

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

### A. GENERAL INFORMATION

1. Date

08/29/2024

2. Department

High-Speed Rail Authority

3. Organizational Placement (Division/Branch/Office Name)

Administration Office/Small Business Development and Compliance Branch

4. CEA Position Title

Chief of Small Business

5. Summary of proposed position description and how it relates to the program's mission or purpose.  
(2-3 sentences)

The CEA is responsible for overseeing the Authority's Small Business, Title VI Compliance, and Records Management programs. The incumbent ensures the direction of strategic goals and objectives for the Authority's program by developing policies and procedures and implementing programs that provide responsiveness to customers, stakeholders, evolving opportunities, and the Authority's priorities in an expanding and complex Small Business procurement environment.

6. Reports to: (Class Title/Level)

Chief Administrative Officer, CEA B

7. Relationship with Department Director (*Select one*)

- ☐ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☒ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(*Explain*): The CEA participates in meetings and confers with the Authority's Board of Directors and the executive management team regarding the Authority's Small Business programs, and provides presentations and policy briefings.

8. Organizational Level (*Select one*)

- ☐ 1st ☐ 2nd ☐ 3rd ☒ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

## B. SUMMARY OF REQUEST

### 9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the general direction of the Chief Administrative Officer for the High-Speed Rail Authority (Authority), the CEA is responsible for overseeing the Small Business Development and Compliance Branch, including developing and implementing policies governing the Authority's Small Business, Small Business for the Purpose of Public Works (SP-PW), Micro Business (MB), Disadvantage Business Enterprises (DBD), and Disabled Veterans Business Enterprise (DVBE) procurement and contracting processes. The incumbent oversees and administers, through subordinate management staff, the Small Business Outreach, Title VI, Compliance, and Small Business Support functions.

The incumbent achieves the strategic goals and objectives of the Small Business Development and Compliance Branch by developing policies and procedures for, and implementing and maintaining compliance with, programs required by Title VI of the Civil Rights Act, the Federal Railroad Administration (FRA) Grants, the Federal Department of Transportation's Disadvantaged Business Enterprise (DBE), and the Department of General Services' (DGS) Small Business, MB and DVBE programs.

The CEA interacts with and provides presentations to the Authority's Board of Directors and Executive Staff, the FRA, Legislative staff, CalSTA, DGS, Caltrans, customers, and stakeholders. The incumbent maintains employee relations and promotes innovative solutions to meet the needs of customer

The CEA makes recommendations to the Chief Executive Officer, Chief Deputy Director, Chief Operating Officer, and Chief Administrative Officer regarding the formulation and/or administration of policy and long-range planning for the Authority's Small Business Development and Compliance Branch, which includes policies for the Small Business Outreach and Equity plan, collaboration and conferences, collection of equity data, preparation of the Title VI accomplishment report, managing investigations, conduct of the Environmental Justice work group, tracking and monitoring contract utilization and payments, Prime Contractor Small Business compliance, pre-bid workshops, the Business Advisory Council, the Small Business Procedure manual, tracking and maintaining Small Business/DBE/DVBE waivers, and Records Management programs.

The CEA confers with the Chief Executive Officer, Chief Deputy Director, Chief Operating Officer, and Chief Administrative Officer regarding the Authority's Small Business program and acts as the point person with control agencies on issues pertaining to Small Business program management. The incumbent attends and participates in meetings and briefings with executive management, Authority staff, committees, task forces and representatives of other departments. The incumbent also represents the Authority at public speaking engagements and media events, and attends and participates in Small Business conferences and partner-sponsored events. The CEA coordinates and oversees the work of the Authority's consultant firms, establishes relationships with small businesses, conducts presentations regarding the Authority's Small Business program, and manages Authority-hosted workshops and events.

The CEA manages, supervises, and directs subordinate managers who plan, develop, and coordinate the day-to-day operations of the branch in accordance with the Authority's policies, procedures, and processes for management of the Authority's Small Business contracting. The CEA monitors the Authority's internal control systems to minimize fraud, errors, waste, and abuse of funds while strengthening the internal controls.

The CEA ensures that assigned contracts and agreements are administered and managed in accordance with the applicable policies and procedures of the Authority, the State Contracting Manual (SCM) and the California Government Code (GC). Provides strong oversight of subordinate contract managers, holding them accountable for ensuring that assigned contracts and agreements are administered and managed in accordance with the applicable policies and procedures of the Authority, the SCM and the GC.

**B. SUMMARY OF REQUEST (continued)**

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The program is critical to the success of the Authority's High-Speed Rail Project. Specifically, the CEA oversees the Authority's commitment to ensuring that small, disabled, disadvantaged, and diverse businesses play a major role in building the statewide high-speed rail project. The Small Business Program supports the economic vitality of small businesses by offering outreach, engagement, and supportive services that improve access to opportunities and increase competitiveness of small businesses. This commitment will serve to inspire business growth, job creation, and workforce development opportunities associated with California's high-speed rail program. The construction cost of the initial high-speed rail line is expected to be \$30 billion, and as a result the economic impact will be profound, particularly with regard to Small Business contracts. For example, as of August 2024, the Authority had 852 small businesses actively working on the high-speed rail project, including 296 DBE and 107 certified DVBE. Failure to expertly administer these contracts will imperil the success of the high-speed project.

## **B. SUMMARY OF REQUEST (continued)**

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

The establishment of this position is pursuant to the Form to Function Budget Adjustments and Proposition 1A Cap Budget Change Proposal 2665-003-BCP-2024-GB, which authorizes an increase to the Authority's FY 24-25 budget and a continuance of the Authority's "Form to Function" mandate. The Form to Function mandate addresses findings from the California State Auditor's Office. Specifically, in November 2018, the California State Auditor's Office concluded an audit of the Authority and released California State Auditor Report 2018-108, which discussed the Authority's reliance on contractors as a key risk area to the ongoing success of the high-speed rail project. As a result, the new budget request is consistent with past budget requests to increase the Authority's state staff to address new workload, instead of augmenting consultant staff, consistent with the findings of the State Auditor.

The Authority has utilized consultants to provide services in the areas of Small Business and Title VI. Small Business Compliance ensures that contractors adhere to the Small Business Program and meet Small Business utilization goals. The Authority's Board of Directors, and Peer Review Group, stakeholders, and Business Advisory Council have expressed the need for increased oversight, monitoring, and compliance of the Small Business Program especially with the increased visibility and sensitivity surrounding small businesses over the course of the project. Title VI prohibits discrimination based on race, color, or national origin in programs or activities receiving federal financial assistance. The rights of women, the elderly, and the disabled are protected under related statutes. As the Authority is a recipient of Federal funds, the Title VI program is mandatory and these positions play a significant role in the writing of policy and training of staff and management on complaints and maintaining the program and its regulations.

This change eliminates the consultants in the areas above and replaces them with state staff for an estimated budget savings of \$0.5 million. The CEA will be responsible for the reorganized Small Business Development and Compliance Branch; the reorganization and growth of which replaces the consultant staff with seven state staff, including the CEA.

The establishment of this CEA will also facilitate sustained economic growth and opportunity by connecting California's economic centers with the high-speed rail to give business around the state new opportunities to collaborate and to choose locations based on labor force availability. California has the most diverse small business community in the country, far exceeding any other state. This complex and diverse community plays a substantial role in providing goods and services to the project. Specifically, as of August 2024, the Authority had 852 small businesses actively working on the high-speed rail project, including 296 DBE and 107 certified DVBE.

### C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The CEA is the primary policy maker for the following policy areas:

1) The Authority's Small Business Reporting Policy ensures that the Authority's Small Businesses, MB, SP-PW, and DVBE programs are implemented and managed in accordance with Title VI of the Federal Civil Rights Act, the FRA Grants, and DGS' policies governing procurement.

2) The DBE and Title VI policies ensures that the DVBE program at the Authority is implemented and managed in accordance with Title VI of the Federal Civil Rights Act, the FRA Grants, DGS, and the California Department of Transportation's policies governing DBE procurements.

The following three policies (numbers 3 through 5 below) ensure that the Authority promotes a level playing field across the state and provides equitable opportunities for all businesses, including underutilized businesses, to participate in contracting opportunities with the high-speed rail project:

3) The Environmental Justice policy ensures that a National Environmental Policy Act (NEPA) Environmental Justice analysis is conducted to identify and address, as appropriate and when practicable, disproportionately high human health and environmental effects on minority or low income populations. The Authority is committed to the fair and meaningful involvement of all affected groups in its contracting process.

4) Policies governing the collection and distribution of data for Small Business Utilization and Small Business Certification to certify adherence to policies dictated by the following entities:

- Small Business and SP-PW – DGS
- MB – DGS
- DVBE – DGS
- DBE – US Department of Transportation

5) The CEA also develops and implements policies to ensure compliance with the Authority's Board of Directors Resolution #HSRA 23-07 (November 2023), which delineates the revised goal to increase Small Business, SP-PW, MB, DBD, and DVBE participation in the contracting and procurement processes.

All of these policies have a statewide fiscal impact, as they promote and govern the use of small businesses to provide critical goods and services to the largest rail construction project in the United States. Furthermore, these policies ensure compliance with state and federal requirements for small, disabled veteran, and disadvantaged businesses, limit disparate impacts to disadvantaged communities along the high-speed rail alignment, and ensure the proper application of goal requirements statewide which in turn impacts job creation for Small Business/DVBE/DBE firms and their employees.

### **C. ROLE IN POLICY INFLUENCE (continued)**

#### **13. What is the CEA position's scope and nature of decision-making authority?**

The CEA position has a broad scope and nature of decision-making authority and is the sole Small Business program executive, reporting directly to the Chief Administrative Officer and indirectly to the Chief Executive Officer and Chief Deputy Director. Specifically, the CEA's authority encompasses the full range of activities associated with the Small Business program in four critical areas: Small Business Outreach, Small Business Compliance, Title VI, Small Business Support, and Records Management. The position has the primary authority to develop policy and make decisions regarding small business workshops, conferences, data collection, and maintenance of the Authority's Small Business equity plan. For example, the CEA participates in events such as the state's recent Small Business Symposium, which included the Secretary of the California State Transportation Agency, the California Office of Small Business Advocate, the Office of Business and Economic Development, and other agency and department level entities.

The position will have broad authority to ensure Authority compliance with Title VI, Environmental Justice, and managing Title VI investigations and complaints. It has a similar level of authority in tracking and monitoring utilization and payment of contracts, compliance with FRA/DGS requirements, administering the Business Advisory Council, and managing Small Business program key performance indicators, tracking, and metrics. While the position ultimately reports to the Chief Administrative Officer, it has broad independent authority and discretion to make critical decisions that impact many areas of the Authority and businesses throughout the state.

The position leads and manages the Authority's Business Advisory Counsel, meets with partner agencies to develop contract agreements that have small business goals (most recently Link US project with LA Metro \$400 Million contract), and reports to state and federal control agencies, such as DGS and FRA, which occasionally requires meeting with their department directors and deputy directors. It is also authorized to engage with the leadership of various local and statewide Chambers of Commerce (Asian, Hispanic, Black), member associations resource partners, and trade associations.

#### **14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?**

The CEA position develops and implements new policy in addition to revising, interpreting, and implementing current policy. For example, the CEA develops and implements the Authority's Small Business Reporting Policy and DBE Policy to ensure that Small Business, MB, SP-PW, DVBE, and DBE are afforded every practicable opportunity to participate in the Authority's contracting and procurement program. The Small Business Program promotes a level playing field and provides equitable opportunities for all businesses, including under-utilized businesses, to participate in contracting opportunities with the high-speed rail project.

Furthermore, the CEA develops and implements policies governing the collection and distribution of data for Small Business Utilization and Small Business Certification to gain certification by the DGS and the US Department of Transportation. It also implements and oversees compliance with the Authority's Board of Directors Resolution #HSRA 23-07 November 2023, which created revised goals that have stand-alone requirements subject to state or federal regulations that govern the business certifications, Small Business, SP-PW, MB, DBD, and DVBE.

The CEA also revises current, and if necessary, creates new policies to remain in compliance with Title VI and bring the Authority's practices into alignment with AB 2019, a state law passed in 2022 that codified California's 25 percent small business participation goals, based on state designations.