



UNIVERSITY OF CALIFORNIA

Michael V. Drake, MD
President

December 15, 2020

Office of the President
1111 Franklin St.
Oakland, CA 94607

universityofcalifornia.edu

The Honorable Holly J. Mitchell
Chair, Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, California 95814

CAMPUSES

- Berkeley
- Davis
- Irvine
- UCLA
- Merced
- Riverside
- San Diego
- San Francisco
- Santa Barbara
- Santa Cruz

Dear Senator Mitchell:

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

Sincerely,

Michael V. Drake, MD
President

MEDICAL CENTERS

- Davis
- Irvine
- UCLA
- San Diego
- San Francisco

Enclosure

NATIONAL LABORATORIES

- Lawrence Berkeley
- Lawrence Livermore
- Los Alamos

- cc: Senate Budget and Fiscal Review
The Honorable Richard D. Roth, Chair
Senate Budget and Fiscal Review Subcommittee #1
(Attn: Ms. Anita Lee)
(Attn: Ms. Jean-Marie McKinney)
The Honorable Kevin McCarty, Chair
Assembly Budget Subcommittee #2
(Attn: Mr. Mark Martin)
(Attn: Ms. Carolyn Nealon)
Ms. Jennifer Troia, Joint Legislative Budget Committee
Ms. Erika Contreras, Secretary of the Senate
Ms. Tina McGee, Legislative Analyst’s Office
Ms. Amy Leach, Office of the Chief Clerk of the Assembly
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Mr. Jeff Bell, Department of Finance
Mr. Chris Ferguson, Department of Finance

Ms. Rebecca Kirk, Department of Finance
Mr. Brian Rutledge, Department of Finance
Mr. Gabriel Petek, Legislative Analyst's Office
Ms. Jennifer Pacella, Legislative Analyst's Office
Mr. Jason Constantouros, Legislative Analyst's Office
Executive Vice President and Chief Financial Officer Nathan Brostrom
Senior Vice President Claire Holmes
Associate Vice President and Chief Procurement Officer William Cooper
Associate Vice President David Alcocer
Associate Vice President and Director Kieran Flaherty

UNIVERSITY OF CALIFORNIA

Small Business Utilization (July 1, 2019- June 30, 2020)

The following report on small business utilization at the University of California (UC) is submitted to the Legislature in compliance with California Public Contract Code Section 10500.5, which states in part:

“It is...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.”¹

This report presents a summary of contracts awarded by campuses, medical centers, and the University-managed Department of Energy (DOE) Lawrence Berkeley National Laboratory to small businesses (SB), disadvantaged business enterprises (DBE), women-owned business enterprises (WBE), and disabled veteran business enterprises (DVBE) in purchasing, construction, and design. It also includes details of UC’s new Small Business First program, which aims to increase UC’s utilization of small businesses in alignment with its sustainability goals and overall mission.

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

¹ Please note that approval was granted to change the annual submittal date of this report to January 1.

- (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 that the UC Regents 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 prohibits state governmental institutions from considering race, sex, or ethnicity in the areas of public employment, contracting, or education. Neither California law nor University policy prohibits the consideration of business size or disabled veteran status as criteria in University business contracting practices, however. Pursuant to University 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. UC has maintained a strong institutional commitment to small business over the years, and it is our intention to continuously expand upon our commitments to ensure that small businesses have equal access to work with UC whenever possible. The University works with the wider California community to develop acquisition strategies that both maximize small business participation and meet the needs of UC's internal customers without compromising UC business requirements. These strategies include active engagement with small and diverse businesses through UC's Small & Diverse Business Advisory Council, which first convened in April 2017 and is currently chaired by UC Chief Procurement Officer William Cooper. This Council includes membership from the California Department of General Services, business leaders from around the state, and Chamber of Commerce leaders.

UC is also working to maximize small business participation through a new program, Small Business First (SB First). SB First focuses on leveraging certified small businesses or disabled veteran business enterprises by setting aside procurement opportunities

between \$10,000 and \$250,000 for competition through a simple quotation process. More specifically, effective September 1, 2020 (full compliance required by March 1, 2021), all UC contracts and procurements between \$10,000 and \$250,000 that cannot be procured via an existing strategically-sourced agreement must be awarded to a small business, a microbusiness, or a disabled veteran business enterprise, wherever practicable.

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 UC to foster competition, which in turn strengthens the economy and builds goodwill in the community in support of the University's commitment to access and opportunity. Each campus leads its own outreach program and designs new program commitments 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. Sponsoring trade fairs in order to provide affordable opportunities for small businesses to demonstrate their abilities and meet 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 DBE, WBE, and DVBE.

8. Maintenance of small business information pages on UC campus and Office of the President websites to provide interested small businesses and campus contracting personnel with information on University contracting and outreach programs.
9. Access to a supplier locator database so that Supplier Diversity Program Coordinators and Buyers at each campus can search for potential suppliers holding any applicable supplier diversity classifications.

The following page displays utilization figures for fiscal year 2019-20 with a summary of University addressable business contracting spend for all contracting categories (Purchasing, Construction, and Design). The subsequent two pages show the activity for each contracting category by Campus, Medical Center, and National Lab.

Contact Information:
Office of the President
University of California
1111 Franklin Street
Oakland, CA 94607
<http://www.ucop.edu>

Small Business Utilization Report, FY 2019-2020
SUMMARY

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Procurement									
Campuses & Med Ctrs	\$ 10,856,430,823	\$ 806,632,378	7.43%	\$ 234,450,831	2.16%	\$ 147,015,103	1.35%	\$ 13,963,668	0.13%
National Labs	\$ 207,468,572	\$ 144,753,204	69.77%	\$ 21,456,758	10.34%	\$ 25,540,499	12.31%	\$ 4,772,046	2.30%
PROCUREMENT TOTAL	\$ 11,063,899,395	\$ 951,385,581	8.60%	\$ 255,907,590	2.31%	\$ 172,555,602	1.56%	\$ 18,735,714	0.17%
Design & Construction									
Campuses & Med Ctrs	\$ 2,113,185,636	\$ 171,271,877	8.10%	\$ 62,379,713	2.95%	\$ 30,343,961	1.44%	\$ 1,728,097	0.08%
National Labs	\$ 72,959,124	\$ 34,137,969	46.79%	\$ 3,493,667	4.79%	\$ 1,505,746	2.06%	\$ 5,481,894	7.51%
D & C TOTAL	\$ 2,186,144,760	\$ 205,409,845	9.40%	\$ 65,873,380	3.01%	\$ 31,849,707	1.46%	\$ 7,209,991	0.33%
Grand Total	\$ 13,250,044,156	\$ 1,156,795,427	8.73%	\$ 321,780,970	2.43%	\$ 204,405,309	1.54%	\$ 25,945,705	0.20%

Small Business Utilization Report, FY 2019-2020
PROCUREMENT

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley Campus	\$ 505,562,312	\$ 84,707,444	16.76%	\$ 19,756,173	3.91%	\$ 11,978,845	2.37%	\$ 444,263	0.09%
Davis Campus	\$ 449,291,513	\$ 64,986,061	14.46%	\$ 30,392,978	6.76%	\$ 20,945,559	4.66%	\$ 2,227,276	0.50%
Davis Medical Ctr.	\$ 396,381,588	\$ 3,025,158	0.76%	\$ 740,883	0.19%	\$ 1,954,563	0.49%	\$ 306,006	0.08%
Irvine Campus	\$ 271,366,476	\$ 30,079,423	11.08%	\$ 12,274,004	4.52%	\$ 5,794,350	2.14%	\$ 238,183	0.09%
Irvine Medical Ctr.	\$ 455,045,473	\$ 79,623,036	17.50%	\$ 3,764,409	0.83%	\$ 4,588,362	1.01%	\$ 1,500	0.00%
Los Angeles Campus	\$ 1,281,975,965	\$ 99,135,171	7.73%	\$ 40,715,760	3.18%	\$ 31,359,147	2.45%	\$ 1,884,322	0.15%
Los Angeles Medical Ctr.	\$ 974,807,452	\$ 88,960,220	9.13%	\$ -	0.00%	\$ 1,276,314	0.13%	\$ 385,871	0.04%
Merced Campus	\$ 86,287,603	\$ 9,032,986	10.47%	\$ 3,426,680	3.97%	\$ 1,911,693	2.22%	\$ 76,350	0.09%
Riverside Campus	\$144,960,748	\$25,478,179	17.58%	\$ 12,714,971	8.77%	\$ 6,927,431	4.78%	\$ 242,279	0.17%
San Diego Campus	\$ 739,864,694	\$ 98,816,696	13.36%	\$ 45,938,598	6.21%	\$ 16,894,857	2.28%	\$ 4,692,463	0.63%
San Diego Medical Ctr.	\$ 984,037,076	\$ 61,301,827	6.23%	\$ 483,643	0.05%	\$ 12,877,943	1.31%	\$ 661,072	0.07%
San Francisco	\$ 576,137,640	\$ 60,198,880	10.45%	\$ 30,215,983	5.24%	\$ 17,087,558	2.97%	\$ 1,542,340	0.27%
San Francisco Med. Ctr.	\$ 526,398,333	\$ 30,305,922	5.76%	\$ 671,298	0.13%	\$ 1,696,669	0.32%	\$ 8,600	0.00%
Santa Barbara Campus	\$ 163,768,668	\$ 26,686,442	16.30%	\$ 7,210,470	4.40%	\$ 4,477,880	2.73%	\$ 886,440	0.54%
Santa Cruz Campus	\$ 141,822,336	\$ 20,131,656	14.19%	\$ 7,865,560	5.55%	\$ 4,587,366	3.23%	\$ 38,755	0.03%
Office of the President	\$ 3,158,722,946	\$ 24,163,276	0.76%	\$ 18,279,421	0.58%	\$ 2,656,567	0.08%	\$ 327,946	0.01%
Berkeley Lab	\$ 207,468,572	\$ 144,753,204	69.77%	\$ 21,456,758	10.34%	\$ 25,540,499	12.31%	\$ 4,772,046	2.30%
PROCUREMENT TOTAL	\$ 11,063,899,395	\$ 951,385,581	8.60%	\$ 255,907,590	2.31%	\$ 172,555,602	1.56%	\$ 18,735,714	0.17%

Small Business Utilization Report, FY 2019-2020
DESIGN & CONSTRUCTION

Location	Total \$ Expenditure	SBE	%	DBE	%	WBE	%	DVBE	%
Berkeley Campus	\$ 88,932,132	\$ 23,352,376	26.26%	\$ 4,701,377	5.29%	\$ 1,185,187	1.33%	-	0.00%
Davis Campus	\$ 163,412,635	\$ 11,317,155	6.93%	\$ 4,148,189	2.54%	\$ 2,918,180	1.79%	29,692	0.02%
Davis Medical Ctr.	\$ 56,161,164	\$ 11,246,971	20.03%	\$ 3,122,527	5.56%	\$ 2,326,153	4.14%	905,652	1.61%
Irvine Campus	\$ 127,657,814	\$ 13,142,269	10.29%	\$ 10,313,386	8.08%	\$ 174,234	0.14%	-	0.00%
Irvine Medical Ctr.	\$ 28,802,891	\$ 10,170,502	35.31%	\$ 176,522	0.61%	\$ 300,324	1.04%	-	0.00%
Los Angeles Campus	\$ 336,398,997	\$ 17,506,760	5.20%	\$ 13,561,357	4.03%	\$ 2,844,101	0.85%	129,167	0.04%
Los Angeles Medical Ctr.	\$ 18,677,123	\$ 7,482,954	40.06%	\$ 7,115,077	38.10%	\$ 635,043	3.40%	-	0.00%
Merced Campus	\$ 986,119	\$ 406,518	41.22%	\$ 247,072	25.05%	-	0.00%	-	0.00%
Riverside Campus	\$ 89,554,300	\$2,983,120	3.33%	\$ 2,352,345	2.63%	\$ 944,913	1.06%	736	0.00%
San Diego Campus	\$ 560,359,266	\$ 30,213,633	5.39%	\$ 7,283,524	1.30%	\$ 4,331,747	0.77%	-	0.00%
San Diego Medical Ctr.	\$ 6,467,244	\$ 1,005,272	15.54%	\$ -	0.00%	\$ -	0.00%	-	0.00%
San Francisco	\$ 440,978,085	\$ 6,800,112	1.54%	\$ 2,388,518	0.54%	\$ 933,208	0.21%	11,422	0.00%
San Francisco Med. Ctr.	\$ 64,230,845	\$ 22,835,748	35.55%	\$ 609,772	0.95%	\$ 5,152,563	8.02%	490,000	0.76%
Santa Barbara Campus	\$ 51,609,352	\$ 6,852,118	13.28%	\$ 3,252,476	6.30%	\$ 570,021	1.10%	-	0.00%
Santa Cruz Campus	\$ 65,502,831	\$ 5,414,692	8.27%	\$ 2,889,411	4.41%	\$ 8,006,270	12.22%	161,428	0.25%
Office of the President	\$ 13,454,838	\$ 541,676	4.03%	\$ 218,161	1.62%	\$ 22,016	0.16%	-	0.00%
Berkeley Lab	\$ 72,959,124	\$ 34,137,969	46.79%	\$ 3,493,667	4.79%	\$ 1,505,746	2.06%	5,481,894	7.51%
D&C TOTAL	\$ 2,186,144,760	\$ 205,409,845	9.40%	\$ 65,873,380	3.01%	\$ 31,849,707	1.46%	7,209,991	0.33%