

UC Small Business **First** Program

Release Date September 1, 2020

Applies To All UC Campus Procurement and Contract Management Units;
All UC Department Purchasers with Authorization >\$10,000

Subject **UC ‘Small Business First’ Program for certified Small Businesses (SB) and Disabled Veterans Business Enterprises (DVBE)**

Effective This policy/program launches on September 1, 2020, with full compliance required by March 1, 2021. This policy shall remain in effect unless superseded or cancelled.

Purpose The University of California is committed to providing contracting and procurement opportunities with certified Small Businesses (SBs), Microbusinesses (MBs), and Disabled Veteran Business Enterprises (DVBEs). Wherever practicable, this program calls for solicitations for the procurement of goods and/or services valued between \$10,000 to \$250,000 to be awarded to a certified SB/MB/DVBE (with some waivers and exemptions allowed).

Required Actions Beginning September 1, 2020, all UC contracts and procurements between \$10,000 to \$250,000 that cannot be procured via an existing strategically-sourced agreement, should be awarded to a SB/MB/DVBE under the ‘Small Business First’ Program.

The Small Business First Program is an informal solicitation process that requires only one (1) quote for purchases below \$100,000 and only two (2) quotes for procurements above \$100,000, up to \$250,000. The UC process and requirements for using the Small Business First program are outlined on the [UC Small Business First program webpage](#) and in [BUS-43 \(draft pending approval\)](#) (policy governing UC purchasing of goods and services).

To learn how to search for certified SBs/MBs/DVBEs, please refer to the [Small Business First Job Aids & Training webpage](#) or your campus [Supplier Diversity Coordinator](#).

Waiver

There are instances where this procurement method may not be feasible, or when contracting with businesses other than a certified SB/MB/DVBE is justified. Examples include, but are not limited to:

- Categories where at least two (2) SB/MB/DVBEs are not available
- Business needs dictate requirements that cannot be met by a SB/MB/DVBE.

In these situations, the [Small Business First Waiver](#) (located on the UC Procurement Small Business First webpage) must be approved by the appropriate Policy Exception Authority (or designee) prior to making a purchase or establishing a contract with a company that is not a SB/MB/DVBE. Additional instructions are available on the [UC Procurement Small Business First webpage](#).

Exemptions

The following purchase and/or agreement types are exempt from the Small Business First policy and do not require a waiver:

- Purchases that are sole source, unique professional services, and emergency in nature
- Purchases through existing UC strategically sourced agreements
- Federally funded purchases
- Design and construction purchases*
- Interagency agreements
- Federal/local government agreements
- Research sub-awards
- Higher education institution agreements
- Concessions
- Revenue/reimbursement contracts
- Medical and patient care contracts
- Statutorily exempt, policy exempt, emergency, proprietary, and/or local assistance/subvention procurements

(*All contracting associated with construction is governed by the [UC Facilities Manual](#) and its associated policies and templates. These agreements are also exempt from the requirements of this program.)

Background

Small businesses play a significant role in the California economy. But, small businesses face major challenges, especially due to the COVID-19 pandemic. Targeted state procurement programs like Small Business First can help small businesses mitigate or minimize these difficulties.

The University of California spends billions of dollars each year procuring goods and services. Existing UC sustainability policy establishes the goal of awarding 25% Economically and Socially Responsible (EaSR) spend annually to small and diverse owned businesses (see the [UC Sustainable Practices Policy](#) for more details). This program helps achieve that goal and is in alignment with the UC mission.

California Public Contract Code Section 10508.5 allows the University to award purchase agreements valued up to \$250,000 to a certified small business or disabled veteran-owned business without being competitively bid, so long as UC obtains price quotations from two or more certified businesses.

Questions

Please direct questions about this program to your campus [Supplier Diversity Coordinator](#).