

Small Business First

Frequently Asked Questions

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When did the *Small Business First* policy take effect?

The Small Business First policy became effective on March 1, 2021. Some campuses continue to develop and refine the process changes needed to fully implement the SB First program. Check with your campus Procurement department on how to comply with this policy.

What constitutes full compliance with this policy/program?

Initially, full compliance will focus on process development. Campuses will implement a clear process that ensures:

- All applicable purchases are going through this program
- Standard checks –procurement & other buyers
- Appropriate use of waivers
- Proper application of exemptions

What purchases or agreement types are exempt from this program?

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 services
- Purchases through existing strategically sourced agreements
- Federally funded purchases
- Design and construction purchases*
- Purchases through Interagency agreements
- Federal/local government agreements
- Research sub-awards
- Higher education institution agreements
- Concessions
- Revenue/reimbursement contracts
- Medical and patient care contracts

The *Small Business First* program does not apply to circumstances where Federal, grant, court decision, or court order requirements dictate how funds can be expended. All contracting associated with construction is governed by the [UC Facilities Manual](#)* and the associated policies and templates therein. Purchases that are sole sourced, unique professional services, and emergency purchases are processed via the Source Selection & Price Reasonableness (SSPR) form, where required.

Does this program apply to Federally funded purchases?

No. The *Small Business First* program does not apply to circumstances where Federal, grant, court decision, or court order requirements dictate how funds can be expended.

Does this program apply to Strategically Sourced agreements?

No. Wherever possible, purchases should be made through existing Strategically Sourced agreements, sourced by campus or systemwide teams ([Systemwide Contract Listings](#)). Purchases made with existing Strategically Sourced agreements are not required to go through the *Small Business First* program. Existing Strategically Sourced agreements may include enabled campus hosted or punchout catalogs that have been strategically sourced for UC.

This would also include leveraged cooperative agreements and/or Group Purchasing Organization (GPO) agreements. Locations are strongly encouraged to seek competition even in cases where goods and/or services are exempt from the requirement to competitively bid.

[Does this program apply to purchases supporting research?](#)

In cases of research procurements, where not Federally funded, policy compliance is required but we recognize that departments typically have unique specifications and requirements that may only be met by select suppliers. Program exemptions and waivers should be utilized judiciously in support of this program and in recognition of the unique nature of certain purchases. Procurement will be monitoring the impacts and efficacy of the program on small business utilization across UC.

[How do I know when I need to buy through the *Small Business First* program?](#)

Please review the [Exemptions to this program](#). If your procurement falls outside of the exempted categories, then you must go through the *Small Business First* program to make an award. [Refer to the decision tree within the SB1st Quick Reference Guide](#) to help determine when a purchase must go through the *Small Business First* program.

[How do I search for and identify Small Businesses and Disabled Veteran Business Enterprises?](#)

Businesses can be searched for via many methods – UC recommends the following:

- UC's designated diverse supplier search tool [SIO Explorer Professional](#) (Supplier.io search database)
- [Cal eProcure](#) – State of CA supplier search database
- By working with your campus [Small Business Officer/Supplier Diversity Coordinator](#)

Please visit the [Supplier Search platforms](#) webpage to learn more about how to find small and disabled veteran owned businesses. Also, visit the [Small Business First Resources page](#) for more job aids and trainings.

[What if I can't find a Small Business or Disabled Veteran Business Enterprise?](#)

If you are having trouble finding Small Businesses or Disabled Veteran Business Enterprises after using the resources found on the [Small Business First webpage](#), please contact your [Small Business Officer/Supplier Diversity Coordinator](#) for added support.

If you still cannot identify qualified SBs/DVBEs to support your needs, you will need to submit a Waiver to the *Small Business First* program. Review the [Small Business First Waiver](#) and [Wavier Instructions](#) for more information about this process. Contact your local campus Procurement and/or Supply Chain Management Office for specific instructions on processing your waiver request.

[What Small Business/Disabled Veteran Business Enterprise certifications does the SB First program accept?](#)

UC is committed to working with small businesses and disabled veteran business enterprises via this program. All qualified suppliers should become certified as small or disabled veteran-owned and ensure that current certifications are up to date with their local certifying agency. [Review this sample list of accepted certifications](#).

If you are interested in working with a supplier that isn't currently certified, encourage them to become certified. If you are interested in working with a supplier that holds a small business or disabled veteran business enterprise

certification not listed on the sample certifications list, contact your local [Small Business Officer/Supplier Diversity Coordinator](#) to confirm if the certification meets the requirements of this program.

[Learn more about searching for small and disabled veteran business enterprises.](#)

[Why does this program not include Minority-owned, Women-owned or other Diverse and Economically Disadvantaged businesses?](#)

The University of California is required to comply with California law and Public Contracting Code. Article I, Section 31, prohibits the University from discriminating or granting preferential treatment on the “basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.” Business certifications that do not include a small business requirement cannot be accepted under the SB First program as this is a set-aside program restricting competition on selected procurements.

Certifications that include small business or disabled veteran business enterprise criteria, may qualify under this program. For example, the Women’s Business Enterprise National Council (WBENC) – Women Owned Small Business (WOSB) certification does meet the requirements of this program. Other examples include Disadvantaged Business Enterprise (DBE) and Service-Disabled Veteran-Owned Small Business (SDVOSB) certifications.

[Who approves *Small Business First* Waivers?](#)

In accordance with BFB-BUS-43 Purchases of Goods and Services; Supply Chain Management, Waivers must be approved by the appropriate Policy Exception Authority, or their designee, prior to making a purchase or establishing a contract with a company that is not a certified small business or disabled veteran business enterprise. Your campus procurement department will determine that approval process.

[How does this program support UC’s 25% Economically and Socially Responsible spend goal?](#)

In the summer of 2018, the University of California established a policy to achieve 25% Economically and Socially Responsible (EaSR) spend with qualified small and diverse businesses within five (5) years or by the close of Fiscal Year 2022-2023. This goal covers all UC-wide addressable procurement spend. See [the University of California Sustainable Practices Policy](#) for full details.

The *Small Business First* program will support UC’s efforts to reach 25% EaSR spend. However, the SB First program is narrow in scope, only covering qualified procurements between \$10,000 - \$250,000 in annual value. The 25% EaSR goal applies to UC’s total addressable spend, which for the campuses alone includes >\$9.5B in annual spend. The EaSR goal also tracks spend with a wider range of qualified small and diverse owned businesses than those allowed under the SB First program.

[How is this policy being marketed to UC staff and suppliers?](#)

The UC Procurement Systemwide team has established a *Small Business First* Campus Collaboration Committee to develop UC-wide resources and guidance on implementing this program. Currently, the policy is being communicated to campus staff via local Procurement/Supply Chain teams, contact your local Procurement/Supply Chain team for details. UC-wide communications are also being distributed from the Office of the President to Procurement/Supply Chain staff as well as UC Suppliers.

What happens if I have an after-the-fact need for an emergency procurement?

Emergencies are unique. This policy may not apply if the service or good purchased is neither routine, recurring or usual. After-the-fact orders take place when a requisition and purchase order is being issued after the transaction has occurred (where work has already been completed and you have an invoice). Purchases of goods and services made outside the authority delegated by the campus Chief Procurement Officer is an unauthorized commitment of University funds and may become the personal responsibility of the person making the unauthorized purchase. A Purchase Order (PO) must be executed before the goods and services are ordered to ensure the UC Terms and Conditions are communicated to the Suppliers receiving the order. Aside from certain exceptions, if the purchase amount is \$10,000 or more, the purchase order will route to your local campus Supply Chain Management or Procurement department for processing. After-the-fact transactions should be entered in your local campus procurement system per instructions with justifications for the purchase. This may include added information such as an action plan outlining how this after-the-fact procurement will be avoided in the future, as well as all appropriate approval signatures.

This program includes procurements between \$10,000 - \$250,000 in value. Is that value based on annual spend or total duration of the contract?

The program covers all applicable procurements between \$10,000 - \$250,000 in annual value.

Are self-certified Small Businesses or Disabled Veteran Business Enterprises qualified under this program?

UC is committed to working with small businesses and disabled veteran business enterprises via this program. All qualified suppliers should become certified as small or disabled veteran-owned and ensure that current certifications are up to date with their local certifying agency. [Review a sample list of accepted certifications here.](#)

If you are interested in working with a supplier that isn't currently certified, encourage them to become certified. If you are interested in working with a supplier that is self-certified as a small business or disabled veteran business enterprise certification contact your local [Small Business Officer/Supplier Diversity Coordinator](#) to confirm if the suppliers self-certification meets the requirements of this program. In the case of self-certification, it is the responsibility of the University to ensure that the supplier meets the requirements of being a small business or disabled veteran business enterprise to participate in this program.

When soliciting quotations for procurements between \$100,000 - \$250,000, can quotes be received from both Small Businesses and Disabled Veteran Business Enterprises for the same opportunity?

Quotations should be solicited from businesses that are either Small or Disabled Veteran, not a mix of both. This approach helps ensure competition between similar businesses.