

UNIVERSITY OF CALIFORNIA

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December 15, 2016

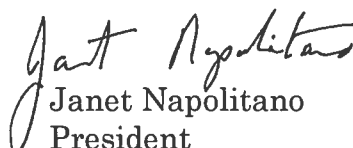
Chair, Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, California 95814

Dear Chair:

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, Interim Associate Vice President David Alcocer would be pleased to speak with you. He can be reached by telephone at (510) 987-9113, or by email at David.Alcocer@ucop.edu.

Yours very truly,


Janet Napolitano
President

Enclosure

cc: Senate Budget and Fiscal Review
The Honorable Marty Block, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Ms. Anita Lee)
(Attn: Ms. Cheryl Black)
The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee #2
(Attn: Mr. Mark Martin)
(Attn: Ms. Katie Koerber)
Ms. Peggy Collins, Joint Legislative Budget Committee

Chair, Joint Legislative Budget Committee
December 15, 2016
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Mr. Danny Alvarez, 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
Mr. Jeff Bell, Department of Finance
Mr. Christian Osmena, Department of Finance
Ms. Maritza Urquiza, Department of Finance
Ms. Tina McGee, Legislative Analyst's Office
Mr. Mac Taylor, Legislative Analyst's Office
Mr. Jason Constantouros, Legislative Analyst's Office
Executive Vice President and Chief Financial Officer Nathan Brostrom
Senior Vice President Nelson Peacock
Associate Vice President William Cooper
Interim Associate Vice President David Alcocer
Deputy to the Chief Financial Officer Kieran Flaherty
Executive Director Jenny Kao
Manager Bruce Kennedy

Small Business Utilization

Legislative Report

January 2017



UNIVERSITY OF CALIFORNIA

Small Business Utilization (July 1, 2015- June 30, 2016)

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 missions. We have maintained a strong institutional commitment to small business over the years and it is our intention to continue in that commitment. We work together as an institution with the community to develop acquisition strategies that maximize small business participation without compromising UC business requirements, while ensuring that we meet the needs of our internal customers.

UC and each individual 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 its own 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 of 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 line with 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.
8. 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.
9. Access to a supplier locator database so that Supplier Diversity Program Coordinators and Buyers at each campus can search for potential suppliers holding either federal or state diversity classifications.

The first page displaying the utilization figures for fiscal year 2015-16 is a summary of University addressable business contracting activity for all contracting categories (Purchasing, Construction and Design Professionals). The subsequent pages show the activity for each contracting category.

Small Business Utilization Report, FY 2015-2016
SUMMARY

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
PURCHASING									
Campuses & Med Ctrs.	6,119,297,761.69	432,029,592.12	7.06%	53,852,714.18	0.88%	146,836,574.44	2.40%	12,781,372.64	0.21%
National Labs	237,078,068.92	106,135,509.81	44.77%	10,373,672.62	4.38%	29,053,499.00	12.25%	578,813.13	0.24%
PURCHASING TOTAL	\$ 6,356,375,831	\$ 538,165,102	8.47%	\$ 64,226,387	1.01%	\$ 175,890,073	2.77%	\$ 13,360,186	0.21%
CONSTRUCTION & DESIGN									
Campuses & Med Ctrs.	1,405,218,865.96	170,426,686.65	12.13%	7,195,544.23	0.51%	31,799,362.99	2.26%	3,916,029.56	0.28%
National Labs	20,119,187.83	14,593,956.79	72.54%	2,123,570.25	10.55%	1,843,221.54	9.16%	66,687.00	0.33%
CONSTRUCTION & DESIGN TOTAL	\$ 1,425,338,054	\$ 185,020,643	12.98%	\$ 9,319,114	0.65%	\$ 33,642,585	2.36%	\$ 3,982,717	0.28%
Grand Total	\$ 7,781,713,884	\$ 723,185,745	9.29%	\$ 73,545,501	0.95%	\$ 209,532,658	2.69%	\$ 17,342,902	0.22%

**Small Business Utilization Report, FY 2015-2016
PURCHASING**

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley Campus	528,751,496.42	23,824,215.71	4.51%	136,794.29	0.03%	4,727,437.84	0.89%	111,219.30	0.02%
Davis Campus	432,870,583.27	27,259,268.40	6.30%	949,073.11	0.22%	2,547,366.67	0.59%	664,086.89	0.15%
Davis Medical Ctr.	121,591,767.37	28,194,825.94	23.19%	586,858.24	0.48%	32,637,074.60	26.84%	5,480,478.24	4.51%
Irvine Campus	254,066,778.39	9,267,917.22	3.65%	98,410.42	0.04%	1,580,895.05	0.62%	2,067,466.45	0.81%
Irvine Medical Ctr.	333,505,070.98	82,135,718.52	24.63%	1,114,621.25	0.33%	10,288,127.25	3.08%	135,250.38	0.04%
Los Angeles Campus	845,531,775.25	56,256,848.51	6.65%	4,525,856.52	0.54%	10,948,820.94	1.29%	1,738,334.65	0.21%
Los Angeles Medical Ctr.	762,995,896.00	47,983,489.00	6.29%	43,185,140.00	5.66%	11,995,872.00	1.57%	91,350.00	0.01%
Merced Campus	57,575,964.89	4,510,701.26	7.83%	837,599.41	1.45%	707,118.80	1.23%	25,796.52	0.04%
Riverside Campus	134,306,786.25	8,163,679.32	6.08%	835,133.38	0.62%	1,934,084.23	1.44%	18,478.68	0.01%
San Diego Campus	677,870,293.71	34,551,669.40	5.10%	457,974.67	0.07%	8,397,942.58	1.24%	1,253,749.84	0.18%
San Diego Medical Ctr.	493,002,007.40	70,194,086.62	14.24%	576,764.65	0.12%	39,735,937.09	8.06%	0.00	0.00%
San Francisco Campus	509,580,983.31	23,763,851.09	4.66%	159,419.43	0.03%	4,944,429.73	0.97%	1,136,172.69	0.22%
San Francisco Medical Ctr.	207,234,354.00	4,989,323.00	2.41%	105,936.00	0.05%	14,421,434.00	6.96%	0.00	0.00%
Santa Barbara Campus	131,051,821.57	4,533,497.12	3.46%	63,825.48	0.05%	702,355.75	0.54%	27,640.77	0.02%
Santa Cruz Campus	145,038,319.75	5,452,259.88	3.76%	217,558.05	0.15%	1,114,222.64	0.77%	4,848.35	0.00%
Office of the President	484,323,863.13	948,241.13	0.20%	1,749.28	0.00%	153,455.27	0.03%	26,499.88	0.01%
Berkeley National Laboratory	237,078,068.92	106,135,509.81	44.77%	10,373,672.62	4.38%	29,053,499.00	12.25%	578,813.13	0.24%
PURCHASING TOTAL	\$ 6,356,375,831	\$ 538,165,102	8.47%	\$ 64,226,387	1.01%	\$ 175,890,073	2.77%	\$ 13,360,186	0.21%

**Small Business Utilization Report, FY 2015-2016
DESIGN AND CONSTRUCTION**

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley Campus	172,026,484.88	6,835,758.00	3.97%	633,592.72	0.37%	1,407,220.54	0.82%	0.00	0.00%
Davis Campus	128,111,778.48	23,509,349.16	18.35%	35,826.92	0.03%	152,454.48	0.12%	98,792.54	0.08%
Irvine Campus	53,453,323.27	6,394,929.51	11.96%	0.00	0.00%	640,001.27	1.20%	5,598.28	0.01%
Irvine Medical Ctr.	6,745,206.35	3,994,274.31	59.22%	317,640.00	4.71%	151,095.00	2.24%	0.00	0.00%
Los Angeles Campus	281,701,302.07	24,778,265.53	8.80%	759,374.44	0.27%	9,918,732.37	3.52%	733,320.28	0.26%
Los Angeles Medical Ctr.	16,565,845.53	9,821,868.80	59.29%	991,436.00	5.98%	2,375,777.00	14.34%	62,557.00	0.38%
Merced Campus	33,274,743.47	1,337,693.22	4.02%	0.00	0.00%	0.00	0.00%	0.00	0.00%
Riverside Campus	24,363,751.75	1,268,931.64	5.21%	0.00	0.00%	274,761.88	1.13%	0.00	0.00%
San Diego Campus	305,209,725.60	22,278,920.04	7.30%	549,146.51	0.18%	1,285,173.17	0.42%	1,960,021.46	0.64%
San Diego Medical Ctr.	93,976,607.87	44,128,006.75	46.96%	2,804,032.60	2.98%	12,741,760.78	13.56%	977,802.00	1.04%
San Francisco Campus	77,984,021.07	5,550,988.96	7.12%	2,736.00	0.00%	1,214,087.48	1.56%	0.00	0.00%
San Francisco Medical Ctr.	42,635,313.75	17,451,535.23	40.93%	1,084,934.04	2.54%	1,214,019.66	2.85%	0.00	0.00%
Santa Barbara Campus	98,145,930.55	1,618,956.96	1.65%	0.00	0.00%	379,396.43	0.39%	0.00	0.00%
Santa Cruz Campus	66,883,068.00	1,362,055.00	2.04%	0.00	0.00%	2,745.94	0.00%	77,938.00	0.12%
Office of the President	4,141,763.32	95,153.54	2.30%	16,825.00	0.41%	42,136.99	1.02%	0.00	0.00%
Berkeley National Laboratory	20,119,187.83	14,593,956.79	72.54%	2,123,570.25	10.55%	1,843,221.54	9.16%	66,687.00	0.33%
DESIGN AND CONSTRUCTION TOTAL	\$ 1,425,338,054	\$ 185,020,643	12.98%	\$ 9,319,114	0.65%	\$ 33,642,585	2.36%	\$ 3,982,717	0.28%
Grand Total	\$ 7,781,713,884	\$ 723,185,745	9.29%	\$ 73,545,501	0.95%	\$ 209,532,658	2.69%	\$ 17,342,902	0.22%