Y. 2011/12 Small Business Utilization**

Department Type	Location	Total Expenditures	SBE (\$)	SBE (%)	DBE (\$)	DBE (%)	WBE (\$)	WBE (%)	DVBE (\$)	DVBE (%)
Design	Berkeley	28,823,897	0	0.0%	89,970	0.3%	56,145	0.2%	0	0.0%
	Davis Campus	10,914,000	5,303,977	48.6%	284,508	2.6%	304,957	2.8%	0	0.0%
	Davis Med Ctr (inc in campus)									
	Irvine Med Ctr	1,372,595	244,430	17.8%	281,510	20.5%	211,793	15.4%	0	0.0%
	Irvine Med Ctr (Inc in campus)									
	Lawrence Berkeley Lab	2,213,101	1,054,130	47.6%	247,760	11.2%	225,211	10.2%	0	0.0%
	Los Ang. Campus	36,983,643	8,443,669	22.8%	1,988,582	5.4%	469,745	1.3%	0	0.0%
	Los Ang. Med Ctr (Inc in campus)									
	Merced	4,612,331	660,341	14.3%	0	0.0%	0	0.0%	24,831	0.5%
	Riverside	2,662,850	373,481	14.0%	89,670	3.4%	52,210	2.0%	0	0.0%
	S. Diego Campus	8,857,986	3,909,577	44.1%	586,864	6.6%	868,684	9.8%	36,601	0.4%
	S. Diego Med Ctr (Inc in campus)									
	San Francisco	9,893,164	2,385,582	24.1%	569,787	5.8%	944,259	9.5%	0	0.0%
	San Francisco Med Ctr	17,493,515	10,803,241	61.8%	311,777	1.8%	2,344,969	13.4%	0	0.0%
	Santa Barbara	5,455,804	2,320,583	42.5%	39,500	0.7%	88,010	1.6%	8,500	0.2%
	Santa Cruz	8,206,802	3,838,858	46.8%	205,306	2.5%	90,052	1.1%	0	0.0%
Design Total		137,489,688	39,337,869	28.6%	4,695,234	3.4%	5,656,035	4.1%	69,932	0.1%

**University of California
F.Y. 2011/12 Small Business Utilization**

Department Type	Location	Total Expenditures	SBE (\$)	SBE (%)	DBE (\$)	DBE (%)	WBE (\$)	WBE (%)	DVBE (\$)	DVBE (%)
Purchasing	Berkeley	825,675,058	432,678	0.1%	248,382	0.0%	1,423,962	0.2%	465	0.0%
	Davis Campus	517,722,684	26,621,912	5.1%	4,360,065	0.8%	7,355,723	1.4%	106,311	0.0%
	Davis Med Ctr	272,761,701	10,619,750	3.9%	1,347,086	0.5%	4,196,633	1.5%	423	0.0%
	Irvine Campus	105,500,262	40,654,838	38.5%	5,457,902	5.2%	4,478,551	4.2%	92,227	0.1%
	Irvine Med Ctr	278,856,917	90,449,198	32.4%	1,604,750	0.6%	6,353,356	2.3%	0	0.0%
	Lawrence Berkeley Lab	246,610,047	141,496,728	57.4%	19,198,484	7.8%	16,519,648	6.7%	172,617	0.1%
	Los Ang. Campus	529,171,835	131,652,613	24.9%	28,041,540	5.3%	18,640,221	3.5%	409,869	0.1%
	Los Ang. Med Ctr	430,009,751	5,160,117	1.2%	5,056,915	1.2%	1,393,232	0.3%	0	0.0%
	Merced	33,488,562	12,497,409	37.3%	531,651	1.6%	1,255,969	3.8%	22,095	0.1%
	Office of the President	125,939,192	14,776,321	11.7%	3,409,643	2.7%	2,061,778	1.6%	1,260	0.0%
	Riverside	71,536,623	16,791,145	23.5%	5,626,035	7.9%	4,119,870	5.8%	103,803	0.1%
	S. Diego Campus	645,586,277	119,460,062	18.5%	22,621,278	3.5%	7,310,804	1.1%	300,527	0.0%
	S. Diego Med Ctr	306,866,033	55,749,105	18.2%	520,691	0.2%	11,019,266	3.6%	15,907	0.0%
	San Francisco	575,969,434	4,878,236	0.8%	16,045	0.0%	262,143	0.0%	30,006	0.0%
	San Francisco Med Ctr	396,683,967	32,826,187	8.3%	1,303,104	0.3%	36,533,251	9.2%	16,792	0.0%
	Santa Barbara	84,074,815	36,179,996	43.0%	76,235	0.1%	289,323	0.3%	62,432	0.1%
Santa Cruz	73,322,099	25,335,002	34.6%	2,315,286	3.2%	3,511,231	4.8%	19,832	0.0%	
Purchasing Total		5,519,775,257	765,581,297	13.9%	101,735,092	1.8%	126,724,961	2.3%	1,354,566	0.0%
Grand Total		6,543,440,845	956,055,809	14.6%	125,118,698	1.9%	166,529,849	2.5%	3,275,460	0.1%

Contact information:

UCOP Budget and Capital Resources

1111 Franklin Street, 6th Flr.

Oakland, CA 94607-5220

Office website: <http://www.ucop.edu/budget-capital-resources/>

Report website: <http://www.ucop.edu/operating-budget/budgets-and-reports/legislative-reports/index.html>