Understanding the Small Business First Program

Procurement Services Department Buyer Training Session
Tuesday, February 23, 2021

UCI Division of Finance and Administration | With U • For U
Today’s Agenda

• Welcome
• SBF Program Overview
• Resources
• Q & A
Email from Office of Administrative Policies & Procedures

Please share any comments on the proposed policy revision by April 8, 2021 by:


or emailing procurement@uci.edu

From: Office of Administrative Policies and Procedures
To: All UCI Employees (Campus, Medical Center, and College of Health Sciences)
Subject: Proposed Presidential Policy on Purchases of Goods and Services; Supply Chain Management - Systemwide Review

The University of California Office of the President invites comments on a proposed revision to Presidential Policy BUS-43 Purchases of Goods and Services; Supply Chain Management. The proposed revision is to include the Small Business First Program.

The Small Business (SB) First Program is designed to address the following:
- Support existing policy for awarding 25% Economically and Socially Responsible (EaSR) spend annually to small and diverse owned businesses (see UC Sustainable Practices Policy)
- Take advantage of California Public Contract Code Section 10508.5 that allows the University to award purchase agreements valued up to $250,000 to a certified small business without being competitively bid, so long as the UC obtains price quotations from two or more certified small businesses
- Bring procurement practices further in line with the University’s overall mission and values
- Strengthen the small business community, which is the engine of California’s economy, given that 99.8% of California’s businesses are small and employ 48.8% of California’s private workforce. For every $100 spent at a small business, approximately $68 stays in California
- Prepare UC to lead the way in California’s economic recovery from the COVID-19 pandemic and economic downturn. Statewide, as of November 25, 2020, the number of small businesses decreased by 30.7% compared to January. As the third largest employer in the State, UC supports 1 in 46 of all California jobs and contributes $32.8B annually to gross state product. Additional spend from UC could be the lifeline small businesses need to survive and thrive.

The SB First Program also includes the following:
- Exclusions for UC Health as well as Design & Construction
- Exemption for federally funded purchases

To review the proposed revised policy, see:
- Draft Presidential Policy on Purchases of Goods and Services; Supply Chain Management (redlined)
- Draft Presidential Policy on Purchases of Goods and Services; Supply Chain Management (clean)
You are not authorized to sign on behalf of the University or to bind the University in any manner.

It is a violation of federal and state law and UC policy to procure a service or commodity without acquiring the necessary approvals and documents in advance.

If you do, you may be held personally responsible for the cost of the products or services purchased.

Remember

As an employee of a public university, it is your responsibility to comply with all procurement laws, rules, regulations, executive orders, policies and procedures concerning the purchase of goods and services:

• UCOP BUS-43
• UCI 707-10
• California Public Contract Code
UCI Procurement Services
Strategic Initiatives & Communications Team

Doreen Tannenbaum
Strategic Initiatives & Communications Manager

Shauna Niswonger
Procurement Training & Communications Assistant
Small Business Coordinator

Lily Zaprianoff
Procurement Assistant
Sustainability Coordinator

procurement@uci.edu

UCI Division of Finance and Administration | With U • For U
Robust training guides are available on the Procurement website and can be accessed from the footer of each web page.
In addition to our guides and micro-learnings, you can request a **one-on-one session** conducted via Zoom for a more personalized learning experience.

Please contact Shauna Niswonger at shauna.n@uci.edu.
Small Business First Overview
Why support small businesses

Small Businesses play a significant role in our economy:

• Over 4 million small and diverse businesses in California
• Employ 48.8% of California’s private workforce
• For every $100 spent at SB, $68 stays in California
• Buying from small & diverse businesses creates and sustains jobs
• Strengthens our overall economy
Overview

The Small Business First (SBF) Program provides contracting and procurement opportunities to certified Small Businesses (SBs), Microbusinesses (MBs), and Disabled Veteran Business Enterprises (DVBEs) using an informal solicitation process rather than formal bidding.

As of March 1, 2021, any purchases between $10,000 and $250,000 that cannot be procured via an existing strategically-sourced agreement must be awarded to a SB/MB or DVBE, wherever practical.

A Waiver Form needs to be filled out if an exception is not met or if not using a SB/MB or DVBE.
Is my purchase between $10,000 - $250,000 in annual value?

Yes

Is my purchase Federally funded, in whole or part?

Yes

Can I make my purchase off of an existing strategically sourced agreement?

Yes

Does my purchase meet any of the other listed policy exceptions?

Yes

Your purchase is not required to comply with SB First

No

No

Your purchase is required to comply with the SB First Policy – learn more about how to search for SBs to work with and other resources: https://www.ucop.edu/procurement-services/for-ucstaff/small-business-first/index.html
Requirements

If a transaction is subject to the SBF Program, the following is required:

Transactions below $100,000 (annually):
- One quote from a certified SB, MB, or DVBE

Transactions $100,000 - $250,000 (annually):
- Two or more quotes from a certified SB, MB, or DVBE
- If the higher quote is selected, a justification is required

All Transactions:
- Documentation verifying that the supplier is a small business (i.e., screenshot).
- Refer to the sample list of acceptable certifications for this program found on the UCOP website
- All other documentation normally required for the purchase
## Easy Screenshot Tips

<table>
<thead>
<tr>
<th>WINDOWS 10</th>
<th>MAC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hit the <strong>Shift + Windows Key+ S</strong> keyboard combo, and you have a choice of shooting the full screen, a rectangular selection, a freehand selection, or an individual program window</td>
<td>Perform the keyboard shortcut <strong>Command + Shift + 3</strong> to get an image of your Mac's screen, as well as images for any connected monitors</td>
</tr>
</tbody>
</table>

Source
How do I find qualified Small Businesses?

Please visit caleprocure.ca.gov to perform a search.

If unable to find the small business through Cal eProcure, send an email to smallbusiness@uci.edu for additional assistance.

Play Video (download to your computer and click on black box)
Exemptions (no waiver required)

- Purchases that are sole source, unique professional services, and emergency in nature
- Purchases through existing strategically-sourced agreements
- Federally funded purchases
- Design and construction*
- 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 for construction is governed by the UC Facilities Manual and its associated policies and templates.
Waiver Process

When the SBF process may not be practical or when contracting with businesses other than a certified SB, MB or DVBE is justified

BEFORE filling out the waiver, confirm the goods and/or services cannot be procured from a strategically-sourced supplier

Waivers may only be approved by UCI Procurement Services

• A completed and signed Waiver Form must be attached to the requisition with the required supporting documents for Procurement Services approval.

Examples include, but are not limited to:

• Industries where at least two (2) SBs (including MBs) or two (2) DVBEs are not available,

  - OR -

• Business needs that dictate requirements that cannot be met by a SB, MB or DVBE
SMALL BUSINESS FIRST (SET-ASIDE PROGRAM)
Non-Award Justification Form (Waiver)
— For non-Federally funded purchases ≤ $10,000 and ≤ $250,000

This document must be completed by the requesting Department for all applicable non-Federally funded purchases valued ≤ $10,000 and ≤ $250,000 annually (excluding tax, but including shipping), to substantiate the appropriateness of awarding to a non-Small Business (SB) or Disabled Veteran Business Enterprise (DVBE). (Please review the Small Business First Non-Award Justification Form Instructions prior to filling out this document.)

Waiver Exemptions. The following purchase and/or agreement types are exempt from the Small Business First policy and do not require a waiver: inter-agency, federal government, research sub-awards, local government, higher education institutions, concessions, revenue/reimbursement contracts, medical and patient care, statutorily exempt, policy exempt, emergency, local assistance/subvention, and proprietary 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.

Wherever possible, purchases should be made through existing Strategically Sourced agreements. Purchases made with existing Strategically Sourced agreements are not required to go through the Small Business First program.

I. GENERAL INFORMATION

Regulation #: ___________________________ Dollar Amount: ___________________________

Campus Department: ___________________________

Brief Scope of Work:

______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________
II. WAIVER JUSTIFICATION

A. Select or fill in below the relevant portals and systems that were searched to locate Small Businesses or Disabled Veteran Business Enterprises to meet the Scope of Work requirements for this opportunity:

- [ ] Explorer Professional
- [ ] Cal eProcure
- [ ] Other: 

B. List below the relevant UNSPSC, NAICS or other code(s), licenses or keyword(s) used to search for Small Businesses or Disabled Veteran Business Enterprises to meet the Scope of Work requirements for this opportunity:

C. Reason for Waiver Request (choose one). Select below the primary reason for this waiver request. You will be asked to provide a narrative below to further detail to the justification for this request based on the primary reason selected.

- [ ] None, or insufficient number of SBE/DVBE suppliers identified
- [ ] Goods/services offered by only one supplier
- [ ] Quality of material or service is substandard
- [ ] Suppliers found, but unable to perform work
- [ ] Unable to obtain enough valid quotes
- [ ] Supplier did not want to become certified SBE or DVBE
- [ ] No supplier in needed service area
- [ ] Choosing SBE/DVBE would disrupt business operations
- [ ] No supplier response
- [ ] Other, as specified in justification

To support this waiver justification, please attach any relevant documentation. Examples of the type of documentation to include are: failed solicitations; correspondence from the manufacturer, supplier, program; documentation of Small Business Officer assistance; documentation of supplier search/bidders list; past procurement data search or previous contract information; or evidence of SBE/DVBE recruitment efforts.
D. Justification Narrative. Detail below the unique circumstances and/or specifications that support the Reason for Waiver Request selected above. This narrative must clearly state why awarding to a non-SB or DVBE is the only means of meeting the requirements of the Scope of Work. **NOTE:** Pre-work with the selected supplier to customize the equipment or service, thereby excluding competition, is not an allowable justification. Price and brand names are not allowable justifications.

III. REPRESENTATION

By signing below, I hereby certify the foregoing is true and correct to the best of my knowledge.

Dept. Responsible Party Signature: __________________________ Date: __________________________

Dept. Responsible Party Name: __________________________ Email/Phone: __________________________

Dept. Responsible Party Title: __________________________

IV. WAIVER APPROVAL

Policy Exception Authority Signature: __________________________ Date: __________________________

Policy Exception Authority Name: __________________________ Email/Phone: __________________________

Policy Exception Authority Title: __________________________
Resources

• UCI Procurement Services SBF Program
• UCOP SBF Program Details
• UCOP Frequently Asked Questions
• SBF Program Waiver Instructions and Form
Recap

- Benefits
- What the policy means
- Effective Date
Survey

Provide feedback on this event AND on the proposed policy

Questions