



# UCSF Real Estate Small and Diverse Business Outreach Report

## **Background**

The UCSF Real Estate Leadership Team (RELT) is formalizing its commitment with Small Local Businesses (S/LBEs), in creating collaborations on major capital improvement projects and ongoing general maintenance and construction. In February 2022, RELT issued a Request for Qualifications (RFQ) for consultant teams to work with RELT and other campus and community stakeholders to assist UCSF in developing a diversity, equity, and inclusion (DEI) Small Business Outreach Program. In May 2022, Lowe Consulting Group (LCG) was selected to assess current UCSF systems over a six-month period and offer suggestions on how to extend opportunities for Diverse Small Businesses (DSB). LCG's findings and recommendations were based on UCSF data, interviews with over 40 internal and external stakeholders, and assessing best practices of two dozen organizations and agencies nationwide, including top research universities and hospital systems.

## **Recommendations**

LCG proposed that RELT implement a multi-tiered approach to enhance the current program and increase opportunities for DSBs and strengthen mechanisms to monitor and report on these efforts, while reducing potential legal challenges given current California laws. Outlined below is an overview of the recommendations.

### Subcontracting Goals

For non-construction procurements, UCSF to align with the University of California Office of the President (UCOP) Small Business First Program. In addition, UCSF should consider adopting a 15% DSB aspirational goal for all RELT construction projects and identify potential DSBs using an availability analysis which offers three regional options:

- City-specific: Companies certified in those cities in which UCSF properties are located.
- Impact Area: Companies certified within the nine Bay Area Counties.
- Impact Zones: Companies determined by UCSF to be significantly impacted by health/quality of life outcomes due to a variety of factors, including residency in economically disadvantaged areas.

### Standardize DSB Engagement

Develop a systemwide (campus and health care) database of pre-qualified DSB firms, ensure all staff share bid opportunities with firms in the database, and implement reporting mechanisms to track contracts awarded to each firm. Promote policies and programs through the creation of a Supplier Diversity Department, with five-year budgeting for full-time staff and a robust program website that outlines the

subcontracting process, prequalified contractors, project DSB utilization data, and mechanisms to gather feedback.

#### Alternate Delivery Methods and Financial Support

Consider alternate delivery methods for projects and implement qualitative and quantitative evaluation criteria that prioritizes utilization of DSB firms. Strengthen the existing supplier payment options and consider early retention release and accelerated payments for pre-qualified DSB firms.

#### DSB Technical Assistance Program

Collaborate with local community-based trade associations to support and augment technical assistance programming that will allow DSB firms to better understand how to do business with UCSF and mitigate barriers that prevent firms from becoming pre-qualified. Establish an accelerator program to prioritize and target opportunities for DSB firms that are currently working with RELT or have completed work for UCSF within the last five years.

#### Program Evaluation

Implement monitoring and reporting processes during and after construction. RELT should establish Key Performance Indicators (KPIs) for Project Managers to measure overall implementation of all DSB program objectives. Incentives and/or penalties should also be established when evaluating the performance of construction firms in meeting DSB program goals.