



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:

visiting <http://bit.ly/02-23-Survey>

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 \(clean\)](#)

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



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.

UCI Procurement Services Strategic Initiatives & Communications Team



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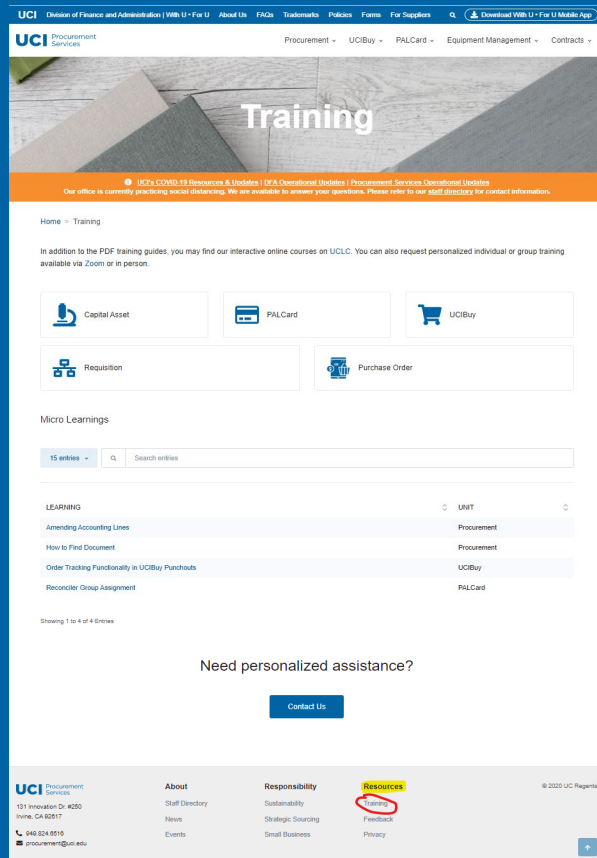


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Procurement Training

Robust **training guides** are available on the Procurement website and can be accessed from the footer of each web page.



In addition to the PDF training guides, you may find our interactive online courses on UCLC. You can also request personalized individual or group training available via Zoom or in person.



Capital Asset



PALCard



UCIBuy



Requisition



Purchase Order

Procurement Training

Table of Contents

| | |
|---|-----------|
| How to: Enter a KFS Requisition | 1 |
| Step 1: Access the Portal | 1 |
| Step 2: Document Header displays information to assist in retrieving or tracking a Requisition. | 1 |
| Step 3: Document Overview Tab | 2 |
| Step 4: Delivery Tab | 3 |
| Step 5: Vendor Tab | 3 |
| Step 6: Items Tab | 5 |
| Step 7: Capital Asset Tab | 9 |
| Step 8: Additional Institutional Info Tab | 15 |
| Step 9: Notes and Attachments Tab (if applicable) | 15 |
| Step 10: Calculate and Submit the Requisition | 16 |
| Step 11: Reload | 17 |
| Step 12: Route Log Tab Tutorial | 17 |
| How to: Perform a Search in KFS | 19 |
| Building Lookup | 20 |
| Vendor Lookup | 20 |
| Commodity Code Lookup* | 21 |
| Search Hints | 22 |
| Account Lookup | 22 |
| How to: Set up a Recurring Payment Requisition | 25 |
| Recurring Payment Guidelines | 25 |
| Multi-Year Contracts | 25 |
| Document Overview Tab | 25 |
| Delivery and Vendor Tab | 25 |
| Items Tab | 25 |
| Payment Info | 26 |
| Notes and Attachments Tab | 26 |
| Calculate and Submit the Requisition | 26 |
| How to: Copy a Requisition | 27 |
| Step 1: Copy the Requisition | 27 |

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



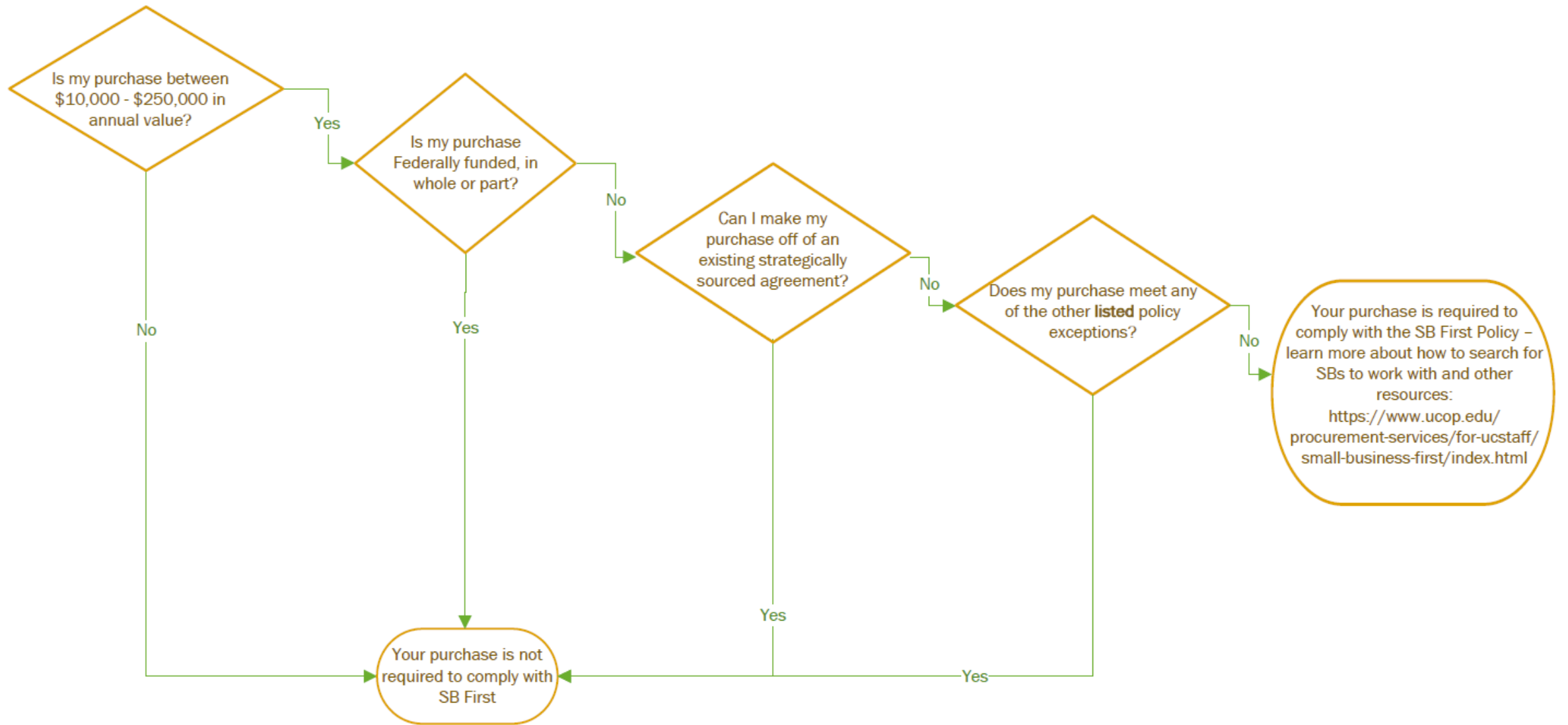
Overview

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.

Decision Tree



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

WINDOWS 10

Hit the **Shift + Windows Key+ S** keyboard combo, and you have a choice of shooting the full screen, a rectangular selection, a freehand selection, or an individual program window

[Source](#)

MAC

Perform the keyboard shortcut **Command + Shift + 3** to get an image of your Mac's screen, as well as images for any connected monitors

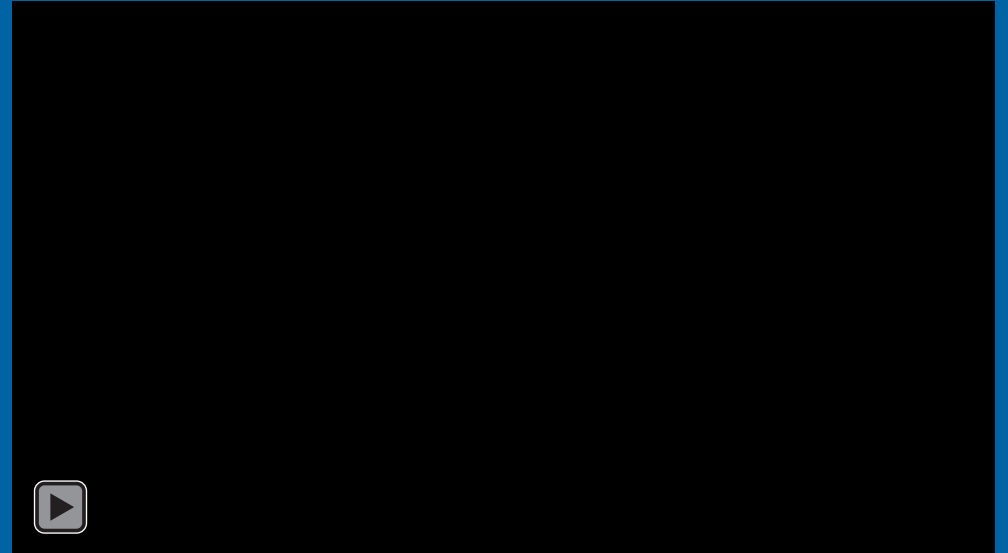
[Source](#)

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 $\geq \$10,000$ and $\leq \$250,000$

This document must be completed by the requesting Department for all applicable non-Federally funded purchases valued $\geq \$10,000$ and $\leq \$250,000$ 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

Requisition #: 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 SB/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 SB or DVBE
- ☐ No supplier in needed service area
- ☐ Choosing SB/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 SB/DVBE recruitment efforts.

Waiver Form
p. 2

- 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](#)

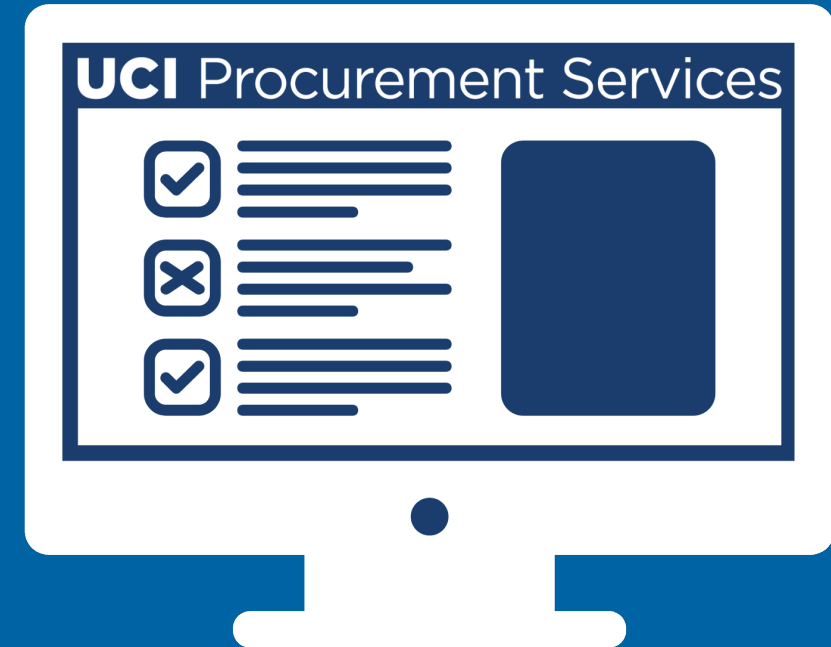
Recap

- Benefits
- What the policy means
- Effective Date

Survey

Provide feedback on this event AND
on the proposed policy

<http://bit.ly/02-23-Survey>



Questions



*Thank
You*