

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

June 17, 2024

2. Department

Office of Technology and Solutions Integration (OTSI)

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

OTSI Enterprise Operations Division (EOD), Acquisition & Contracting Services Division (ACSD)

4. CEA Position Title

CalHHS Agency Procurement Officer/Assistant Deputy Director Enterprise Operations

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

The Office of Technology and Systems Integration (OTSI) proposes to create a new CalHHS Agency Procurement Officer/ OTSI Assistant Deputy Director at the CEA B level for the California Health and Human Services Agency (CalHHS) and the OTSI. The Assistant Deputy Director will be under the general direction of the California Health and Human Services Agency (CalHHS) Deputy Chief Information Officer and the OTSI Deputy Director, Enterprise Operations Division. This new role/position will serve a dual role as the procurement executive for CalHHS and will be responsible for developing and promulgating state-compliant, agency-wide policies related to procurement, contracting, and vendor management for contracts related to technology and data solutions. For OTSI, the Assistant Deputy Director Enterprise Operations will be directly responsible for the Acquisition and Contracting Services Division and indirectly responsible for all OTSI procurement activities. This OTSI role entails providing procurement strategic leadership by providing support to CalHHS and its member departments high complexity procurements. These new executive level responsibilities warrant this request to establish a new CEA B level to support CalHHS Agency and OTSI.

6. Reports to: (Class Title/Level)

Enterprise Operations Division, Deputy Director 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):

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 California Health and Human Services Agency (CalHHS) Deputy Chief Information Officer and the Office of Technology and Solutions Integration (OTSI) Deputy Director, Enterprise Operations Division (EOD), the CalHHS Agency Procurement Officer (APO)/EOD Assistant Deputy Director has a dual role and serves as the procurement executive for CalHHS, responsible for developing and promulgating state-compliant, agency-wide policies related to procurement, contracting and vendor management for contracts related to technology and data solutions. Responsible for the Acquisition and Contracting Services Division (ACSD) within OTSI, the APO provides support to CalHHS and its member departments for high complexity procurements. The APO fosters a culture and approach that consistently produces CalHHS procurements that are cost-effective, coordinated, and aligned with CalHHS and the State's strategic objectives. This role also employs standards and practices resulting in contracts that facilitate effective vendor management and appropriate risk-sharing. Specific duties include:

CalHHS Procurement Oversight and Advisory

Develop, implement and/or maintain Agency and statewide policies governing procurement and contracting. Create strategic and tactical plans for general and specific procurements. Works with departments and offices in support of ongoing procurement compliance with State and agency policies. Identifies and implements improvements to procurement and contracting processes. Establishes processes for procurements that reduce time and cost, while improving the quality of the solution/service being procured and effectively managing State risk.

CalHHS Procurement Support

Serves and/or represents on behalf of the OTSI Directorate or CalHHS leadership on complex procurement and contracting issues. Works with CalHHS departments to understand and deliver reimbursable or otherwise funded services that OTSI might be able to provide accelerate or improve Department procurement functions.

OTSI Procurement Strategic Leadership

Advises OTSI Directorate and Executive staff, providing guidance and direction regarding the procurement of goods and services, effectively communicating relevant laws, policies, and regulations to assist department executives in making business decisions. Works closely with high-level executives of other State agencies and departments by involving stakeholders throughout the procurement process to ensure better procurement outcomes. Collaborate with in-house legal staff regarding issues of contract law.

Provides executive leadership in the development, implementation, and management of the CalHHS Center for Contract Lifecycle Management. This role encompasses strategic oversight of the center's operations, ensuring alignment with CalHHS objectives and statewide, national and industry standards and best practices.

OTSI Procurement Office Leadership

Oversees and manages staffing and resources. Coaches, manages, and mentors procurement and contracting staff. Performs various supervisory responsibilities related to staff management and development. Continually assess maturity and evolution required of the office and staff's ability to meet evolving expectations. Evaluates necessary staffing resources and training needs. Provides clear direction on the purpose of the office, deliverables required to support the Agency, associated deadlines, and performance expectations.

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: OTSI provides critical Information Technology (IT) project management, oversight, and Information Technology (IT) and Non-IT related acquisition services for a number of CalHHS projects which collectively represent a multi-billion-dollar investment. As an Agency, CalHHS and its departments procure approximately \$4 billion in technology and related services through a federated model. Department procurement functions work with the Department of General Services and the California Department of Technology Statewide Technology Procurement Office to develop, run and evaluate procurements. As part of OTSI's updated mission to increase partnership with CalHHS departments and in an effort to improve consistency, efficiency, quality and outcomes related to IT and data initiatives across Agency, OTSI requires an Agency-level procurement executive who can provide guidance, oversight and support.

This is particularly important given the critical dependencies on IT and data solutions identified within the CalHHS IT and Data Strategic Plan (March 2024). The Agency and its departments anticipate procuring and deploying innovative and emerging enterprise data and integration capabilities to support technology integration and secure appropriate data sharing.

The APO and ACSD play a vital role in ensuring that these large-scale investments are made wisely, effectively, and in alignment with the Agency's Strategic Alignment: The APO ensures that procurement strategies align with the overall business strategy and CalHHS and OTSI priorities. This alignment is especially essential for IT contracts, as technology investments can significantly impact an organization's ability to innovate, compete, and meet its objectives.

Cost Management: Multi-million-dollar contracts represent significant financial commitments. The APO can leverage their expertise to help negotiate better terms, achieve cost savings, and manage the budgets effectively, ensuring that the Agency gets the best value for its investment. The APO will be responsible for agency-wide annual procurements that value between \$1- \$5 billion.

Risk Management: Large contracts come with substantial risks, including technological, financial, operational, and reputational risks. Identifying, assessing, and mitigating these risks through careful contract management, due diligence, and the establishment of effective policies, procedures and contingency plans is essential.

Compliance and Governance: Ensuring that contracts comply with relevant laws, regulations, and standards is critical. The APO ensures that contracts are executed in a manner that meets all legal and regulatory requirements and that the Agency, State, and Federal laws, policies and procedures are followed.

The role of the APO in overseeing multi-million-dollar contracts is multifaceted and critical for ensuring that these investments are strategic, cost-effective, risk-managed, compliant, and aligned with the offices, Agency and State's broader goals and values.

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.

OTSI, within CalHHS, has long been known for tackling some of the largest and most complex IT projects, with a concentrated focus of IT expertise in project management, procurement, change management, governance, and more. In 2023, CalHHS merged the (then) OSI director and agency information officer (AIO) roles into one, creating an organization that can leverage a cross-agency view of technology needs to inform how OTSI can expand its benefit to CalHHS departments. This new structure highlights the role of OTSI in providing IT strategy and support across the entirety of CalHHS, and not just on the handful of projects under the direct management of OTSI. While OTSI continued to provide the exceptional project management and procurement skills and expertise it always had, the new structure also drove towards leveraging this expertise more broadly.

Under the new model, OTSI has already started providing support to smaller CalHHS departments to help stand up project governance, procurement, change management, and planning/delivery rather than those smaller shops scaling up to handle such activities. Larger departments are now able to leverage OTSI's expertise to create new capabilities related to successful solution delivery, handle urgent issues, fill in short-term skill gaps, and troubleshoot problems.

OTSI is developing a center of excellence to provide our departments simplified access to industry-leading tools and practices related to enterprise architecture, procurement, project planning and delivery, specifically in the context of CalHHS' mission and unique service delivery challenges. This should accelerate the departments' ability to obtain needed technology capabilities, deliver much-needed services to Californians, and reduce duplication of efforts across the agency. The newly redefined OTSI handles the breadth of the technology life cycle, including programmatic support. This new role of the office not only in focuses on building and implementing systems, but as an agency-level organization partnering with departments to identify solutions and actively drive towards the agency goal of whole-person care through integration.

In addition to the expanded role of the APO and ACSD, a recent review of the CalHHS' purchasing authority by the Department of General Services identified that the Agency was not in compliance with the State Contracting Manual and Public Contract Code (PCC), Section 10333(a)(1).

Public Contract Code (PCC), Section 10333(a)(1) "Designates an agency officer as responsible and directly accountable for the agency's purchasing program."

The department director will designate a Procurement and Contracting Officer (PCO).

1. Must be a member of the Executive Team (CEA and above):

- o Agency Secretary
- o Agency Undersecretary
- o Department Director
- o Department Deputy Director
- o Chief Executive Officer (Boards, Commissions)
- o Assistant Chief Executive Officer
- o Deputy Director, Administrative Services

A department may designate a different position; however, it must have the equivalent level of authority of the positions stated above.

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 APO's policy-setting responsibilities encompass a wide range of areas to ensure transparency, fairness, and value for money in public procurement. These could include any, or all, of the following:

Procurement Policies and Procedures: Developing, implementing, and periodically updating procurement policies and procedures to reflect changes in laws, regulations, and best practices. This includes setting guidelines for pre-procurement, procurement, and post-procurement and contract management activities.

Ethical Standards and Compliance: Establishing ethical standards for procurement activities to prevent conflicts of interest and ensure compliance with state and federal laws. This involves creating policies that govern the conduct of procurement officials, contract managers, vendors, and other stakeholders.

Sustainability and Social Responsibility: Developing policies that promote sustainability and social responsibility in procurement practices. This could involve setting guidelines for the purchase of green products, supporting Small Business (SB) and Disabled Veterans Business Enterprises (DVBE), and ensuring that suppliers adhere to labor and environmental standards.

Vendor Management and Qualification: Setting policies for vendor selection, qualification, and management. This includes creating criteria for evaluating vendor performance, establishing mechanisms for vendor debarment or suspension, and setting standards for vendor ethical conduct.

Contract Management: Establishing guidelines for contract management to ensure that contracts are executed effectively and in compliance with state laws and policies. This includes setting standards for contract monitoring, reporting, and modifications.

Risk Management: Developing policies related to risk management in procurement activities, including the identification, assessment, and mitigation of procurement risks.

Training and Capacity Building: Establishing training programs and capacity-building initiatives for procurement and contract management staff and other relevant stakeholders. This ensures that procurement personnel are knowledgeable about policies, procedures, and best practices.

These responsibilities are critical for ensuring that the procurement processes within CalHHS are not only efficient and cost-effective but also adhere to the highest standards of integrity and public trust.

C. ROLE IN POLICY INFLUENCE (continued)

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

Procurement of IT continues to be amongst the most visible and politically sensitive issues and is the focus of ongoing scrutiny from the media and legislative attention at both the state and federal level. Decisions regarding procurement for IT projects are constantly under the spotlight. The APO must exercise sound judgement in determining decisions. The consequence of poor decision-making by this position could negatively affect the portfolio of projects within OTSI and CalHHS as a whole, the legislature, customer/ sponsor departments, and the citizens that are recipients of the programs supported by CalHHS.

The APO has the authority to make decisions as a member of the executive management team and influences matters on Agency-wide basis and ensures that the practices and policies provide the safeguarding of state and Agency resources.

Specifically, the scope of the APO responsibilities is to provide procurement and contract management expertise and services across CalHHS, through the utilization of procurement and contracting frameworks, policies, procedures and methodologies needed to acquire contracted resources allowing CalHHS departments and offices to achieve the strategies they set to run state business successfully.

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

As the lead Agency Level procurement official for CalHHS, the APO is expected to develop and implement new policy, as well interpret, guide, advise and lead revisions to existing policy due to changes in law, market conditions, or Agency priorities. The APO as a member of the executive management team will be expected to identify and advocate on statewide policy change to best serve the Agency, and statewide interests. As new policies are introduced or existing policies revised, the APO will provide guidance to OTSI and Agency procurement and contracting professionals on how to apply these policies and ensuring compliance.

Beyond policy development and interpretation, the APO will oversee the implementation of procurement policies across CalHHS departments and offices. This includes establishing processes, guidelines, and systems to ensure that procurement activities are conducted in accordance with the policies. Part of this responsibility is to ensure that procurement staff across the Agency are trained on procurement policies and procedures and to monitor compliance with these policies.