



California High-Speed Rail BRIEFING: September 23, 2021, Board Meeting Agenda Item #4

TO: Board Chair Richards and Board Members

FROM: Alicia Fowler, Chief Counsel

DATE: September 23, 2021

RE: **Revised** Proposed Revision to CEO Delegation (related to contracts and contract management)

Summary

Staff recommends amendments to the Chief Executive Officer (CEO) Delegation of Authority (DOA) related to contracts and contract management.

Background

Board policy HSRA11-001 DOA delegates certain authorities to the CEO related to many areas, including contracts and contract management (Section B). Over time, the Board of Directors (Board) has amended the DOA several times to provide the CEO with the ability to carry out responsibilities without seeking Board approval.

Prior Related Board Action

Over the years since formation of the Authority, the Board has granted various delegated authority to the CEO.

The Authority delegated authority to the CEO in Board Policy HSRA 11-001, originally approved via Resolution #HSR 11-09, which Policy the Board amended on January 14, 2014, via Resolution #HSR 14-01, in August 2018, via Resolution #HSR 18-14, in September 2019, via Resolution #HSRA 19-09; in April 2021, via Resolution #HSR 21-03; and most recently in May 2021, via Resolution #HSR 21-04.

Note: the proposed amendments to the accompanying draft DOA are in tracked changes and coded as follows for easy comparison:

- Proposed amendments relating to the contract and contract management recommended herein are tracked in **blue and boldface type**

Discussion

Staff recommends revising the delegation of authority to the CEO related to contracts and contract management to: 1) require \$25 million or greater single contingency use reporting to the Board rather than to the Board Chairperson only; and 2) clarify that single contingency use reporting is required for amended contracts and construction change orders.

This approach is proposed to both meet the goal of the Board to ensure clarity in its delegation to the CEO and to receive briefings at Board meetings when single contingency use involves \$25 million or a greater amount.

Legal Approval

The Office of Chief Counsel confirms that there is no legal impediment to the Board revising the CEO DOA as proposed.

Budget and Fiscal Impact

The proposed change in delegation is not expected to result in a budget or fiscal impact.

REVIEWER INFORMATION	SIGNATURE
Reviewer Name and Title: Brian Annis Chief Financial Officer	Signature verifying budget analysis: September 16, 2021
Reviewer Name and Title: Alicia Fowler Chief Counsel	Signature verifying legal analysis: September 16, 2021

Recommendations

Staff recommends that the Board amend the CEO DOA to allow modifications, as outlined above and identified in the attached tracked changes to the Board Policy, to:

to ensure clarity in its delegation to the CEO and to receive briefings at Board meetings when single contingency use involves \$25 million or a greater amount.

Attachments

- (1) Resolution #HSRA 21-09
- (2) HSRA Policy 11-001, as amended