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

Percent Change in Number of Small Businesses Open*

In California, as of November 25, 2020, the number of small businesses open decreased by 30.7% compared to January 2020.

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)
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?

• 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