

# UC Berkeley Small Business First Program

## Program Overview & Implementation Update



# Why support Small Businesses?

**Small Businesses play a significant role in our economy:**

- 99.8% of California businesses are small
- 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



# Why is UCB doing Small Business First?

- UC procures billions of goods and services annually
- Leverage UC's vast purchasing power
- Provide opportunity and access to businesses that face systemic barriers
- Help small businesses that have been decimated due to pandemic



# COVID-19 Impacts to Small Businesses

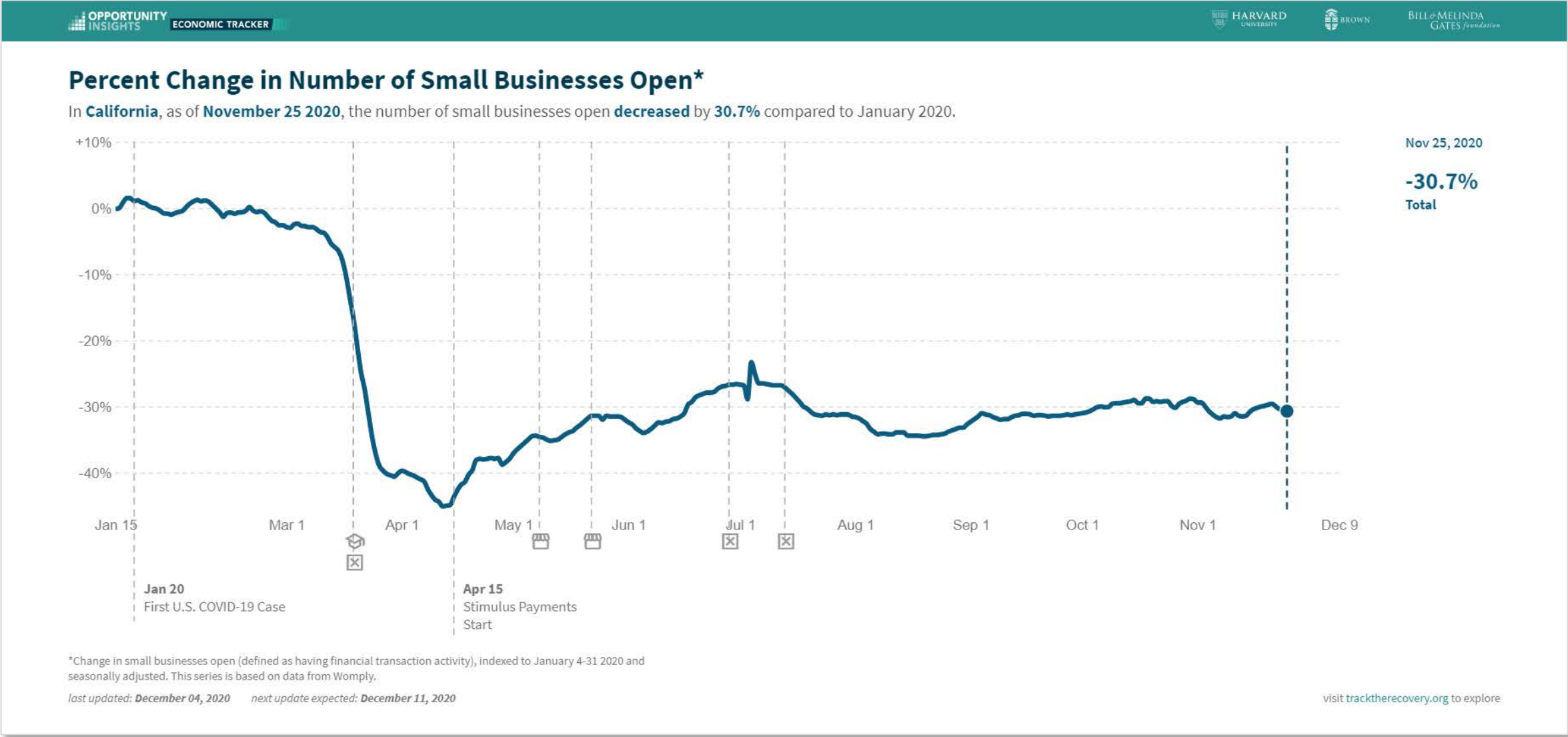


Figure 1. Small Businesses Open ([Opportunity Insights, 2020](#))

# COVID-19 Impacts to Small Businesses

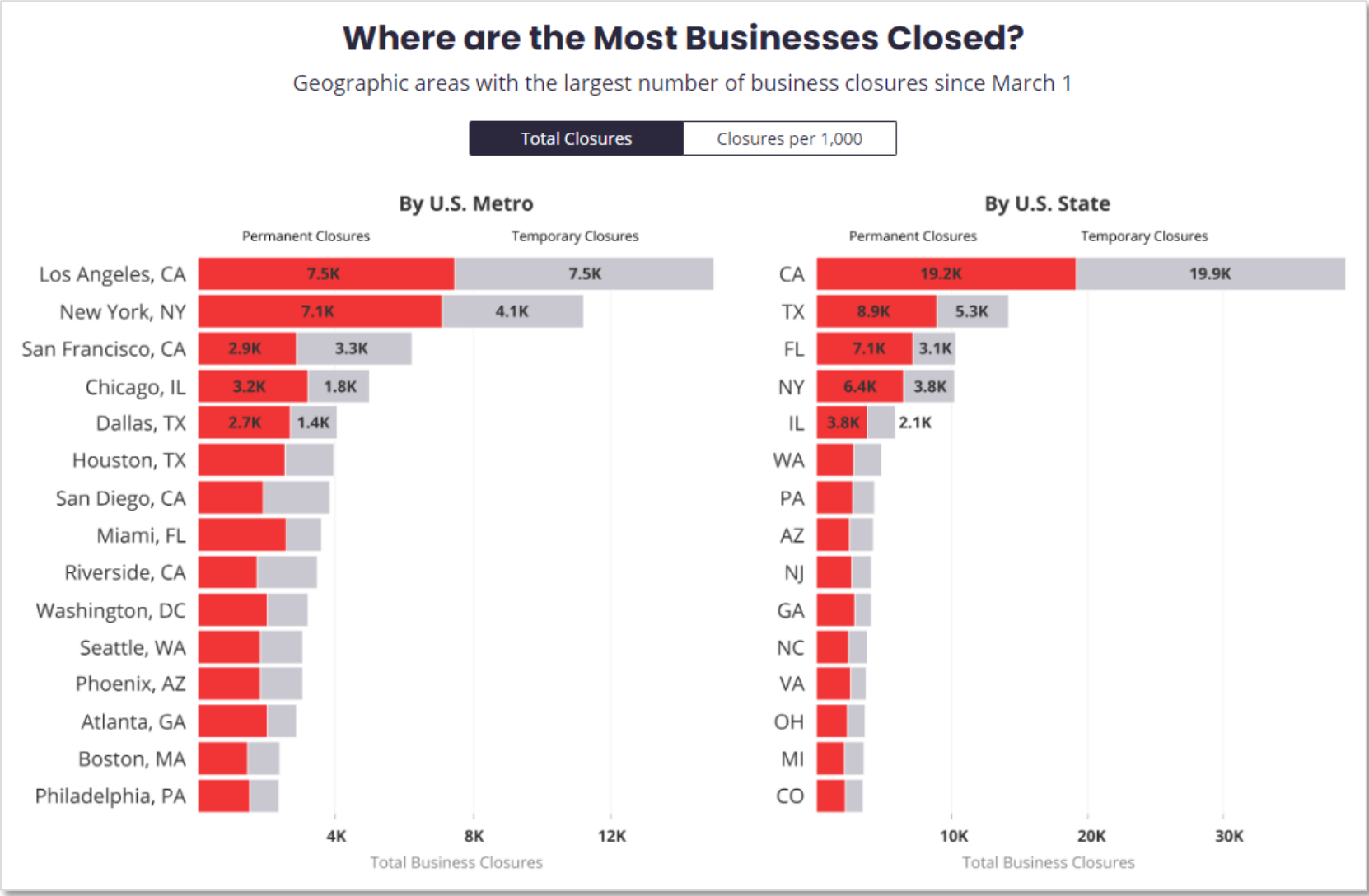


Figure 2. Where are the Most Businesses Closed? ([Yelp: Local Economic Impact Report, September 2020](#))



# COVID-19 Impacts Minority-owned SBs

From February to mid-April, 440 thousand of the 1 million African American owned businesses in the nation have closed for good – a 41% reduction in just two and a half months.

Likewise, 32% of LatinX businesses and 26% of Asian owned businesses have permanently closed. This is compared to 17% of white owned businesses.

([Fairlie/National Bureau of Economic Research, August 2020](#))

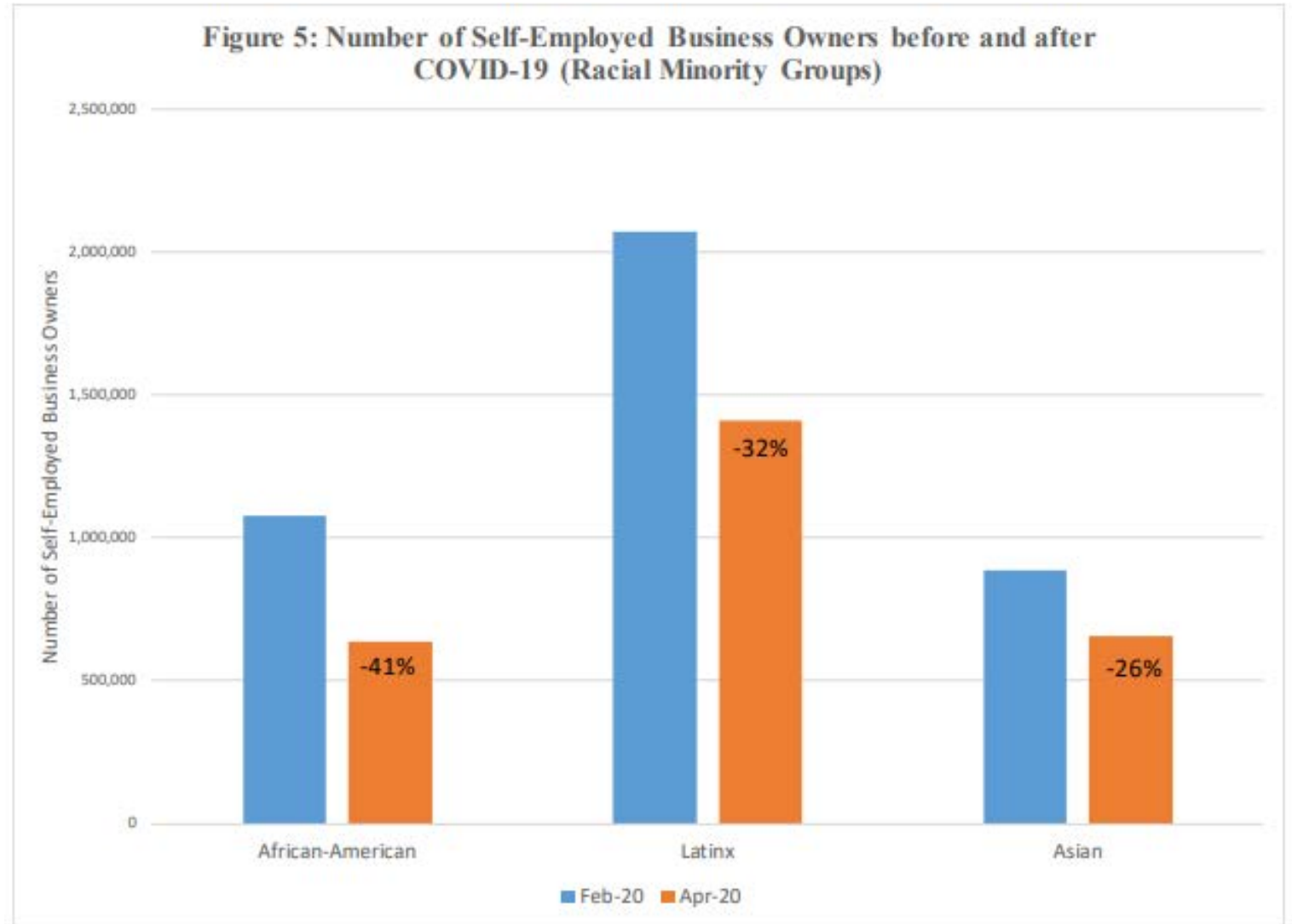


Figure 2. Business Closures ([Fairlie/National Bureau of Economic Research, August 2020](#))

# What is the Small Business First program?

UCB commits to providing contracting and procurement opportunities to:

- Certified **Small Businesses** (SB) – which may include DBEs, WOSBs, HUBZone, etc.
  - **Microbusinesses** (MB)
- **Disabled Veteran Business Enterprises** (DVBE)



# What are the program details?

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- Wherever practicable, UC contracts and procurements between \$10,000 - \$250,000 should be awarded to a SB/MB or DVBE

## Informal solicitation process requires only:

- One (1) quote for purchases below \$100,000
- Two (2) quotes for purchases above \$100,000
  - If no quotes are received, can request bids from any size business via normal process (depending on value of opportunity)
  - Small Businesses responding to bids must perform a Commercially Useful Function (CUF) on contract





# What are benefits of Small Business First?

## Supports UC mission and goals:

- Helps campuses reach Economically & Socially Responsible spend goals
- Increases UC engagement with small businesses, incentivizes businesses to get certified
- Encourages use of strategically-sourced contracts
- Targeted programs help mitigate small business challenges

