



DATE: November 3, 2011

TO: Chairman Umberg and Board Members

FROM: Chris Ryan, Chief Deputy Director

RE: Agenda Item #5 - Small Business Policy and Draft Small Business Program Plan

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**Background**

**Item 1:** On February 3, 2011, the Authority presented its proposed SB, Disabled Veteran Business Enterprise and Disadvantaged Business Enterprise (DBE) Policy to the Board. Mr. van Ark recommended that the public and Federal Railroad Administration (FRA) provide comments on the proposed policy before finalizing it. The Board accepted the recommendation.

The Authority heard from the business community and FRA that the proposed SB Policy should include the best practices of 49 Code of Federal Regulation Part 26, which pertains to the Disadvantaged Business Enterprise (DBE) Program. The Authority presented a preliminary draft copy of a revised SB Policy to FRA which incorporated the best practices of 49 CFR Part 26 in addition to Executive Order S-02-06 — Governor’s Executive Order on the involvement of Small, Disabled Veteran and Micro-Businesses.

On October 21, 2011 the FRA approved the Authority’s SB Policy.

Today, the SB Policy includes the best practices as referenced and identifies the SB Program objectives the CHSRA and the selected Design-Builders will make good faith efforts to achieve.

**Staff Recommendation for Item 1:** The Authority requests your approval to have Mr. van Ark sign the policy and disseminate the policy to the public

**Item 2:** On August 8, 2011, through the grant/cooperative Agreement between FRA and the Authority, the FRA directed the Authority to develop and implement a SB Program Plan to address how the Authority and its Design-Builders will ensure that small businesses, including DBEs, have an opportunity to bid on the rail contracts and participate in the project construction. The FRA further stated that the draft Plan must be published for public input through a 45 day public comment period. Evidence of the 45 day public comment period and consideration of the public’s comments, together with the final Plan, is to be submitted to FRA for approval of the Plan.

The Authority provided FRA with a preliminary draft SB Program Plan. On September 29, 2011, the FRA provided their comments to the preliminary draft Plan. FRA comments were incorporated into the Plan. It is noteworthy that FRA complimented the Authority on the thoroughness on the Plan and stated that the Plan meets the best practices of 49 CFR Par 26 and complies with Title VI of the Civil Rights Act of 1964.

The Authority plans to disseminate and circulate the draft SB Program Plan, including the SB Policy, to all components of the Authority, small business and general business communities. Distribution will be accomplished through posting on the Authority and California Department of General Services (DGS) websites; and through electronic notification to SBs on the DGS and California Department of Transportation SB directories. To further ensure public input, the Authority plans to host three (3) public community forums, inviting members of the business community to verbally share their comments. The three (3) public community forums will be scheduled in the Central Valley, Bay Area and Southern California.

**Staff Recommendation for Item 2:** The Authority requests your authorization to enter into a 45 day public comment period on the draft SB Program Plan and proceed as described above.

### **Recommendation Summary**

This Agenda item makes two requests of the Board.

- 1) Approve the Small Business (SB) Policy for signature and public dissemination.
- 2) Approve the Draft SB Program Plan to engage in a 45 day public comment period.

### **Attachments:**

- ✓ **CHSRA Small Business Policy**
- ✓ **CHSRA Small and Disadvantaged Business Enterprise Program**
- ✓ **Resolution # HSRA11-25 / Approval to Sign and Disseminate the Small Business Policy**
- ✓ **Resolution # HSRA11-26 / Approval to Disseminate the Small Business Program Plan and hold public community forums.**